Discount Store Shoppers' Profile:

A Case Study from Turkey

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Abstract

Discount store retailing that rapidly expanded all around the world also reached to Turkey in 1990's and the concept became dominant in Turkish retail market during 2000's. Therefore, it is needed to have a wide range of research effort focuses on the profile of shoppers using discount retail services and their shopping preferences & motivations to select discounters as well. According to this situation, the profiles of discounter shoppers, their retail preferences & motivations to select discount retailers were identified in this research around the boundaries of a case study. DIASA and BIM that are the agents of "soft" and "hard" discount store concepts in Turkey were chosen and the field study was realized in Istanbul. Regarding the shoppers of these discounters, the similarities and differences of the research findings and the retail mix of the concept were revealed; also the study clarified the profile details in comparison to hard and soft discounters' shoppers. Thus, this study supplies theoretical and managerial contributions to the research field.

Keywords: Shopper Profile, Retailing, Discount Stores

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Introduction

Historical development of the retail sector in Turkey can be identified with five stages: The early years of the Republic, after World War II-1950s, 1970s, 1980s and early 1990s to the present.[1] Since, many retail structures in the world exist; the development of the market could be pursued basically as “organized” and “traditional” channels. In addition to this, Turkish retail industry, especially in the period after 1980-as similar with the world-, witnessed the development of the organized channel, and rapidly organized retail players has increased their importance in the competition.[2] In this context, the number of traditional channel outlets –groceries in general- decreased as the number of national and international chain stores has increased aggressively.[3]

In organized retail structure, outlets (In general, food and non-food selling stores) could be classified due to their sizes measured by m^2.[4] If this classification is explored in detail for Turkish retail market, it can be inferred that discount store concept intensity is particularly higher in <400 m^2 outlet class.[5]

Discount store concept which is also a rapidly spreading and popular retailing model in the world, has just began to operate in Turkey since 1995, and developed aggressively with the support of new entries and existing players of the industry.[6] In parallel, especially in the late 1990s and 2000s along with the economic crisis in Turkey, the shoppers’ demand to discount stores continued to increase.

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[1] Ülgen, Ö. (1999), “Türk Perakendecilik Sektörünün Senaryolar Yardımıyla Analizi”, (Unpublished Master Thesis), İstanbul Technical University, Institute of Science, İstanbul.
[2] Erdoğan, T. (2003), “Rekabet hukuku açısından perakende sektöründe alım gücü”, (Unpublished Thesis), Turkish Competition Authority, Istanbul.
[3] In Turkey, The number of groceries that is smaller than 50 m2 shrinked from 128.580 (2011) to 113.295 (2007) whereas the number of outlets bigger than 1000 m2 increased to 806 from 506. Source: AC Nielsen
[4] AC Nielsen classifies the outlets as the following: Hyperstores (>2500 m2), bigger superstores (2500-1000 m2), smaller superstores (1000-400 m2) and stores (<400 m2)
[5] Discounters such as BIM, DIASA and SOK are dominant in <400 m2 class with their number of outlets.
[6] Total number of <400 m2 outlets increased more than 2 times, from 2.299 (2001) to 5.544 (2007); this is the highest and sharp distribution growth compared to other formats. Source: AC Nielsen

Discount store dominancy that rose with the support of shoppers' demand growth has just led a new research field interested in shoppers' profile details and shopping behaviour. While, limited research effort has started to focus on this field in a global perspective, there is still no wide research stock regarding discount shoppers' profile & behaviour facts in Turkey. One of the main reasons could be the players of the concept in Turkey that are unwilling to share data with the researchers.[7] However, in order to define the right marketing strategies, it is still needed to be aware of the facts of the shoppers' profile and consumption trends as well.

The purpose of this study is having inference about Turkish discount store shoppers' profiles, preferences and motives of their retailer choices in comparison to hard and soft discounter formats. Which shopper segments, why and how do shop in these stores? What are the similarities and differences of these shopper segments in different discount store formats? The main research questions can be evaluated in this context.

