INFLUENCE OF PRODUCT ASSORTMENT ON CONSUMER PREFERENCE IN STORE SELECTION: A CASE OF SUPERMARKETS IN NAIROBI

BY

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DECLARATION

This Research Project is my Original work and has not been presented for a degree in any other University.

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This Research Project has been submitted for examination with my approval as the University Supervisor.

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To my dear wife Cynthia Njambi Okwany for understanding, support and inspiration through this programme. To my two lovely sons Tuji and Kwaji for their true companionship and joyous moments

I love them.

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ABSTRACT

The Study Research sought to determine the influence of product assortment in consumer's choice of store. Furthermore, it aimed at identifying the relative importance of other factors that influence choice of store. The survey research design was used in data collection. The population of consumers consisted of regular shoppers randomly selected in large, medium and small sized supermarkets. Fifty supermarkets picked randomly from three clusters (large, medium and small) within Nairobi, were surveyed. There was no list available for all consumers. A sample of three hundred and thirty respondents
(one hundred and ten from each cluster) was selected from fifty supermarkets.

The research findings draw appropriate conclusions in line with the objectives of the study. The findings revealed that the product assortment consistency is the most important factor in determining shoppers store choice in Nairobi, compared to other product assortment handles (width, length and depth), with a lot of significance in marketing. Other important factors in store choice include, prices of goods offered, and location of supermarket.
In view of the study limitations, further research studies could look into the other sectors of the retail industry. It also recommends that other reference groups could be studied.

CHAPTER ONE

INTRODUCTION

1.1 Background

Using the product assortment to gain a sustainable differentiation is becoming increasingly difficult in the current retail environment and is likely to become even more challenging as the importance of location continues to decline and share of internet-based retailing increases, (Alba et al,1997). Supermarkets just as industrial and institutional buyers spend large sums of money on acquisition of merchandise and is recognized due to its potential contribution to profitability through cutting costs (lysons, 1996).

The government of Kenya adopted structural adjustment programme (SAPs) through the publication of sessional paper No. 1 of 1986 on Economic management and renewed growth. These reforms included removal of all import licensing, price, decontrols, foreign exchange controls, and reforms on investment incentives, public enterprise, guidelines and the financial system. This led to economic liberalization.

African countries have been forced to enter into regional economic integration, hence formation of regional groupings such as, Preferential Trade Area, East African Communities and Common markets for East and Southern Africa. This has enabled supermarkets in Kenya to have access to multiple sources of merchandise from different manufacturers in the region and also from elsewhere. As a result, Supermarkets have to make decisions whether to source for merchandise from local, national or international manufacturers (Masese, 2001).

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On visiting different supermarkets it is evident that merchandise content differs. For instance Uchumi and Nakumatt supermarkets do not stock the softa brands of soft drinks from Kuguru Foods Company, Tuskermatt supermarket and Chandarana supermarket do not stock hostess from Unga company, Nakumatt until recently was only stocking imported sugar, (Masese 2001).

There are also products found in almost all supermarkets. Unilever company products such as blue band are available in almost all supermarkets.

Westbrook (1981) noted that there are usually two broad based categories of retail –related experiences which are considered important to customers and which greatly influence them in evaluating service quality in a retailing setting. These experiences included in-store experience and the experience related to merchandise. Hence both variety and assortment have effect on pulling customers to the retail outlet. Uchumi and Nakumatt supermarkets have used this strategy to attract customers. For example, Uchumi Supermarkets Limited in 2002 registered a 1.1% growth in gross turnover over the previous year's turnover following initiatives undertaken by management in terms of partnership with some of their suppliers and hence improvement of their product mix estimated at over 6000 items (Annual report and Accounts-Uchumi Supermarkets Limited 2002)

Supermarkets have made efforts to enhance the ultimate customer satisfaction by providing different types of merchandise from different manufacturers through variety and assortment. Randall, (1994) asserts that the nub of the problem for manufacturers is that most markets of retailers do not need all manufacturers to supply them. Since in today's crowded markets obtaining adequate distribution is a necessary condition for success but the balance of power seems to have swung towards retailer particularly as concentration increases.

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Uchumi and Nakumatt supermarkets have several branches in different towns in Kenya. Obviously most manufacturers need distributors and do buyers and consumers. The very existence of intermediaries shows that they fulfill a useful economic role; all parts of the system live together in a way a biologist calls symbiotic (Rosenbloom 1995).

Randall (1994) asserts that what is certain is that retailing has become one of the most dynamic sectors of the economy. Although retailers have bargaining power, so do consumers; in particular the traditional strength of the brand is the most valuable tool as it offers retailers the opportunity of drawing customers not only for that brand but all the other goods on offer (Masese 2001).

The quality of merchandise in terms of performance and conformance and other support services like on time delivery have an impact on the satisfaction of the final consumer and supplier. In order for manufacturers to obtain a real competitive advantage they must understand the retailers' interest in supplier selection (Rosenbloom 1995)

According to Morianty (1989), information systems, which help improve efficiency and effectiveness of marketing activities, have a direct impact on the bottom line of the company's competitiveness. Randall (1994) asserts that in developed countries like the United States of America, United Kingdom and Japan, the level of information technology is considered important by the retailers in selection of suppliers of merchandise that is, the manufacturers' ability and adaptability to world class concepts like, Just in time, Total Quality Management, Direct Store Delivery, Direct Product Profitability, Electronic Point Of Sale and Electronic Data Interchange.

Retailing through supermarkets is a relatively new phenomenon in Kenya. Uchumi and Ebrahims were founded in the 1970s Lagat (1995). Later on, Nakumatt, Jack and Jill, Jamia, Shaflus, Sunbeam, Tusker, Ukwala among others were established Wambugu (2002). However, many of them have since folded up and Uchumi, Nakumatt, Ukwala and Tusker have remained as the largest chains Kyalo (2001). The supermarkets now operate within a dynamic retailing industry in Kenya. It is one characterized by increasing price competition, falling gross margins and returns and the closure of independent and medium – sized outlets as the industry continues to rationalize itself and become more concentrated. The implication to the supermarkets is that they have to cope with increasingly tighter conditions (Lagat 1995).

The retail sector, where supermarkets fall is a very competitive one. This calls for the differentiation of offers and better services than those of competitors. To successfully manage a supermarket in the current environment, there is thus need to be sensitive to the changing needs of customers. This will enable the marketing management to adapt accordingly and retain loyal customers Davidson (1988). In the case of supermarket chains, a way out is to build themselves as brands and target to retain brand loyal customers (Lagat 1995).

In the supermarket business just like any other, companies are today doing a lot in order to not only build loyalty in their brands, but to lengthen and deepen their product assortment. Today marketing managers are concerned with a growing trend towards declining brand loyalty. Among the reasons given for this trend include consumer boredom or dissatisfaction with a product, the dazzling array of new products that constantly appear in the market place and increased concern with price at the expense of brand loyalty, Wambugu (2002).

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Marketers are responding by upgrading their brands to distinguish them, and even promoting them more aggressively, Janofsky (1993). Uchumi supermarkets have re-packaged products like rice, sugar and milk to lengthen and deepen their product assortment. In the soft drink industry, coca- cola recently introduced bottled mineral water (Dasani) so as to enhance their competitiveness within this industry.

Assaels (1998) asserts that many customers would want to shop in one place for all items. This is due to scarcity of time. Repeat purchasing will enhance commitment and eventually loyalty. Store loyalty is the major reward for marketers (supermarkets included) who take care of such factors since this helps them to retain customers (Bearden 1995).

Indeed, any product and style that prove popular are rapidly adopted by other retailers. As the share of electronic commerce and catalogs increases, achieving significant differentiation through assortment is likely to become even more challenging (Alba et al, 1997). one would be hard-pressed to find significant differences between the book selections of Amazon.com and Barnes & Noble.com. Despite these trends worldwide, concluding that product assortment that is, the total set of items offered by a retailer, reflecting both the breadth and depth of offered product lines, will become an important non-factor in retail competition, may be premature.

1.2   Statement of the problem

In the supermarket business the need to enhance brand loyalty has not increased as a result of competition alone. Customers have also changed. They have become more confident, more ready to experiment and trust their own judgment; they have less disposable income and are more worldly wise, (Baker, 1992).

They are more demanding and have strong views on what gives them satisfaction but less tolerant of goods and services that do not live up to their expectations. Other aspects which have posed major challenges to supermarkets in Kenya include political transition in the country, low consumer disposable incomes, high inflation rates, low per capita income and product assortment supply and demand.

Product assortment (mix) is a major strategy for the supermarket chain, in Kenya to day as exemplified by Uchumi supermarkets limited, which in year 2002, opened new outlets in both Nairobi and in other towns in the country, including the opening of their largest hypermarket in Nairobi offering customers one stop shopping opportunity with a wide range of products, complemented by speciality facilities that includes bakery, butchery, a food court among others. (Annual report and accounts – Uchumi supermarkets limited 2002)

The above example is critical since keeping customers is a more efficient strategy than attracting new customers, (Rosenberg, 1983). A number of researches have been done on the area of retailing/supermarkets in Nairobi. Karemu (1993) carried a study on the strategic management in Nairobi and found out that there was intense competition especially for supermarkets within the city centre, since most of them are concentrated in the same area and are competing directly for customers.

Munyoki (1997) in his study found that price of consumers varied according to the age, size, and location of the supermarket. Masese (2001) conducted a study on factors considered important by large supermarkets in selecting their suppliers of merchandise and found that provision of long term credits and discount is the most important factor among many others.

Wambugu (2002), studied factors that determine store loyalty and reported that prices of products, availability of merchandise and adequacy of cashiers were important factors.

From the foregoing, this study would seek to fill the knowledge gap by investigating issues related to choice of store in relation to product assortment for supermarket chain stores in Nairobi.

1.3 Objectives of the study

1. To determine the influence of product assortment in consumers choice of store.
2. To identify the relative importance of other factors that influence choice of store.

1.4 Importance of the study

The study is expected to be of importance, in special ways,

Retailing Industry

Outlet owners and the retailing industry in Kenya, will find this study of importance in determining the product assortment design, as well as the interaction of product assortment with other marketing mix elements e.g. promotions, in not only satisfying wants but directing it to influence consumer preference.

Brand Managers

Brand managers and advertisers will be able to target consumers in these stores, by creating product assortments and product lines that can help raise high levels of revenues to their firms and those of the owners of these stores.

Academicians

Academicians and other researchers will get an insight on the current knowledge and understanding of the product assortment as it affects preference in large supermarket stores in Nairobi. The study will be an empirical basis for further studies in product assortment effects on consumer preferences in Kenya's retailing industry and in other channels where products are offered to consumers.

Consumers

Consumers will be able to evaluate the different store chains in terms of how the product assortment in these store chains meets their expectations and influence their store choice.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section reviews literature on various issues and concepts that relate to product assortment effect on consumer preference. It will also include product attribute, product line decisions, product mix, and product design as well as product assortment types. Furthermore consumer and consumer preference concepts will be looked at. The literature review will also cover retailing as well as the history, growth and concepts relating to supermarkets in Kenya.

2.2 Product

Marketing management and retailing textbooks highlight the importance of product assortment in achieving differentiation and satisfying the wants of target shoppers better than competition, Kotler (1997). However offering products that a significant number of consumers want and which is not available from competing retailers is becoming increasingly difficult.

A brand is a total offering of a product or service including a set of assets (and liabilities) linked to the name and symbol that adds to (or subtracts from) the value provided by the products or service to a firm and/or that firms customers, Aaker (1996).Store loyalty is a major objective of retail channel strategy due to its important financial impact, Evans (1997).

Kibera and Waruinge, (1988) define the term product as anything that is offered to customers for acquisition or purchase. However defined this way, the term embraces physical objects, personalities, services, places, and ideas. To put order to this "product jungle" marketers have devised several methods of classifying the goods and services.

Kotler (1997) defines a product as anything that can be offered to a market to satisfy a want or a need. Products that are marketed include physical goods (automobiles, books), Services (haircuts, concerts), persons (Michael power) places (Mombasa, Maasai mara), organizations (Maendeleo ya wanawake) and ideas (family planning). In planning, marketers need to think through five levels of the product. Each level adds more customer value and the five constitute a customer value hierarchy. (Kotler 1997)

The most fundamental level is the core benefit that is what the customer is really buying. At the second level, the marketer turns the core benefit into a basic product, which are a set of all routes and conditions which the buyers normally expect and agree to when they purchase this product. At the fourth level, the marketer prepares an augmented product that meets the customer's desires beyond their expectations. Today's competition essentially takes place at the product augmentation level, Kotler (1997). Product augmentation leads the marketer to look at the buyers total consumption system. In less developed countries, competition takes places mostly at the expected product level.

The new competition is not between what companies produce in their factories but between what they add to their factory output in the form of packaging., services, advertising, advice, financing, delivery arrangements, warehousing and other things that people value, (Theodare, 1969). While the augmented product describes what is included in the product today, the potential product points to its possible evolution. This is where companies search aggressively for new ways to satisfy customers and distinguish their offer.

Today, the emergence of large supermarkets like Nakumatt (uhuru highway), offering a one-stop shopping ranging from clothes, car items, house-hold goods to foods and vegetables as well as restaurants and hair salons depicts the potential product.

2.3   Product Classification

Marketers have traditionally classified product on the basis of varying product characteristics. Products can be classified into three groups, according to their durability and tangibility. Kotler (1997) as follows;

Non- durable goods are tangible goods that are normally consumed in one or few uses. Examples are beer, soap and salt. Since these goods are consumed quickly and purchased frequently, they are available in many locations, charge only a small mark up and advertise heavily to induce trial and build preference. These products are available in almost all the store chains in Nairobi.

Durable products are tangible goods that normally survive many uses. Examples include refrigerators, machine tools and clothing. These forms of goods require more personal selling and service, commend a higher margin, and require more seller guarantees. Uchumi and Nakumatt hold a variety of such products which are mostly imported from Europe and South Africa. Services are intangible, inseparable, variable, and perishable. As a result they require more quality control, supplier credibility and adaptability. Examples include haircuts and repairs. In Uchumi (mombasa road), they have a kodak which offers in-house film processing. (Annual reports and accounts-uchumi supermarkets limited 2001).

Consumers buy a vast array of goods. These goods can be classified on the basis of consumer shopping habits Kotler (1997). We can distinguish among convenience, shopping, speciality and unsought goods. Convenience goods are goods that the customer usually purchases frequently, immediately and with minimum effort. Examples include Tobacco products, soaps and newspapers. Shopping goods are goods that the customer, in the process of selection and purchase, characteristically compares on such bases as suitability, quality, price and style. Examples in large supermarkets include furniture, clothing and major appliances.

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Speciality goods are goods with unique characteristics and/or brand identification for which a significant group of buyers is habitually willing to make a special purchasing effort. Examples include specific brands and types of fancy goods, stereo components, car accessories and photographic equipment. Uchumi and Nakumatt have embarked on partnerships with companies that would offer complementary goods and services .These partnerships can be best described as shops- within –a-shop, which occupy predetermined amount of space and are devoted to providing specific range of products and services in the store chains. The long term vision of having the speciality shops at uchumi is to change, influence and set standards within Kenyas landscape. (Uchumi instore- The internal uchumi newsletter 2003.) Unsought goods are goods that the consumer does not know about or knows about but does not normally think of buying. New products such as food processors are unsought goods until consumer is made aware through advertising.

2.4   Product Mix (Product Assortment)

Kotler (1997) defines product mix (or product assortment) as the set of all products and items that a particular seller offers for sale to buyers. A firm's or (supermarkets)   product mix has a certain width, depth, length and consistency. The width of a firm's product mix or assortment refers to how many different product lines the company carries.   In most supermarkets the product assortment could carry many more lines compared to other competing retail stores. Studies done indicate that manufacturers compete against themselves through the strategies like new product innovations Opondo(1999) and maintaining strong brands Okatch (1993). More often than not, they are forced to distribute through retail outlets like supermarkets due to intense competition.

The length of a firm's product mix refers to the total number of items in its product mix. The average length of a line in a firm is obtained by dividing the total length by the number of lines or an average product length.

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In large supermarkets in Kenya, product assortment length has been used to compete with other retailers. Karume (1995) contends that there's an increase in convenience stores at petrol stations. Manufacturers are competing for the limited shelf space in supermarkets and thus due to increasing retailer power, as retailers become larger, their capacity to influence the action of the channel members (Wholesalers and manufacturers) also becomes greater thus are in a position to exert considerable influence on its suppliers and customers.

The depth of product assortment/mix refers to how many variants are offered of each product in the line. The average depth of a firm's product mix can be calculated by averaging the number of variants within the brand groups. Consumers are less likely to substitute between flavors and are more likely to substitute among brands of different price segments. On visiting large supermarket stores such as Uchumi and Nakumatt, the depth of product mix in the toothpaste section, contains an average of five categories.

The consistency of the product mix refers to how closely related the various product lines are in end use, production requirements, distribution channels or in some other way. In large supermarket stores in Kenya product lines are consistent in so far as they are consumer goods that go through the same distribution channels. The lines are less consistent in so far as they perform different functions for the buyers.