1. Market Segmentation in Retailing, Retail Mix and Shoppers' Retailer Preferences

"Market segmentation is the process of dividing a large population of heterogeneous customers into smaller subsets of customers that share certain characteristics and respond differently to the marketing mix."[8] According to another definition, market segmentation could be seen as: "*Viewing a heterogeneous market as a number of smaller homogenous markets in response to differing product preferences among important market segments*."[9] According to the definitions above, changed consumer needs and markets' heterogeneity are the leading factors that create market

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[7] While organized retailers in Turkey are in collaboration with the research firms with sharing/selling their data, BIM-the leading discounter in Turkey- is not attending to this kind of collaboration with the research firms.
[8] Reid, R. and Bojanic D. (2005), **Hospitality Marketing Management**, 4th ed., Wiley, Hoboken, NJ, pp. 123
[9] Smith, W. (1956), "Product differentiation and market segmentation as alternative marketing strategies", **Journal of Marketing**, 21, pp. 3-8

segmentation need.[10] Therefore, in order to be successful in the application of marketing mix, the market should be divided into homogeneous subgroups. For the effectiveness of market segmentation strategies, the leading criterias are as followed: Size, measurability, reachability and performability.[11] Another important step is selecting the variables of segmentation for the right segmentation process. These variables are evaluated in 4 dimensions: Geographic, demographic, psychological and behavioural.[12] In addition to these, benefit segmentation is studied as another dimension in a different research.[13]

Due to the market segmentation variables, the market is divided to homogenous groups, products and services are positioned regarding the defined competitive advantage for the chosen market segments. In retail industry, there are a couple of differences compared to general market segmentation specialities in relation to types of retailers and shopper preferences.

Retailers vary due to their product categories, pricing strategies and organizational structures.[14] The reason of this variation could be noted as the retail mixes that are applied in relation to the marketing mixes reasoned by different consumer needs and wants. Retail mix is all the tools that a retailer uses in order to satisfy the targeted shoppers in line with its segmentation and marketing mix. These tools can be written as pricing, promotion, advertisement, location, store atmosphere & design. A typical retailer’s positioning and targeted shoppers are defined on the axis of these factor decisions. In conclusion, different retail mixes are defined due to different shopper segments and retailers vary due to the services that they differentiate. Shoppers also make their choices due to this differentiation.

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[10] Wedel, M., Kamakura, W. (2002), “Introduction to the special issue on market segmentation”, **International Journal of Research in Marketing**, Vol. 19, pp.181-183.

[11] Bojanic, D. (2007), “Customer profile of the “carryout” segment for restaurants”, **International Journal of Contemporary Hospitality Management**, Vol. 19, No:1, pp. 22

[12] Kotler, P. and Armstrong, G. (2004), **Principles of Marketing**, 10th Edition, Pearson Prentice Hall, pp. 239-250.

[13] Bojanic, Ibid., pp. 23

[14] Kotler, Ibid., pp. 435-441

Mostly, researchers focused on shoppers' preferences and searched for the reasons to select different retailing formats. One of the most accepted theories is "Central Location Theory". According to this theory, shoppers prefer the closest outlets for shopping.[15] In addition to this, there are other researches that point out the retailer brand image as the most critical factor that shapes the shoppers' preferences.[16] In this aspect, shoppers can differentiate their store selection despite it's not the closest one to their location.

In literature, it is clearly stated that shoppers basically seek for maximizing their satisfaction in decision making process. Related to this perspective, shoppers make their decisions with evaluating all the dimensions such as shopping cost (money, time and energy), functional benefit (suitable, service quality) and shopping experience (prestige, satisfaction).[17] Thus, retailer selection is a complicated process including so many dimensions.[18] In evaluation to their priorities, shoppers prefer the one from the list of different retailer brands proposing different retail mixes.[19] These preferences create different shopping behaviours as well. Then, *"shopping behaviour is linked to the shoppers' decisions to use their owned values in order to maximize their need satisfaction."*[20]

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[15] Craig, S., Ghosh, A. and Mclafferty, S. (1984), "Models of retail location process: A review", **Journal of Retailing**, Vol. 60, pp. 5-36

[16] Erdem, O., Oumlil, A.B. and Tuncalp, S. (1999), "Consumer values and the importance of store attributes", **International Journal of retail&distribution management**, Vol. 27, No:4, pp.137-44

Samli, A.C. (1998), **Strategic marketing for success in retailing**, Quorum Books, Westport, CT.

[17] Kim, Y-K and Kang, J. (1995), "Consumer perception of shopping costs and its relationship with retail trends", **Journal of Shopping Center Research**, Vol.2, No:1, pp. 27-61

[18] Jin, B., Kim, J.O., (2003), "A typology of Korean discount shoppers: Shopping motives, store attributes and outcomes", **International Journal of Service Industry Management**, Vol. 14, No. 4, pp. 396-419

[19] Kim, J.O., Jin, B. (2001), "Korean consumers' patronage of discount stores: domestic vs multinational discount store shoppers' profiles", **Journal of Consumer Marketing**, Vol. 1, No.3, pp.236-55

[20] Tolon, M., (2007), "Perakendeci mağaza müşterilerinin tatmininin ölçülmesi: Yapay sinir ağları yaklaşımı", **Gazi University İ.İ.B.F. Journal**, Vol.3, Sy. 1-19

2. Discount Store Retailing in the World & Turkey

Under discount retailing concept, products are served to the shoppers with minimum service attributes, high sales volume and lower prices as much as possible. In order to be successful in this concept, retailers decrease their costs as much as they can, stores are modelled/designed with minimal service tools and low rental costs.[21] This kind of retailers can be structured with general product assortment or specialized in a product range.