A major strategy for supermarkets in Kenya today is that of product assortment. Kotler (1997) , contends that there are four dimensions of the product mix which provide the handles for defining the company's product strategy. The company (or super market) can expand its business in four ways;

It can add a new product line thus widen its product mix or lengthen each product line. It can pursue more product line consistency.

Finally it can pursue less product line consistency depending on whether it wants to acquire a strong reputation in a single field or participate in several. These four dimensions of the product mix (assortment) provide the handles for defining the company's product strategy.

Uchumi supermarket limited has consistently widened its product mix over the years as exemplified when they opened the first world-class service and facilities store with a deep product assortment in Kampala in the year 2002. (Annual accounts and reports- uchumi supermarkets limited 2002).

2.5   Consumer Preferences

According to schiffman and Kanuk (1997), the term consumer is often used to describe two different kinds of consuming entities. The personal consumers and the organizational consumer. The personal consumer buys goods and services for his or her own use (e.g. shaving cream or shampoo) for the use of the household (a VCR) or as a gift for a friend (a book). In each of these contents, the goods are bought for final use by individuals who are referred to as end users or ultimate consumers.

Organizational consumer includes profit and non- profit businesses, government agencies (local, state and national) an institutions (e.g. schools, hospitals, prisons) all of which must buy products, equipment and service in order to run their organizations.   Consistent with classical economic theories, it has been assumed that consumers can assess the utilities or values of products based on their characteristics and these values guide purchase decisions. Simonson (1993), reveals that consumers often don't have a clear and stable preference, even when they have complete information about the alternatives.

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To understand consumer preferences, issues related to perceptions would give a deeper insight. Consumers subconsciously exercise a great deal of selectivity as to which aspects of the environment - which stimuli they perceive. An individual may look at some things, ignore others and turn away from still others. In actuality, people receive or perceive (preference) only a small fraction of the stimuli to which they are exposed Schiffman and Kanuk (1997) .

On visiting different supermarkets, it is evident to see a consumer in a supermarket exposed to over 20,000 products of different colors, sizes and shapes; to perhaps 100 people (looking, walking, searching, talking); to smells(from fruit, from meat, from disinfectant, from people); to sounds within the store (cash registers ringing, shopping carts rolling, air conditioner humming and clerk sweeping, mopping ailes, stocking shelves); and to sounds from outside the store (planes, passing, cars honking, tires screeching, children shouting, car doors slamming). Yet the consumer manages on regular basis to visit her local supermarket, select the items she needs, pay for them and leave within a relatively brief time, without basing her sanity or personal orientation of the world. This is because of exercising selectivity in perception.

The selected stimuli which influences preferences depends on two major factors in addition to the nature of stimuli itself. Schiffman and Kanuk (1997). Consumers previous experience as it affects their expectations (what they are prepared or "set" to see) and their motives at the time (their needs, desires, interests and so on). Each of these factors can serve to increase or decrease the probability that a stimuli will be perceived.

Uchumi supermarkets limited has acknowledged the success of understanding consumer preference largely through the adoption of category management.

Category management is a process that involves managing product Categories as business units and customizing them on a store-by – store basis to satisfy customer needs (Uchumi instore – the internal newsletter 2003). Through category management implementation, understanding customers in terms of the aspects below has been possible:

I. Who the consumer is – age, gender, economic status etc.

II. What does the customer buy

III. How are trips to the store decided? In/out, convenience, destination, routine and

IV. How the consumer buys? Promotion, price, product/brand.

2.6 Retailing

Retailing is a practice which has evolved over time, from very humble beginnings to what it is today. Various definitions of retailing have been advanced.

According to Barker et al (1956), retail trade includes establishments primarily engaged in selling merchandise for personal, household or farm consumption. Redinbaugh (1976) concurs with Barker when he says that retailing includes all those business activities associated with selling goods and services to the ultimate consumer or final user for personal consumption. Kotler (1997) refers to retailing as including all activities involved in selling goods and services directly to final consumers for their personal, non-business uses.

Generally the above definitions highlight three main characteristics;

i. Sale of goods and services to the final consumer not an intermediary

ii. The goods and service thus sold are for personal not business use.

iii. Retailing is the final link in the distribution system.

Retailing is people business in that all the retailing activities tend to focus on the ultimate or final consumer.

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A retailers only social and economic function for existence is his ability to satisfy the consumer needs and desires. Retail stores come in all   shapes and sizes and new retail types keep emerging. There are upto eleven different types of retail stores that exist and carry different product content and variety. These include; specialty stores, department stores, supermarkets, convenience stores, superstores, discount stores, off-price retailers, factory outlets, independent off-price retailers, warehouse clubs and catalog show rooms.,(Kotler and Armstrong 1999).

Retail stores can be classified in terms of several characteristics including the amount of services that they offer, the breadth and depth of their product assortment and the relative prices they charge. Different products require different amounts of service and consumer service preferences vary. Retailers may offer one of three levels of service: Self service, limited service and full service. (Kotler and Armstrong 1997) say that today, self service is the basis of all discount operations and typically is used by sellers of convenience goods (such as supermarkets) and nationally branded fast moving shopping goods.

2.7   Supermarkets

There is no universally accepted definition of the term "supermarket" but its is generally used to describe a self service, departmental food store with a minimum sales volume of USD 1 million per year (Hasty 1983) Barker et al (1956) acknowledge the fact that the term supermarket is difficult to define. They argue that supermarkets are basically grocery stores that usually have departments selling non food items and at least the grocery department is operated on self service basis. The minimum sales necessary for a supermarket varies from an arbitrary $1,000,000 specified by the supermarket institute (a trade association) to $ 375, 000 specified by the progressive grocery (a grocery trade publication)

Kotler & Armstrong (1997) define supermarkets as large, low-cost, low-margin, high volume, self service stores that carry a wide variety of food, laundry and household products. Appel, (1992) defines supermarkets as a store with at least 2000 square feet sales area with 3 or more check- outs and operated mainly on self – service basis, whose range of merchandise comprise of food groups, basic house- hold requirements and cleaning materials. Stanton and Futrell (1987) define a supermarket as a large departmental retailing institution offering a variety of merchandise and operates on a self service basis with a minimum of customer service.

Philpot(1963) defines supermarkets using their characteristics. It is across between the specialist and department store. A self service shop should have at least 2000 square feet of selling space to justify the term and a fair proportion (up to 25%) of non- food items. The layout of merchandise is usually in rows of "gondolas" and most supermarkets promote sales by loss- leaders. This definition is adopted for this study. Pickering, (1966) defines a supermarket as a store of at least 2,000 square feet, with 3 or more check outs and operated mainly on a self service basis, whose range of merchandise comprises all food groups, including fresh meat, fresh fruit and vegetables plus basic household requirements such as soaps and cleaning materials.

From the foregoing and as Karemu (1993) acknowledges, there is no universally accepted definition of the term supermarket, but is generally used to describe a self-service departmentalized store.

2.8   Supermarket chain

Kotler (1990), defines chain stores or chain supermarkets as two or more outlets that are commonly owned and controlled, employ central buying and merchandising and sell similar lines of merchandise.

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Chains have advantages over independent supermarkets. Their size allows them to buy in large quantities at lower prices. They can afford to hire corporate level specialists to deal with such area as pricing, promotion, merchandising, inventory control and sales forecasting. Chains also gain promotional economies because their advertising costs are spread over many stores and a large sales volume.

Baker (1992) further states that, faced with the above challenges, the supermarket chains need to restructure if they expect to secure economies of scale in their line of business. This requires them to use all their company's particular assets to create unique entities that certain consumers really want; entities which have a lasting personality and based on a special combination of physical, functional and psychological values; and which have competitive advantage. This will enable the firm to win a distinguished and distinctive place in the perception of its actual and prospective customers, (Baker 1992).

2.9 History of Supermarkets

The first supermarket started in America in the late 1920s and early 1930s and are attributed to the introduction of the self service shopping, Appel (1972).

The growth of supermarkets according to Kotler and Armstrong (1997), was precipitated by such reasons as -:

i. The economic conditions of the 1930s (Great depression) made customers more price conscious and supermarket retailing was based on a low price appeal.

ii. Supermarkets were located in low rent areas, sold nationally advertised pre-sold brands and so did not need large advertising budgets.

iii. They provided one stop shopping of grocery, meat, and household goods in a single location, and this lured customers from greater distances. This gave the supermarkets a chance to generate more sales to offset their lower margins.