Especially in 1980's, Discount store retailing started to increase its market share with its low cost oriented-strong retailing mix and also expanded globally. This rapid growth was a significant indicator of the organized retailing evolution as well.

Discounters that were formulated by low cost-high sales volume strategy gained popularity in USA especially after World War II, between 1950's-1980's. Important players such as Wal-Mart, K-Mart and Target started to operate in 1960's and grew strongly. After 1980, the examples like Wal-Mart gained a multinational identity with their international expansion around the world.

In European market, one of the most important representatives of discount retailing concept is ALDI. Similar to the players of US market, it started to operate after World War II and named as ALDI in 1962. With its internationalization phase in 1970's and 1980's, ALDI turned to be one of the leading discounters in Europe retail market. In contrast to US discounters, ALDI limited its store space (<1000 m^2), tried to reach all potential shoppers as much as possible and differentiated its retailing mix with limited product assortment, minimum service attributes and higher own brands ratio which is a need to be a real hard discounter.

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[21] Kotler, Ibid., pp. 438.

As it is perceived by European and US examples, discount store retailers are also being differentiated mainly as "Soft" or "Hard" discounters. This differentiation is reasoned with the following factors: product variety, operational costs, pricing level and private labelled product ratio in the assortments.[22]

In hard discounter concept retailing (like German ALDI, Danish NETTO), the variety of product is limited as much as possible (<1000 SKU), private labelled (or own brand) product ratio in the assortment could be increased by 90%. Therefore, operational cost could be managed in lower levels compared to a typical soft discounter's. That's why hard discounters are offering much more competitive prices to the shoppers. In soft discounter concept retailing (French DIA, Norwegian RIMI), product variety can be increased till 3.000 SKU's, private labelled product ratio could be stayed under the level of 50%.[23]

Discount store retailing concept was imported to Turkey by BIM, actually modelled with ALDI's structure. Similar to ALDI, BIM increased its share in the market with limited product variety (<600 SKU), low service facilities, high own brand product ratio and "low cost" communication. Thus, this structure represents a typical hard discounter concept as we explained above. This fact is also referred in BIM's official webpage.

BIM started to operate in 1995 and aggressively increased the number of its outlets, tried to reach all the potential districts with limited store sizes. (<400 m^2 mostly) Since the market faced other discounters' new entries, discounter format dominancy in the total Turkish retail market increased significantly.

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[22] Colla, E. (2003), "International expansion and strategies of discount grocery retailers: the winning models**",** **International Journal of Retail&Distribution Management**, Vol.31, No.1, pp. 55-66
[23] Denstadli, J.M., Lines, R., Gronhaug, K., (2005), "First mover advantages in the discount grocery industry, **European Journal of Marketing**, Vol.39, No.7/8, pp. 872-84

The other discounter that entered to Turkish retail market is DIASA. French retailer set collaboration with a local business group, Sabancı and invested to increase the number of its outlets. As a differentiation from the leading player –BIM-, DIASA operates in Turkish market with its original soft discounter concept like DIA did in Europe. (Nowadays, the brand is merged with the other Turkish discounter player, Şok.) Thus, we may conclude that Turkish retail market turned to be more competitive with these entries.

3. Research Methodology

In order to clarify the discount shoppers' profile, this study is designed mainly with descriptive purpose and to gain more shopper insight regarding preferences & motives in comparison to different discounter formats, exploration is assigned as well. Unit of analysis is the individuals named as the real hard and soft discounter shoppers.

In this study, face to face questionnaire is used to collect quantitative data. In this context, the real shoppers were met in front of the selected discounters' doors and the questionnaire is applied if they did any shopping from the discounter outlet. Before starting to the field study, the questionnaire design is checked with a focus group discussion to make it more comprehensible and easy to answer. In parallel to the assumption that there would be a limitation on timing during the field study, the questionnaire form was kept shorter as much as possible. In the content of the questionnaire, the flow starts with demographic information and continues with the focus of the shoppers' reasons & motivations to choose discount stores.

As a case study, Istanbul which is the most crowded city of Turkey is selected as the field of the research. While determining the stores to be applied for the research, a wide range of compliance study is implemented. Then, the leader hard discounter BIM and soft discounter DİASA are selected whose outlets are so near in our research districts.

In addition to this, selected outlets were also closer to the national key accounts to understand the shoppers' channel decisions.

Due to our research objectives, 4 outlets are selected in 2 different districts (Maltepe and Kartal) 2 outlets for DİASA and 2 outlets for BİM. Thus, we would be able to evaluate the results about "soft" and "hard" discounter formats' similarities and differences regarding the shoppers' choices. (Actually BIM was the only hard discounter in the market during the field study date and DIASA was one of the leading retailers in "Soft" concept)

During the data collection phase, 3 main time intervals are selected: a) in the morning b) during the noon c) in the evening; these time intervals are applied with weekdays and weekend classification. Thus, it is aimed to reach all the findings regarding the shopping time effect during the week. Quantitative research data collected with the field study is analysed using SPSS program version 15.0.

4. Research Findings

Totally, 142 shoppers answered the questionnaire in 4 outlets, 2 different locations. The sampling details regarding the time intervals, retailers and districts are shown below:

Table 4.1: Sampling Details

	Total	**BİM**	**DİASA**
Kartal	76	42	34
Maltepe	66	36	30
N	142	78	64
Weekdays	82	46	36
Weekends	60	32	28
N	142	78	64
9-12 a.m.	26	20	6
12-04 p.m.	52	26	26
04.-08. p.m.	64	32	32
N	142	78	64

Research findings can be summarized by 3 main topics: Demographic, retailer preferences and shopping motives in retailer selection.

4. 1. Demographic Profile Details

In relation to the profile details of discount shoppers, demographic variables were asked in the first section of the questionnaire. Thus, demographic variables were collected and analysed in the research.

Table 4.2: Demographic Results

Variable	Category	%BİM	%DİASA	x^2	Sig.
Gender	**Woman**	64	59	0,333	0,564
	Male	36	41		
	Total	100	100		
	N=	78	64		
Age	**19–24**	7,6	6,2	2,04	0,564
	25–34	17,9	21,8		
	35–49	35,8	43,7		
	50+	38,4	28,1		
	Total	100	100		
	N=	78	64		
Family Structure	**Alone**	6,4	4,6	2,577	0,462
	2 members	10,2	6,2		
	3 members	16,6	26,5		
	4+	66,6	62,5		
	Total	100	100		
	N=	78	64		
Education	**Primary**	12,8	12,5	12,197	0,007
	Secondary	29,5	15,6		
	High	39,7	28,1		
	Undergrad.	17,9	43,7		
	Total	100	100		
	N=	78	64		
Occupation (ISCO-68)	**Professionals**	7,6	3,1	17,161	0,028
	Managers	2,5	0		
	White Collar	12,8	35,9		
	Trade & Sales	1,2	0		

	Serv. Work.	2,5	6,2		
	Prod. Work.	1,2	3,1		
	Unemployed	47,4	34,3		
	Student	2,5	0,6		
	Retired	21,7	12,5		
	Total	100	100		
	N=	78	64		

Our data set that is collected with the field study is analysed with the shopper classification of "Soft" and "Hard" discounter concept which are represented by DİASA and BİM respectively.

When the gender variable is studied (which is a fact of demographic characteristic), it is observed that woman intensity is stronger in our discount shoppers' sample. However, when the related chi-square value is evaluated, there is no relation between gender and retailer brand/format in 5% significancy level.

Related to age variable, the research sample has a set of shoppers that contains a weight over 35 year old age. However, there is no relation between age and retailer brand in 5% significancy level as well. Thus, we cannot conclude that there is a differentiation (nor similarity) of age distribution between retailer's shoppers. (Hard vs Soft Concept)

Moreover, there is an intensity of family members that have children more than 1 in our sample both for the 2 retailers. But, there is no significancy for this dimension, too.

On the other hand, there are 2 variables that we can reach the significant relationship: Education and occupation. The respondent ratio that has high school or higher educational level is higher for DİASA compared to BİM. (71,8% and 57,6% respectively) The relationship (Retailer brand and shopper educational level) is significant at 5% level. The association degree is 29% (Sig: 0,007; Cramer's V: 0,293)

Occupation variable is classified depending on ISCO-68 and research data is applied due to this classification. In this measurement, White collar people ratio is higher for DİASA and unemployed ratio is lower as well. The relationship between retailer brand (representing soft and hard concept shoppers) and occupation is significant. (Sig: 0,028; Cramer's V: 0,348) Additionally, the weight of unemployed shoppers (mostly women) and retired respondents are higher in our sample data.