Ngatia (2000), observes that the retailing industry has been changing rapidly than ever before, especially due to slow economic growth, high cost of crucial resources, fierce intensifying competition from both domestic and foreign companies, a state of mergers and acquisitions and more tougher and sophisticated and demanding customers who have greater expectation related to the consumption expenses are all turning retailing into an all out, no hold barred competition (Berry et al 1986)

2.10   Growth of supermarkets in Kenya

Supermarkets are a recent phenomenon in Kenya, Karemu (1993), Kyalo (2001), Wambugu (2002). Super marketing as a mode of retailing took root in Kenya in the 1970s. The first supermarkets have their beginnings in the 1970s, with only a few set up in the 1960s.   Among the first supermarkets to be established in Kenya were K & A (1962), Ebrahims self service store (1970) and Uchumi supermarkets limited (1975), all in Nairobi. Supermarkets later spread to Kisumu, Mombasa and Nakuru.

These supermarkets did not start off as they are today. They started as self service stores. They covered small trading areas so that the movement of customers could be easily monitored. The assortment and volume of merchandise was also limited. However with time, they increased their volume and assortment of merchandise as well as trading space and thus became supermarkets. Management could no longer monitor customers' movements closely and the cashiers were far removed from where customers selected their merchandise.

According to Ngatia (2000) liberalization in the early 1990s has seen a momentous growth of supermarkets in Kenya and specifically in Nairobi and other major towns. Munyoki (1997) argues that 70% of all supermarkets in Nairobi were established after 1980 and 74% of all supermarkets in Kenya are located in Nairobi. The increase and concentration can be explained by the population growth in the city and the changing life styles of the residents, (Sailewu 2001)

2.11   Problems facing Supermarkets

Recent research suggests that product assortment and the manner in which it is presented have another key role, which has not received much attention. Specifically, in addition to satisfying existing wants, assortment can shape consumer preferences and affect whether they buy, and what they purchase According to studies carried out on supermarkets in Nairobi, by Karemu (1993), Lagat (1995), and Munyoki 1997, the supermarkets encounter various problems. Among these are-:

1. Loss of control of customers' movements due to increased space. It is difficult for managers to monitor customer movements as closely as they are done as self service stores. This led to problem of shop lifting.

2. Damaged items due to the fact that merchandise   is bought in bulk and its inspection is not always easy.   Defective units are detected when the merchandise is in the supermarket and this is a loss.

3. High transportation cost of merchandise especially if the source and the supermarket are far apart.

4. Management of supermarkets by family members who lack managerial skills, (Karemu 1993).

5. Products expiring before they are sold.

2.12   Choice of Store

Customers are loyal to stores just as they are to brands, Assael (1998). A consumers loyalty to a supermarket may be stronger than his loyalty to any of the items of merchandise carried in the store, Wambugu (2002).

Assael (1998) further argues that in some instances, the choice of the store influences the brand bought. This is especially the case when store loyalty is high the loyal consumers will always stop there first for desired items. It also happens when the customers do not have loyalty to the sought items or the category or even when information about the sought items is inadequate, (Assael 1998).

As Evans (1997) contends, there has been a retailing revolution with the increasing number of supermarkets and domination by chains which have diversified into everyday products. This has led to growing uniformity and concentration in the sector.

The customers choice is restricted due to the increased sameness of the stores in the streets. The way out for supermarkets is enhancement of product assortment. Simonson, (1990), proposes that, as product assortment becomes a less important differentiating factor, there is a need to focus more on the design of the assortment subset that individual consumers consider (the "considered assortment") and the manner in which these products are displayed and evaluated. Thus, in addition to the more global function of assortment in satisfying consumer wants, marketers can tactically design their assortment so as to influence buyers' preferences.

According to studies done on supermarkets; Munyoki (1997) and Wambugu(2002), the factors that determine store loyalty are varied. They contend that price of the products is an important consideration by the customers frequenting these stores. This could be as a result of the poor state of the economy and specifically the high inflationary pressures. This makes customers seriously consider the availability of all chances where they can make a saving.

Availability of merchandise and content variety is ranked the most important factor; Wambugu (2002). Customers want a store that satisfies their requirements of products. Many customers become loyal therefore as a result of knowing that the supermarkets provide them with a one stop shopping point. They do not want to shop in different places for different products.

Other factors in determining store loyalty include, the number of cashiers since customers get impatient when they queue for so long waiting to be served; Wambugu (2002). Good customer service, employees' performance, location of the supermarket, internal physical facilities of the supermarket, supermarkets external environment, general image of the supermarket, ownership of the supermarkets' neighbourhood and after sales service.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out the research methodology which was exploratory in nature because the survey method was adopted so as to meet the objectives stated in chapter one of this study. The research setting, the population of interest, sample, data collection instrument and data analysis techniques are laid down in this chapter.

3.2 Research Setting

The study was conducted in Large, medium and small supermarkets in Nairobi. The main reason, being that they hold different product assortment variety and content, and the product depths, lengths, width and consistencies attract different consumers in terms of; social class, ethnicity, age, life-styles including all the income categories that are of interest in this study. Secondly, the supermarkets are located in different parts of Nairobi.

3.3 Population

The target population of interest for this study consisted of large, medium and small supermarkets located within Nairobi. There was no comprehensive record of all supermarkets in Nairobi. As at year (2000), there were 191 supermarkets in Nairobi according to Ngatia who studied perceptions of service quality in retailing industry (a case of Nairobi supermarkets). His list of supermarkets was adopted with updating from Nairobi city council.

3.4   Sampling

The sampling frame consisted of a list of supermarkets developed using a list obtained from house of Manji and Procter and Allan. This was then updated with the one adopted by Ngatia (2000) from brookside dairy limited, Lagat (1995) and Karume (1993), from Kenya cooperative creameries Dairy limited, resulting in a list of 180 super markets. They are ranked in order of size according to sales volumes by the respective firms to the supermarket.

3.41   Sample units

The population was further defined to assist in provision of sampling frame using sales volume per month. The population of supermarkets has been classified into three categories: see list of supermarkets Appendix IV

The first twenty are classified as large sized supermarkets

The next sixty are classified as medium sized supermarkets

The last hundred are classified as small sized supermarkets .

The target population for this study comprised of all those who do their shopping within the city of Nairobi in supermarkets. There was no list available for all the customers.

3.42 Sampling size

The population was divided into three clusters. Disproportionate sampling was used. From the list of twenty supermarkets classified as large, ten of them were picked randomly .Out of the sixty, categorized as medium sized, twenty were picked randomly, and the last category of hundred classified as small size, a random sample of twenty were picked. The total sample of fifty supermarkets was considered representative for the purpose of data analysis and generalization. A sample of three hundred and thirty respondents (one hundred and ten from each cluster) selected randomly, were picked from the fifty supermarkets. Ngatia (2000) used a sample of two hundred and fifteen supermarket customers while Mburu (2001) had a sample of one hundred and fifty customers, Wambugu (2002) had a sample of one hundred and forty four customers.

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The selected sample was deemed adequate for general conclusions about the entire population. The sample was also adequate for statistical tools used in data analysis. A recruitment guide for respondent was used to ensure that only loyal customers were included in the samples (see appendix two)

3.5 Data collection.

Primary data was used in the study, and a questionnaire was used to collect the data. The questionnaire was administered to the customers as they left the supermarket. The preferred days of administering the questionnaire were on Saturdays and Sundays as these were normally preferred shopping days. On weekdays, after work hours (5pm- 8pm) were preferred times to collect data. The questionnaire was filled by the respondent as the researcher/research assistant waited. This helped reduce the instances of non response. A letter of introduction was given to each respondent prior to the research (Appendix one). The questionnaire had both open and close-ended questions. The questionnaire consisted of three parts.

Part A: Sought to determine the extent to which product assortment influences consumers choice of store.

Part B: Sought to identify the relative importance of other factors that influence choice of store.

Part C: Captured the bio-data of respondents and their families.

3.6 Data Analysis

Once data had been collected, it was analyzed by use of descriptive statistics. These included charts, percentages and tables to represent the response rate and information on the other variables that the study considered. The different handles of product assortment were tabulated with respect to the types of supermarkets (that is, small, medium and large).

This provided information on the differing influential product assortment effect on shopper's choice of store. In part B, mean scores were used for comparison purposes. Likert scale was used to determine the importance of product assortment handles in store choice.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter is divided into three main sections related to the two objectives of the study. The first section seeks to analyze the general information about the supermarkets surveyed in Nairobi in relation to the research objectives. The second section, analyses the determinants of product assortment in influencing consumer choice of store. The third section, presents the relative importance of other factors that influence consumer choice of store.

All these sections are drawn from the objectives of the research which sought to determine the influential aspects of product assortment on consumers choice of store be it large, medium or small in Nairobi. It also goes further to establish factors of relative importance that determine consumer's choice of store.