4. 2. Retailer Preferences

In addition to demographic variables, our study focused on the retailer preferences of the shoppers. Within the framework of this section, the study focuses on shoppers' retailer choices, loyalty levels, the level of discounter service usage, frequency of outlet visit, the degree of shifting to different retailers and awareness of the competitors as well.

Table 4.3: Retailer Preferences

	Retailer	%BİM	%DİASA	x^2	Sig.
1st Retailer Choice	**Migros**	10,2	7,8	43,487	0
	Tansaş	8,9	3,1		
	Carrefour	7,6	20,3		
	Car. Exp.	0	1,5		
	Dia	6,4	37,5		
	BİM	50	12,5		
	Şok	3,8	7,8		
	Local	7,6	9,3		
	Not Sure	5,1	0		
	Total	100	100		
	N=	78	64		
2nd Retailer Choice	**Migros**	8,9	7,8	32,44	0,001
	Tansaş	6,4	12,5		
	Carrefour	2,5	9,3		
	Car. Exp.	1,2	0		
	Kipa	1,2	0		
	Dia	12,8	42,1		
	Real	0	1,5		

	Kiler	2,5	0		
	BİM	23	10,9		
	Şok	8,9	4,6		
	Local	20,5	4,6		
	Not Sure	11,5	6,2		
	Total	100	100		
	N=	78	64		
Frequency of Visit	**>1 per Week**	84,6	87,5	0,732	0,866
(All Retailers)	**=1 per Week**	10,2	9,3		
	<1 per Week	3,8	1,5		
	Not Sure	1,2	1,5		
	Total	100	100		
	N=	78	64		
Frequency of Visit	**>1 per Week**	67,9	71,8	1,489	0,68
(Only Discounters)	**=1 per Week**	17,9	17,1		
	<1 per Week	12,8	7,8		
	Not Sure	1,2	3,1		
	Total	100	100		
	N=	78	64		
Awareness	**don’t know**	6,4	3,1	3,863	0,145
(Other Discounter)	**don’t use**	17,9	31,2		
	using	75,6	65,6		
	Total	100	100		
	N=	78	64		

One of the questions that are asked to the shoppers is about their most preferred retailer brand. Due to the survey result, shoppers of BIM outlets have higher loyalty compared to the shoppers using DIASA. (The most visited retailer ratio is 50% for BIM and 37,5% for DIASA) In addition to this, particular attention should be paid to the result that the respondents pointing out different retailers as the first choice also visit BIM as a secondary retailer brand. 10,2% of the total BIM shoppers pointed out Migros as the first retailer choice.

While, first retailer choice ratio of the DIASA shoppers is lower for DIASA compared to BIM, 20,3% of the total DIASA shoppers’ first choices are Carrefour which is a hyper format retailer in the market. On the other hand, There is a proportion of the sample that visits BIM but also selects DIASA as the primary brand with 6,4% ratio and in contrast situation, the ratio is 12,5% (visits DIASA and selects BIM as the primary brand) This is a signal that points out the shared shopper segment by the 2 discounter formats. (Hard and soft) The degree of relationship is 55% which is significant in 5% level.

The other searched question is the second choices of the shoppers. One critical result is that DIASA shoppers mostly prefer DIASA as the secondary retailer while this ratio is lower for BIM. (42,1% of DIASA shoppers choose DIASA as the secondary retailer) Shoppers of BIM are mostly using local retailers as the secondary choice.

Moreover, the shoppers' secondary retailer brands are questioned as well. 34% of the shoppers that named BIM as their first choice also pointed out DIASA as the secondary retailer. Similar to this fact, 34,4% of the shoppers that named DIASA as their first choice answered BIM as the secondary one. Thus, it seems that there is a significant proportion of shoppers that is very interested in discounter format service and can be shifted to the retailer brands due to the occasions. Additionally, it is strange that 63% of the shoppers that select Carrefour as the first choice record their secondary retailer as a discounter. That means, hyper format shoppers are not only depending to one format, they are also using discounter formats. The results are significant at 5% level. (Sig: 0,001; Cramer's V: 0,48)

In the previous part, we concluded that there is a significant relationship between education and discounter brand selection. (BIM vs DIASA) In parallel, when we questioned the most preferred retailer brands of the sample, it is noted that undergraduate and graduate level educated shopper ratio is 42% for DIASA and 17% for BIM. Thus, it could be stated that the shoppers that mostly prefer DIASA have higher education level compared to the ones prefers mostly BIM.

Another questioned dimension is about shopping frequency. The survey is conducted with 2 critical frequency questions: general shopping frequency including all the retailer formats and discounter visits as well. Both for the 2 frequency figures, the shoppers mostly visit the retailers more than once a week. (84,6% and 67,9% respectively) So, it is clear that shoppers' visit the outlets in a short time interval. However, there is no differentiation between DIASA and BIM shoppers regarding the shopping frequency. (Sig: ,866 and 0,68)

Discounter shoppers mostly aware of the other discounter brands and visits more than 1 discounter brand as well. (BIM=>DIASA; DIASA=>BIM) This information also supports the fact of shifting to competitors.

On the other hand, the survey questioned the retailer brands that the shoppers visited lately. In this respect, the link between their stated preferences and their experiences is examined.

Table 4.4: Latest Outlet Visits of the Shoppers

	Retailer	**%BİM**	**%DİASA**	x^2	**Sig.**
Previous Visit	**Migros**	8,9	9,5	15,123	0,177
	Tansaş	12,8	4,7		
	Carrefour	5,1	19		
	Car. Exp.	0	1,5		
	Dia	21,7	20,6		
	Real	0	1,5		
	Kiler	1,2	0		
	BİM	16,6	19		
	Lokal	23	12,6		
	Şok	7,6	7,9		
	Don't remb.	2,5	3,1		
	Total	100	100		
	N=	78	64		

Two Previous Visit	**Migros**	8,9	0	15,74	0,04
	Tansaş	8,9	4,7		
	Carrefour	7,6	15,8		
	Dia	7,6	19		
	Kiler	2,5	1,5		
	BİM	6,4	14,2		
	Lokal	15,3	9,5		
	Şok	7,6	7,9		
	Don't remb.	34,6	28,5		
	Total	100	100		
	N=	78	64		

In comparison to the last 3 shopping visits of the respondents, BIM sample's previous and 2 previous shopping visits are again made to BIM with the ratios by 16,6% and 6,4% respectively. These ratios are 20,6% and 19% for DIASA sample. (20,6% and 19% of DIASA shoppers visit DIASA with the previous and 2 previous shoppings)

In the previous part, we noted that BIM sample is more loyal in relation to their first and second retailer brand choices. However, DIASA shoppers previous visits ratio to DIASA is higher compared to BIM sample regarding the experiences that they stated. (51% of the shoppers that stated DIASA as the most preferred retailer brand visited again DIASA in their previous shopping whereas this ratio is 36% for BIM sample. Additionally, 21,7% of BIM sample's previous shopping visits were done to DIASA and in contrast ratio is 19%)

In previous shopping visit figures, BIM sample visits heavily local stores as well. (23% for previous visit and 15,3% for 2 previous visit) In addition, DIASA sample's visit to Carrefour has a significant share (19% and 15,8%) pointing out the dual retailer usage.

4. 3. Shopping Motives of the Retailer Choices

This research focused on the reasons, motivations in retailer selection of the shoppers as well. In this respect, the variables (factors) that shape the preferences examined in detail and the reasons, expectations of the sample are clarified.

Table 4.5: Factors Affecting the Retailer (In General) Choices

Criteria*	BİM	DİASA	*T*	Sig.
Price	4,7	4,35	2,523	0,013
Quality	4,55	4,79	-2,249	0,026
Store Atmosphere	3,71	3,65	0,325	0,06
Attitudes of the Employees	4,19	4,18	0,29	0,977
Variety of Product	4,23	4,14	0,583	0,561
Location	4,56	4,62	-0,466	0,642
Parking	2,03	2,39	-1,36	0,176
N=	78	64		

Likert Scale (5 Very important, 1 Not important)

While the factors are reviewed, a couple of differences are perceived regarding to BIM and DIASA samples comparison. BIM sample mostly attaches importance to price, location and quality respectively whereas this order is arranged as quality, location and price for DIASA sample. For the assigned t-test values, these differences are significant for price and quality. Thus, we can conclude that BIM sample is more price conscious while DIASA sample is more attached to quality. Location is also very critical for the 2 samples.

Another focused dimension of this part is about the reasons of the shoppers' retailer choices. As we know that the outlets of BIM and DIASA that we assigned for the field study were so close to each other (almost in the same streets), the study questioned all the leading reasons affecting the discounter choices. Due to the answers, the main reasons and the comparison are noted on the table below.