Table 1. In terms of respondents

Supermarkets	Targeted respondents	Actual respondents	Percentage
Small	110	118	118%
Medium	110	103	94%
Large	110	110	100%

From the above table, all the categories of supermarkets had 100% response rate except in the medium sized supermarkets at 94%. (that is, 103 responses out of the targeted 110)

4.2   Analysis of supermarkets

Chart 1

FREQUENCY OF SHOPPING IN LARGE
SUPERMARKETS IN A MONTH

- Once
- Twice
- Thrice
- Four times
- > Four times
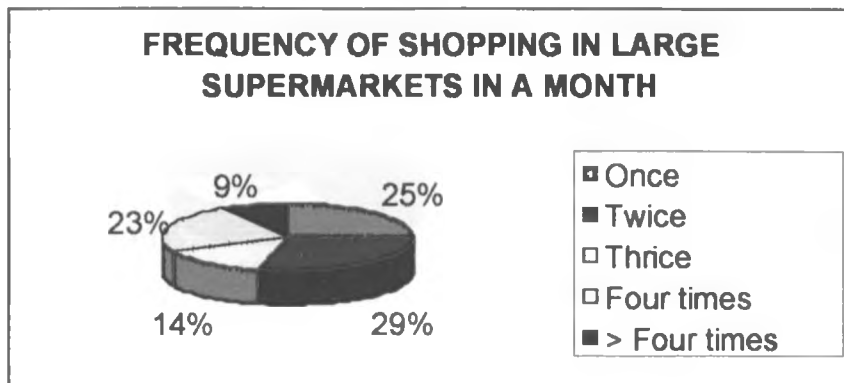
From the above chart, 29% of shoppers in large supermarkets visit supermarkets twice every month. 23% visit the store four times and 9% being the least number of shoppers visit the store more than four times.

Chart 2

FREQUENCY OF SHOPPPING IN MEDIUM
SIZED SUPERMARKETS IN A MONTH

- Once
- Twice
- Thrice
- Four times
- > Four times
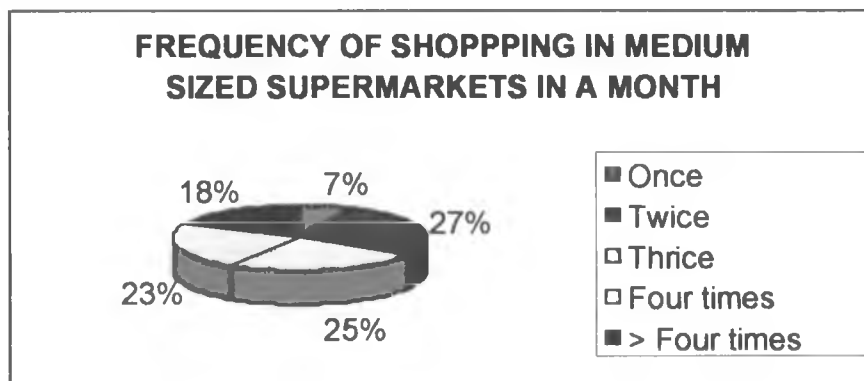
From the above chart, 27% of shoppers visit the medium sized stores twice every month. 25% of the shoppers visit the stores thrice and the least percentage of shoppers being 7% visit the store once every month.

Chart 3

FREQUENCY OF SHOPPING IN SMALL SIZED SUPERMARKETS IN A MONTH

- Once
- Twice
- Thrice
- Four times
- > Four times
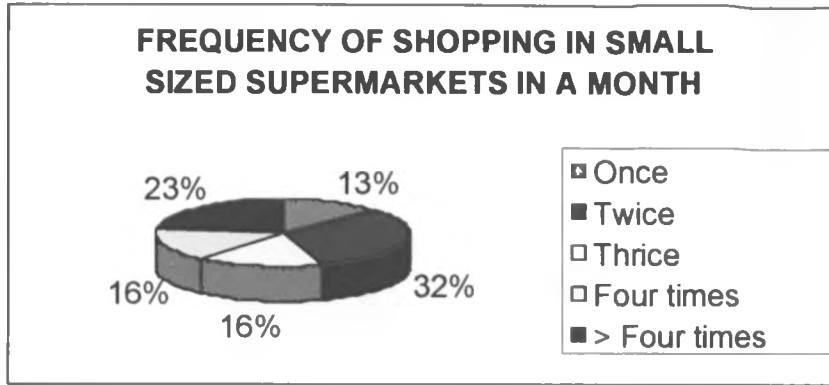
From the above chart, 32% of shoppers visit the small sized supermarkets twice a month, 23% of shoppers visit the stores more than four times and 13% of shoppers visit the stores only once a month.

Table 2: Frequency of shopping in supermarkets

	Once	Twice	Thrice	Four times	> Four times
LARGE	25	29	14	23	9
MEDIUM	7	27	25	23	18
SMALL	13	32	16	16	23

From the above table, shoppers, 29%, 27% and 32% , in large, medium and small supermarkets respectively, frequent the stores twice every month. We can deduce from the table and the charts above that shoppers generally prefer to visit their stores at least twice every month due to product variety and content.

4.2(b)   **YEARS OF PURCHASE (BY SHOPPERS) IN A LARGE SUPERMARKET**

Chart 4
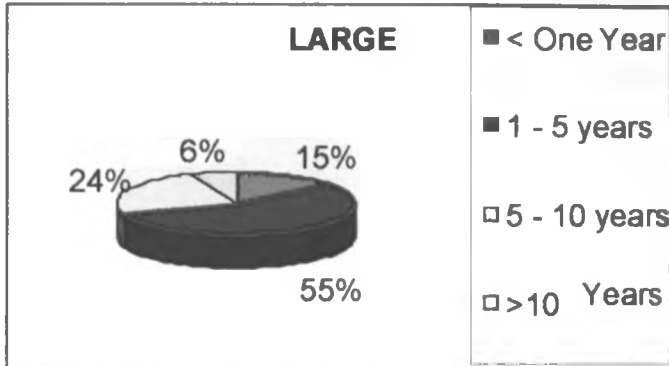
From the above chart, 55% of shoppers have bought their products in large supermarkets for periods ranging one to five years. Only 6% of the shoppers have products from the stores for over a decade.

YEARS OF PURCHASE (BY SHOPPERS) IN A MEDIUM SIZED SUPERMARKET

Chart 5
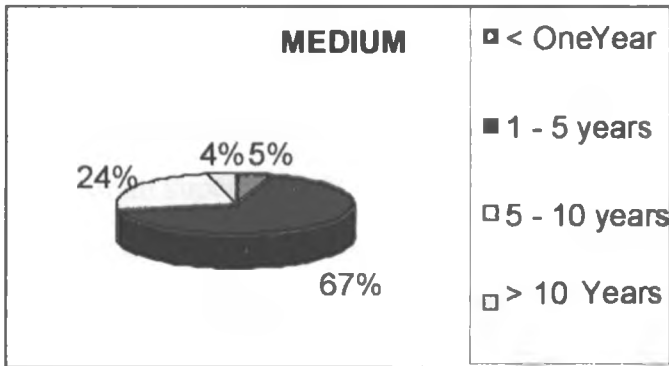
From the above chart, 67% of shoppers have bought their products in medium sized supermarkets for periods ranging one to five years. Only 4% of the shoppers have bought products from the stores for over decade.

YEARS OF PURCHASE (BY SHOPPERS) IN A SMALL SIZED SUPERMARKET

Chart 6

SMALL

☐ < OneYear

■ 1 - 5 years

☐ 5 - 10 years

☐ > 10 Years
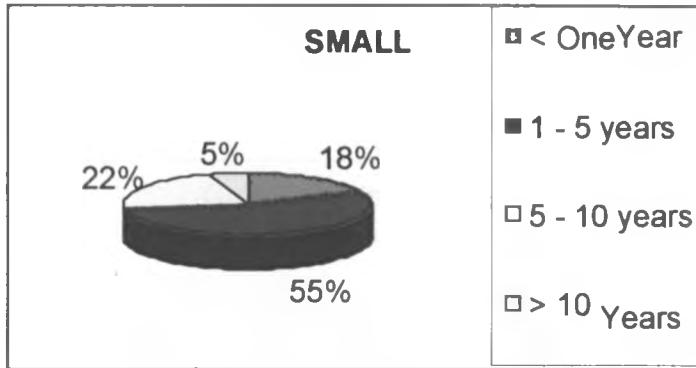
From the above chart, 55% of shoppers have bought their products in small sized supermarkets for periods ranging one to five years. Only 5% of the shoppers have bought products from the stores for over a decade.