Table 4.6: The first Reason to Choose Discounters

Reason to Choose	%BİM	%DİASA	x^2	Sig.
Lower prices compared to others	71,7	39	25,448	0,000
Higher product quality	7,6	3,1		
Better Store Atmosphere	1,2	0		
Positive Attitudes of the Emp.	0	0		
Better Variety of Product	0	3,1		
Close Location	16,6	53,1		
Others	0	0		
NA	3,1	1,5		
Total	100	100		
N=	78	64		

In evaluation to the results above, the leading reason to choose discounter is “Price” in total sample as it could be expected. But the valuable data is that “price” is the highest “first reason” for BIM which represents “Hard Discounter” speciality and “Location” has the highest score for DIASA which represents “Soft Discounter” speciality. That means soft discounter shoppers are aware of the retailer mix difference between BIM and DIASA and they are not price sensitive as much as the hard discounter shoppers. This reality can be perceived also in “factors” table, 4.5 . (Price score is 4,70 for BIM and 4,35 for DIASA) These results are significant at 0,05 level. (Sig: 0,00 and Cramer’s V: 0,42)

Table 4.7: The Second Reason to Choose Discounters

Reason to Choose	%BİM	%DİASA	x^2	Sig.
Lower prices compared to others	16,8	31,2	17,167	0,02
Higher product quality	7,7	10,9		
Better Store Atmosphere	2,5	3,1		
Positive Attitudes of the Emp.	3,8	0		
Better Variety of Product	2,5	14		
Close Location	48	28,1		
Others	1,2	1,5		
NA	16,8	10,9		
Total	100	100		
N=	78	64		

The second reason of the retailer choice is also asked to the samples. Then, the shoppers of the hard discounter (BIM) mostly answered as "location". In contrast, it is "Price" for soft discount shoppers, "DIASA". In addition, "Variety of Product" factor noted as higher importance for DIASA shoppers. This is also aligned regarding to the nature of soft discounter retailer mix compared to hard discounter's. (Sig: 0,02 and Cramer's V: 0,350)

"Satisfaction" is another dimension that should be focused. In relation to this, the research questioned the unsatisfied needs (That could be also called the "deficiencies") that the samples observed compared to other retailer services. Thus, these observed deficiencies could be seen as the weak points of the discounters' retailer mixes. The responses to the question of observed deficiencies of the discounters are summarized on the table below.

Table 4.8: The First Observed Deficiency of the Discounter

Deficiency	%BİM	%DİASA	x^2	Sig.
Higher prices	0	10,9	20,169	0,005
Limited Product Variety	50	45,3		
Store Location (Not so close)	0	1,5		
Negative Attitudes of the Emp.	3,8	7,8		
Low Quality of Atmosphere	12,8	9,3		
Low Product Quality	23	6,2		
Others	0	1,5		
No observed deficiency	10,2	17,1		
Total	100	100		
N=	78	64		

"Limited product variety" has the highest score both for BIM & DIASA and this is an expected reflexion of a discounter's retail mix by natural. As we know that the product variety is more limited for hard discounters, BIM sample's observation to this deficiency is higher compared to DIASA's. "Low product quality" and "store atmosphere" scores are also higher for BIM. These are all relevant to the concept differences and that's why shoppers are aware of these deficiencies. (BIM's own label assortment is comparatively higher while DIASA's assortment is more leader brands oriented)

Table 4.9: The Second Observed Deficiency of the Discounter

Deficiency	%BİM	%DİASA	x^2	Sig.
Higher prices	2,5	3,1	14,574	0,042
Limited Product Variety	19,2	9,3		
Store Location	0	1,5		
Negative Attitudes of the Emp.	1,2	4,6		
Low Quality of Atmosphere	7,6	6,2		
Low Product Quality	26,9	9,3		
Others	1,2	3,1		
No other observed deficiency	41	62,5		
Total	100	100		
N=	78	64		

The second most observed deficiency is "low product quality" for hard discount shoppers while they are "limited product variety" and "low product quality" for soft discounter shoppers. In comparison, scores are so low for DIASA sample. Additionally, shoppers with high proportions both did not complaint about a second deficiency.

5. Discussion of the Outputs

5.1. Demographic

Both for the existing firms and potential new entries, it is critical to be aware of the shoppers' profile facts. As it is pointed out in the literature review part, there is a lack of research focused on this area while it is a rising trend in the global retail environment.

Thus, this research could represent the Turkish case with the following demographic outputs below:

- Discount stores' shoppers have the density of woman related to this research's field study and this is in parallel to the retail environment as well.

- Due to the sample's age distribution, it can be concluded that discount stores' shoppers are mostly older than +35.