. **Table 3: Years of purchase by shoppers in supermarkets**

	< 1 year	1 to 5 years	5 to 10 years	> 10 years
LARGE	15	55	24	6
MEDIUM	5	67	24	4
SMALL	18	55	22	5

From the table and charts above, shoppers, (55%, 67% and 55%), in large, medium and small supermarkets respectively have been loyal to the store of choice for periods ranging one to five years. In conclusion, shoppers store loyalty can be closely linked to product content and variety. This is mainly due to the fact that the shoppers are provided with an assortment of products that satisfies their wants and hence influence their store choice.

4.2(c) GENDER OF REPONDENTS ACROSS LARGE, MEDIUM AND SMALL SUPERMARKETS

Chart 7
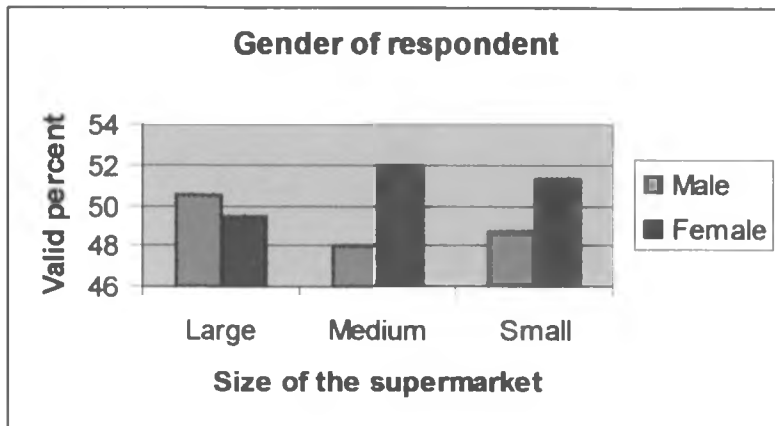
The chart above shows that more men prefer to shop in large supermarkets compared to the medium and small markets. Women prefer to do their shopping in medium and small sized supermarkets. The main reasons being proximity and prices of merchandise.

4.2(d) SHOPPER PROFILES ACROSS LARGE, MEDIUM AND SMALL SUPERMARKETS

Chart 8

From the chart above, majority of the shoppers are in the age bracket 19 – 29 years across the large, medium and small supermarkets followed by shoppers between 30 -39 years in the same supermarket. Generally this trend depicts that product assortment appeals to the age group, and in so far as determining their store choice.

.2(e) SHOPPER PROFILES (MARITAL STATUS) ACROSS LARGE, MEDIUM AND SMALL SUPERMARKETS

Chart 9
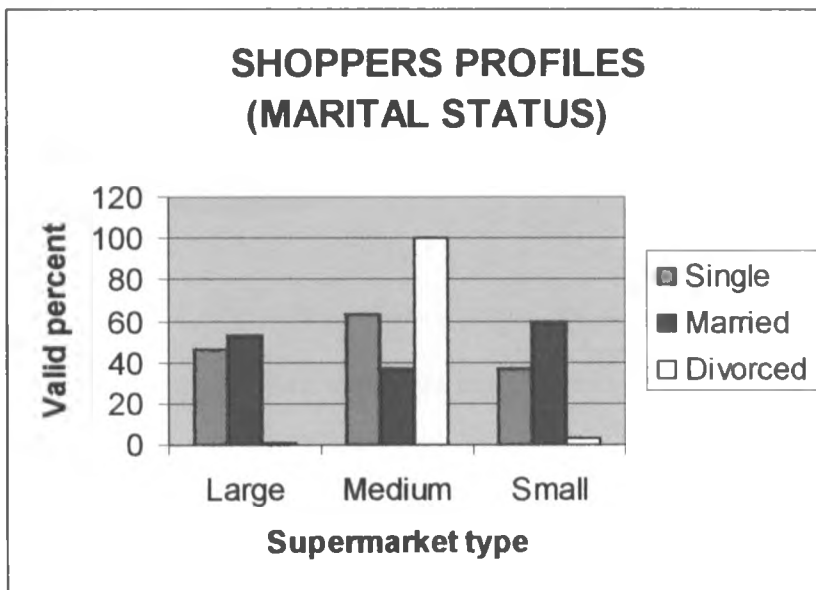
Married people frequent large and small supermarkets compared to the single and divorced except in medium supermarkets who register more single shoppers than the married ones.

.2(f) SHOPPER LEVEL OF INCOME IN LARGE SUPERMARKETS

Chart 10
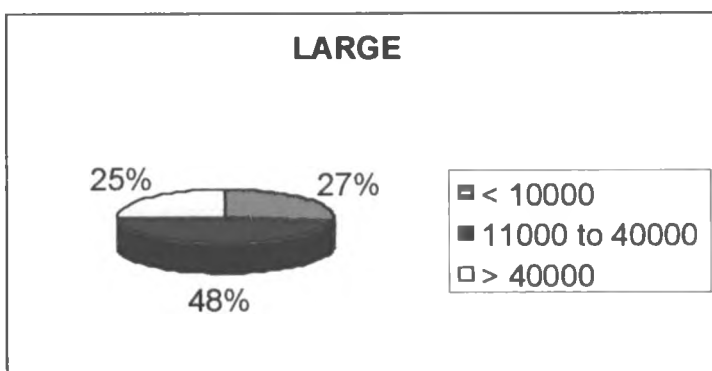
From the above chart, 48% of shoppers in large supermarkets fall in the income bracket between 11000kshs and 400000kshs. Only 25% of shoppers earn over 40000

SHOPPER LEVEL OF INCOME IN MEDIUM SUPERMARKETS

Chart 11

MEDIUM

5%
38%
57%

□ < 10000
■ 11000 to 40000
□ > 40000
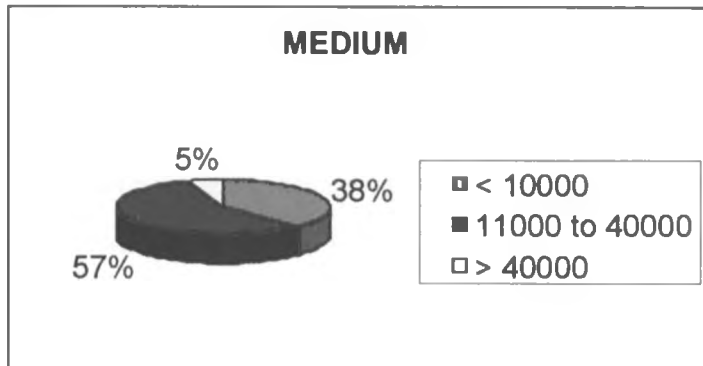
From the above chart, 57% of shoppers in medium supermarkets fall in the income bracket between 11000kshs and 400000kshs. Only 5% of shoppers earn over 40000

SHOPPER LEVEL OF INCOME IN SMALL SUPERMARKETS

Chart 12

SMALL

8%
44%
48%

□ < 10000
■ 11000 to 40000
□ > 40000
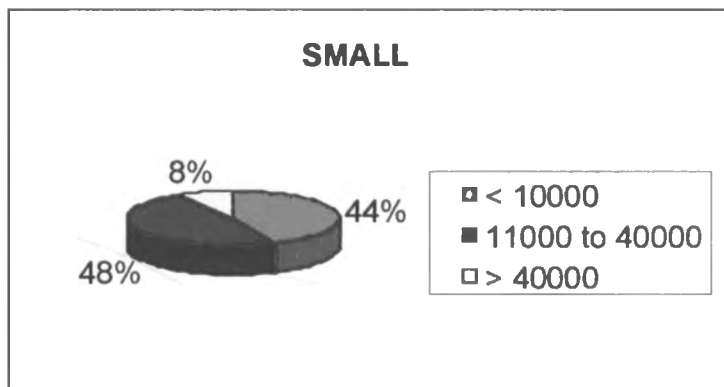
From the above chart, 48% of shoppers in small supermarkets fall in the income bracket between 11000kshs and 400000kshs. Only 8% of shoppers earn over 40000.

Table 4 Shopper level of income in supermarkets

	< 10000KSHS	11000 TO 40000KSHS	>40000KSHS
LARGE	27	48	25
MEDIUM	38	57	5
SMALL	44	48	8

From the table and charts above, Most shoppers fall in the income brackets between 11000 kshs and 40000 kshs. (48%, 57% and 48%) in large, medium and small supermarkets respectively. In the income category of 40000 kshs and above there are more shoppers in the large supermarkets as compared to medium and small sized supermarkets.

4.3 Influence of Product assortment on Consumers choice of store

This section of study sought to find out the influence of product assortment handles (consistency, depth, width and length) in consumers choice of store (large, medium and small) and draw meaningful conclusions from the study. The table below shows the findings that were arrived at.