- In connection to the age distribution, large family members are also dominant.

- In most of the arguments, professionals believe that discount store shoppers have a lower education level. But, it is observed that high school and +high school educated shoppers have a strong proportion in our case. Infact, this ratio could have a volatility depending on the districts. However, this study revealed that higher educated segments are also demanding this retailer format in the market.

- Moreover, there is a relationship between education and discount store formats. (Hard or soft) Shoppers of DIASA (Soft discounter) significantly have higher education compared to shoppers of BIM (Hard discounter).

- Similar to education, White collar professionals' density is higher for the soft discounter, DIASA.

5.2. Retailer Preferences

Retailer preferences are also heavily questioned in this study. According to this part, loyalty level of shoppers, responses to the different discounter formats and the other retailer formats, shopping frequencies and shoppers' awareness of the discounters are examined.

- The first observed fact is shoppers' dual retailer usage or their multi retailer usage in a weekly basis. The research field study is conducted in a special area that contains both different format discounters and retailers which are very close to each other. Discount retailers can attract shoppers that state other format retailers as the first preference. Thus, discount store concept should be seen as a serious rival for all other format retailers and they still have potential to grow as their western examples did before.

- Especially, the shoppers that stated Carrefour as their first retailer preference mostly visit discounters weekly. Therefore, this fact can inform us about the behaviour of visiting the hyper formats for general shopping and using discounters for the instant needs. Discounters could be seen as the modern groceries in this decade. That's why they are frequently visiting these discounters.

- Loyalty levels also examined in this study for hard and soft concept discounters. Due to the question regarding the most preferred retailer, the ratio is higher for BIM in comparison to DIASA. However, DIASA shoppers' past visits to the same retailer is higher compared to BIM.

- In general, it can be concluded that there is a significant dual usage of soft and hard discount formats. Hence, shoppers both visit BIM and DIASA outlets periodically and they are aware of these retailers.

5.3. Motives of the Choices

In the final part of the research, we focused on the factors affecting shoppers' retailer selection. Indeed, this is valuable information for the firms competing in this environment and also could be an input to construct better retail mixes.

- Shoppers of the 2 discounter formats pointed out the most critical factors as pricing, location and quality. But the order of the factors varies depending on soft and hard discounters. For instance, shoppers of BIM attach importance more heavily to price whereas it is product quality for the shoppers of DIASA.

- Regarding the shopper preference factors, a discounter that wants to be successful in Turkish market should focus on high quality products with low pricing and filling the potential locations as a result of discounter retail mix nature. Shoppers mostly prefer the right location rather than retailer brand if the retail mix is the right one for them.[24]

- The reasons of retailer brand choices were also questioned. Location is more critical for DIASA rather than pricing. Thus, they are less price sensitive compared to the shoppers of hard discounters. (In parallel to the literature)
- Unsatisfied needs still exist on discounters' agenda. The leading deficiency that shoppers pointed out is limited product variety. In addition to this, it is understood that while hard discounters limit their branded assortments and increasing the own brand ratio on their portfolio, it turns to a factor that increases unsatisfied shoppers. Special terms could be used to serve these variety seeking shoppers with limited branded products.

6. Contribution & Limitation of the Research and Notes for the Future Potential Researches

This research includes outputs regarding the shoppers' profile of the discounters in Turkey and these outputs can be implemented for theoretical and practical areas related to customer segmentation, retail mix and customer satisfaction. Therefore, retailers can evaluate the results and guide their strategic and operational decisions. In theoretical perspective, this study focused on the similarities and differences of discount store formats' retailing mixes. In addition to this, the research should be evaluated with a couple of limitations explained below.

In order to represent the universe (All discount store shoppers in Turkey) in a closer aspect, it is needed to work with wider samples because of the fact that our research has a limited sampling. The survey is done in front of the discounters' doors with the

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[24] Koo, D.M., (2003), "Inter-relationships among store images, store satisfaction and store loyalty among Korea discount retail patrons", **Asia Pacific Journal of Marketing and Logistic**, Vol.15, No.4, pp.42-71

consents of the shoppers. Thus, the shoppers who did not allowed us to apply the questionnaire are out of our span.

The research contributed to the knowledge related to the profile researches of discounter's shoppers. For the upcoming researches, income segments can be studied deeply in order to understand whole universe's different layers. Additionally, the profiles of different markets' shoppers can be compared in an international perspective. (For instance, the profile of discounters' shoppers in emerging markets) This will be valuable information for the international competition as well. Moreover, qualitative research models can be conducted in order to understand the key insights of the shoppers.

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