Table 5: Product assortment handles, that influence consumer choice of store.

SUPERMARKET	LARGE Respondents =110		MEDIUM Respondents =103		SMALL Respondents=118	
Factor/handle	Mean	Ranking	Mean	Ranking	Mean	Ranking
Goods or items in the categories offered are in different quantities and sizes	4.51	1	4.46	1	4.46	2
Availability of all types of items both local and imported	4.45	2	3.97	7	3.49	9

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Goods or items offered are displayed well and are easily identifiable	4.38	3	4.42	2	4.37	4
Goods and items offered are usually fresh and rarely stale	4.35	4	4.31	4	4.44	3
Product quantities are guaranteed at all times	4.33	5	4.35	3	4.58	1
Goods or items in the categories offered are continuously opted with new brands	4.30	6	4.07	6	4.19	5
Availability of durable and non durable goods	4.23	7	4.13	5	4.01	6
Availability of perishable and non perishable goods	3.99	8	3.89	8	3.71	7
Goods bought can be returned or exchanged easily	3.60	9	3.47	10	3.51	8
Frequent promotion of different items	3.59	10	3.52	9	3.16	10
Supermarket is all inclusive	2.85	11	2.09	11	2.45	11

According to the table above, in large supermarkets, the factors that are considered important by the shoppers in determining their choice of store, is that of 'goods or items in the categories offered are in different sizes and quantities- an attribute of product assortment consistency. It had the strongest mean of 4.51 with a standard deviation of 0.722 which is within the recommended standard deviation of 2. Hence, how closely related the various product lines are in end use is the most important aspect in so far as choice of store is concerned to the regular shopper. The other handle of product assortment to shoppers in large store choice, is product assortment width, which relates to the many different product lines that are offered in supermarkets. Availability of all types of merchandise (items) both local and imported had the second ranked mean of 4.45, hence the second most important factor to the shopper.

Supermarket is all inclusive as a product assortment handle was least significant factor to shoppers in large, medium and small supermarkets with mean scores of (2.85), (2.09) and (2.45). In the medium and small sized supermarkets, product assortment consistency is a major consideration in determining shopper store choice. Goods or items in the categories offered are in different sizes and quantities scored the first and second ranked means of (4.46) and (4.46) respectively in the study conducted.

The table also clearly shows that product assortment handles do not affect store choice uniformly as we move away from the significant factors. This is clearly depicted in the mean ranking shown in the table above. In small supermarkets, product categories offered is guaranteed at all times though ranked fifth and third respectively in large and medium supermarkets, is still the strongest factor in small supermarkets in influencing store choice with a mean score of (4.58) compared to (4.33) and (4.35) in large and medium supermarkets.

4.4   Other factors influencing choice of store

This section seeks to identify the relative importance of other factors that influence choice of store in large, medium and small sized supermarkets from the descriptive statistics, extracted from the research findings. The highest ranking factor was given a score of 1 and the lowest score was ranked 6.

Table 6: Other factors that influence choice of store

FACTORS	LARGE			MEDIUM			SMALL		
	Mean	Std deviation	Rank	Mean	Std deviation	Rank	Mean	Std deviation	Rank
Prices of items	2.23	1.235	1	1.90	1.269	1	3.54	1.866	5
The set of all items and products and products offered in the supermarket	3.22	1.448	2	2.98	1.435	3	3.52	1.691	4
Excellent customer service	3.30	1.588	3	3.56	1.513	4	3.75	1.353	6
Supermarket is located where I live or work	3.37	1.893	4	2.78	1.629	2	3.11	1.759	1
Availability of a secure parking space	4.11	1.867	5	4.46	1.628	5	3.44	1.963	2
General image of the supermarket	4.32	1.355	6	4.48	1.368	6	3.50	1.477	3

From the table above the highest ranked product assortment factor is that of prices of items, with a mean score of 4.23, while the lowest ranked non product assortment factor was general image of the supermarket at a mean score of 4.32. In medium sized supermarkets the highest ranked factor was prices of items with a mean score of 1.90, while the lowest was general image of the supermarket with a score of 4.48. In small sized supermarkets, the highest ranked non product assortment factor was "supermarket is located where I live or work", with a mean score of 3.11 and the lowest factor was customer service with a mean score of 3.75.

In conclusion prices of items ranks as the most important factor to shoppers in large and medium sized supermarkets compared to locality which is the most important non product assortment factor in small supermarkets.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1   Introduction.

This chapter gives a brief summary of the findings as well as conclusions gathered from the analysis of chapter four. In addition, the chapter also incorporates the various suggestions and comments given by the respondents in the questionnaire. Most importantly, the findings   are summarized alongside the objectives of the study.

5.2   Summary

The study revealed that the product assortment consistency is a stronger factor in determining consumer's choice of store compared to width, length, and depth. Large, medium and small supermarkets show that, consumers regard assortment consistency as an important attribute when choosing where to purchase their items. Products offered in the different categories in different sizes and quantities as factor had mean scores of (4.51), (4.46), and (4.46), respectively in large, medium and small supermarkets. The least ranked factor in these supermarkets was that of supermarket being all inclusive – an attribute of product mix width.

Product assortment handles were considered to determine choice of store differently in relation to the three levels of supermarkets studied. The study came up with the following findings.

In large supermarkets,
a) Goods or items offered in the categories in different sizes and quantities, followed by availability of all types of merchandise both local and imported were seen to be the most important factors. Supermarket is all inclusive was the least ranked factor.

b) In medium- sized supermarkets goods or items in the categories offered in different sizes and quantities, followed by well displayed and easily identifiable goods were ranked to be the main factors. Supermarket   is all inclusive, was the least ranked factor.

c) In small supermarkets, product qualities guaranteed at   all times, followed by goods or items in the categories offered in different sizes and quantities topped the factor rankings. Supermarket is all inclusive was the least ranked factor.

According to the above   findings, product assortment width, length, depth and consistency can have different influence rates   on   choice of store/ supermarket (large, medium and small) with a lot of significance in marketing.

Another interesting phenomenon about the study was the fact that, more men prefer to shop in large supermarkets compared to the medium and small sized supermarkets which are frequented by more female shoppers. In addition to gender, the study also found out that the large, medium and small supermarkets attract those aged between 19-29 years,(45.7%), (57.1%), (50.4%), respectively compared to other age groups, these were followed by 30-39year olds. The   least active age were 50 years and above.

Part two of the study identified the relative importance of   other factors that influence choice of store. The study came up with the following findings:

a) In large supermarkets, prices of items or goods, followed by the set of all items and products offered in the supermarket were the highest ranked factors. General image of the supermarket was the least ranked factor.

b) In medium sized supermarkets, prices of items or goods, followed by location of supermarket were factors considered very important. General image of the supermarket was least ranked factor.

c) Small supermarkets identified location in relation to where one lives or works, followed by availability of parking space as the most important factors. The least important factor was customer service.

The study established that other factors are relatively important. Pricing of goods offered by the supermarkets (large and medium), determines store choice. Location of supermarket in relation to where a shopper lives or works was another important factor. The least important factor was general image of the supermarket in both the large and medium supermarkets and customer service in small supermarkets.

The final part of the study examined the Bio-data of respondents. The study identified that shoppers in large, medium and small supermarkets differ in terms of age, gender, marital status and level of income. However the shoppers loyalty to store choice are similar for periods ranging one to five years indicating that product content and variety is an important store choice attribute.

5.3 Conclusions

The study aimed at determining the influence of product assortment in consumers' choice of store and identify the relative importance of other factors that influence choice of store. The findings showed that product consistency in large, medium and small stores has a greater influence as compared to the other handles of product assortment. The study also revealed that most shoppers aged between 19-29years were the majority in large medium and small stores. Shoppers (majority of them, female) except in large supermarkets are least concerned about supermarket being all inclusive. It is therefore worth noting that, product mix consistency as well as the other handles of product assortment have different rates of influence in determining store choice.

This answers objective one of the study, which was aiming at determining the influence of product mix in store choice amongst shoppers. On the other hand, it was established that the other important factors determining the store choice amongst shoppers were, the prices of goods or items in the store, location of supermarket in relation to where a shopper lives or works, and the set of all items and products offered in the store. This is in line with objective two which sought to identify the relative importance of other factors that influence choice of store.

5.4 Limitations of the Study

The research was constrained in several ways. First, time for collecting data was not enough since I had to discard 20 questions whose respondents could not be reached either physically or by phone. Second limitation was that some of the respondents (nine) openly declined to respond citing personal security reasons. In addition, the cost of dropping and picking questionnaires was a bit on the higher side. Another constraint was time taken in that of lack of awareness especially on the low-income -class respondents, who were sometimes making obvious mistakes in answering the questionnaire.

Many respondents were also uncomfortable in specifying their income groups thereby giving subjective responses.

5.5 Recommendations for Further Research

There is room for further research especially on other factors that influence store choice apart from the ones covered. Further studies can also be done on product assortment influence in other reference groups and their influence on purchase places and comparisons made. A similar study could be carried out on institutions providing services as opposed to tangible products. This study could also be broadened to include the other sectors in the retail industry.

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LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
MBA PROGRAMME -LOWER KABETE CAMPUS

Telephone: 732160 Ext 20   P.O.Box 30197

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Attention:

The sender of this letter ......**OKWANY, DANSTONE O.**

Registration No:.........**D61/P/8398/98**

Is a Master of Business Administration student at the University of Nairobi. He is
required to submit as part of his coursework assessment a research project report
on **Influence of product assortment on consumer preference in store selection;
A case of supermarkets in Nairobi.** He would appreciate if you assist him by
allowing him to collect data from you for the research.

Please note that all your responses will be kept strictly anonymous and
confidential. This will be done by not asking you any personal information and the
little asked will be destroyed after data analysis is done. Please answer all the
questions in all the sections. If there are any issues that require clarification, kindly
get in touch with the researcher (Okwany Danstone on Tel 0722-754290).
Thank you

DR. MARTIN OGUTU/   OKWANY DANSTONE

CO-ORDINATOR, MBA PROGRAMME /   MBA STUDENT

APPENDIX 2

RECRUITMENT GUIDE

(Please help answer the following questions)

1.How many times do you do your shopping in a supermarket in a month?

(i)	Once	[ ]
(ii)	Twice	[ ]
(iii)	Three times	[ ]
(iv)	Four times	[ ]
(v)	Others (Specify)	------------------------------------

2. Please specify the name of the supermarket you frequent most

----

3.How long have you bought from this supermarket?

(i)	Less than I year	[ ]
(ii)	1- 5 years	[ ]
(iii)	5-10 years	[ ]
(iv)	More than 10 years	[ ]

(if more than one year please give questionnaire)

CONSUMER SURVEY QUESTIONNAIRE

<u>**PART A**</u>

Q.1 Please tick to indicate the extent to which these statements regarding the set of all products offered in your supermarket influence your store choice

	Very Important 5	Important 4	Somewhat Not Important 3	Not Important 2	Not at all Important 1
1.Availability of all types of merchandise (items) both local and imported	( )	( )	( )	( )	( )
2.Availability of durable and non-durable goods.	( )	( )	( )	( )	( )
3.Availability of perishables and non perishables	( )	( )	( )	( )	( )
4.Frequent promotion of different items	( )	( )	( )	( )	( )
5.The supermarket is all inclusive. I t offers other facilities as restaurant, salon etc.	( )	( )	( )	( )	( )
6.Goods bought can be returned or exchanged easily.	( )	( )	( )	( )	( )

	Very Important 5	Important 4	Somewhat Not Important 3	Not Important 2	Not at all Important 1
7.Goods or items in the categories offered are in different sizes and quantities.	( )	( )	( )	( )	( )
8.Goods or items in the categories offered are continuously updated with new brands in the market.	( )	( )	( )	( )	( )
9.Goods or items offered are displayed well and easily identifiable.	( )	( )	( )	( )	( )
10.Product qualities is guaranteed at all times.	( )	( )	( )	( )	( )
11.Goods or items offered are usually fresh and rarely stale.	( )	( )	( )	( )	( )

PART B

1. Your supermarket choice is determined by a number of factors listed below; Please rank the factors below starting with No 1 for the most important to No. 6 for the least important.

  I. Supermarket is Located Where I Live or Work. [   ]

  II. The Set of All Items and Products Offered in the Supermarket.   [   ]

  III. Availability of Secure Parking Space. [   ]

  IV. General Image of the Supermarket. [   ]

  V. Excellent Customer Service. [   ]

  VI. Prices of Items or Goods. [   ]

PART C

Q1. What is your gender? (**Please tick**)

Male [ ]   Female [ ]

Q2. Please tick the age bracket in which you fall (**Please tick**)

  i.   Below 18 years   [ ]

  ii.   19-29 years   [ ]

  iii. 30-39 years   [ ]

  iv.   40-49 years   [ ]

  v.   50 years and above [ ]

Q3. Are you single or married (**Please tick**)

Single [ ]   Married [ ]

Q4. How would you describe your income **(please tick)** .

  Low income 10,000 Kshs. and below   [ ]

  Middle income 11,000 Kshs- 40,000 Kshs   [ ]

  High income 41,000 Kshs – and above   [ ]

Thank you for your cooperation in answering the questionnaire.

APPENDIX 4

LIST OF SUPERMARKETS IN NAIROBI

1	Uchumi	35.	Queensway	69.	continental
2	Nakumat	36.	Continental	70.	Rose collection
3	Tusker matresses	37.	Karen	71.	Mathare
4	Ukwala	38.	Spring Valley	72.	Flora
5	Select N Pay	39.	Westlands General store	73.	Kieni
6	Mesora	40.	Super value	74.	Centalite
7	Jack and Jill	41.	Spicy Spice	75.	The Good Earth
8	Fairlane	42.	Ongata Rongai	76.	African Grocers
9	Safeways	43.	Umoja Mini	77.	Uchuzi
10	Chandarana	44.	Maridadi	78.	Alliance
11	Magic	45.	Easleigh Mattresses	79.	Sheere
12	Mega Market	46.	Muthaite	80.	Robert Ondieki
13	Fairdeal	47.	Roysambu grocers	81.	Dry House Holdings
14	City Mattresses	48.	MITO	82.	New Ricken Shopper
15	Metro Cash and Carry	49.	Mt. Kenya sundries	83.	Rajesh Gloria
16	Sheela	50.	Budget	84.	Well brand
17	Woolworths	51.	South C	85.	Market ways
18	Ebrahims	52.	Tesco	86.	Ngara Road
19	Rikana	53.	Tirana	87.	Lilian Rahisi
20	Tristar	54.	Tolleys & Baskets	88.	Mwiki
21	Mumsies	55.	JOJA Ks	89.	Fransa
22	Lucky star	56.	Fair Price	90.	Datelvey
23	Country mattresses	57.	Harrys	91.	Rafaels
24	Baranuki	58.	Salisbury	92.	Hollifield s/market
25	Peponi grocers	59.	Shopping paradise	93.	Jojan
26	Stella	60.	Mega and Mecca	94.	Cheeji
27	Muthaiga	61.	Ngara	95.	Victory
28	Snatish	62.	Mis Whole Store	96.	Vantage
29	Gigiri	63.	Midas Touch	97.	Stella
30	Starehe	64.	Trichem	98.	Amil and dryesh
31	Schlada	65.	Seven eleven	99.	Geska
32	Nova	66.	Lucky Shop	100.	Green Forest
33	New Westlands	67.	Bist Provision Store	101	Donholm Star shop
34	Deepak cash and carry	68.	Lucky and sons	102.	White Star
103.	Jazeer	140.	Furaha		

104.	Kilimani Grocers	141.	Save More
105.	Elipa	142.	Shafflus
106.	Kimani	143.	A&D
107.	Woodley Grocers	144.	Quick Pick
108.	Rose Jam	145.	Vijiko
109.	K & A	146.	Susy
110.	Gulabchart	147.	Faine fayne
111.	Goodfar Stores	148.	Corner
112.	Ronnys	149.	Acacia
113.	Green Spot	150.	Borno
114.	Porarim	151.	Choices
115.	Tihana	152.	Supra
116.	Susu	153.	Nafroni
117.	Kamindi	154.	Jesca
118.	Ridgeways	155.	Alfany
119.	Umoja	156.	Marta
120.	Sun rise	157.	Angelas
121.	George	158.	Better Price
122.	Juja Road	159.	Broadway
123.	Pangani	160.	Ever Green
124.	Sikendo Grocers	161.	Keinani
125.	Baobab mini	162.	Frankaal
126.	P & shah	163.	Bashi
127.	Mumbi	164.	Toyo
128.	Fontana	165.	African Grocers
129.	Fairose	166.	Super value
130.	Chemusia	167.	Macson
131.	Kenton	168.	Star Supermarket
132.	Decoys Discount	169.	New westland Stores
133.	Tricor	170.	Foodies
134.	Pop- in	171.	Parklands pricele Ltd
135.	Joss	172.	Njonde
136.	Hurlingham Grocers		
137.	Calendermiam		
138.	Sippys		
139.	Versani		