

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Factors Influencing Hyperstores Positioning in Kenya: A Survey of Stores in Keroka

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Abstract:

Positioning may be decided on the basis of product attributes, benefits offered, usage occasions, users, personalities, and country of origin, societal or environmental concerns. This study focused on Prices set, Store layout, Income levels and Location as factors that influence store positioning. Questionnaires were designed in such way as to enable the researcher to use both closed and open ended questions to solicit ideas and answers related to the problem from respondents. Observations were used in enhancing the accuracy of the study. Completed questionnaires were coded and analyzed for accuracy of information and then the data were summarized and classified quantitatively and qualitatively. The study established that store layout and income levels influences store positioning greatly than the other attributes. However, the research did not establish a link between information technology and store positioning and therefore this study forms a basis for further research whose findings can then be replicated to other stores in Kenya.

1. Introduction

To obtain competitive advantage, stores are required as soon as possible to adapt to the competitor's environment with fast answers, improving and/ or reforming processes and implementing strategies appropriately according to (Price, 2003) as cited by (Obonyo, 2013).

1.1. Background Information

The specific contribution of marketing in the organization lies in the formulation of strategies to choose the right customer, build relationships of trust with them and create a competitive advantage. Therefore, for the organization to cope with the outside world of customers and competitors, it is necessary to train and motivate all staff within the organization to provide the appropriate level of service to customers (Obonyo, 2013).

Superstores and retail chain stores are becoming more and more popular every day among the urban and suburban people in Kenya. Diffusion of stores in Kenya is believed to be taking place in the fourth wave (Kashem, 2012). Noteworthy attractive features of these stores are: hassle-free shopping, hygienic, quality products, fair price and superior stores services (Munni, 2010). To improve competitiveness, Stores are growing rapidly, adopting aggressive strategies to attract customers due to the emergence of new supermarket formats and competition between stores. Thomas (1999) as cited in Obonyo (2013) in his study on rapid rise of stores in developing countries, induced organizational, institutional and technological change on Agri-food systems, highlights that with the rapid transformation of the retail sector, the share of stores arose from roughly 15% in (1990) to 55% in (2002) in Latin America. These changes have intensified competition and organizations are moving to centralized procurement decisions instead of relying on traditional whole. Stores that have adopted new strategies continue to rapidly gain share at the expense of competitors who do not differentiate themselves in anyway.

Walters and Mac Kenzie (1988) consider deep-discounted, feature-advertised items in eight categories. Their results however show that the feature-advertised loss-leaders do not increase store traffic at all (the one exception in the eight categories is "rolls and buns", where the coefficient is just significant at the 5% level). With aggregate data, the only way to study dependencies is via across-time sales variation; however, most this variation probably gets attributed to the price-promotions accompanying the feature advertising, with very little marginal effect attributable to sales from increased store traffic. Unlike the Walters and Mac Kenzie work, the present research uses panel data which affords study of both across-time and across-consumer variation and therefore offers a better opportunity to tease out the effects of feature advertising.

The Price Control Essential Goods Bill 2009 sought to establish an Act of Parliament to provide for the mandatory control of the prices of essential goods and for connected purposes by fixing the maximum retail and wholesale prices for ten goods, namely:

maize, maize flour, wheat, wheat flour, rice, cooking fat (or oil), sugar, paraffin, diesel and petrol. According to the Bill, market forces of demand and supply have failed to lower prices of these goods and, therefore, it has become critical to control their prices in order to protect Kenyans from exploitative and unscrupulous business persons. The purpose of this paper is to examine the relationship between consumers' store choice and price variation.

1.2. Statement of the Problem

With the advancement in technology and globalization, stores are competing across the entire retail sector by employing various strategies in order to cut the niche. Among some of the strategies include prices, store layout, segmentation based on location and income levels. In a hypercompetitive economy with increasingly rational buyers faced with abundant choices, a store can only position itself well by fine-tuning the value delivery process and choosing, provide and communicating superior value. Kotler (2007), argues that with the rise of digital technologies such as the internet, today's increasingly informed customers expect companies to do more than to connect with them, more than satisfy them and even more than delight them. To achieve all this, so far no study had been done in Kenya to link these strategies with positioning to determine their relationship. Therefore, this study sought to determine how these factors influence hyperstores positioning and their relationship in such hypercompetitive business environment due to advancement in technology and globalization.

1.3. Objectives of the Study

1.3.1. General Objectives

Factors influencing hyperstores positioning in Kenya. A survey of hyperstores in Keroka town

1.3.2. Specific Objectives

- To determine how price influences hyperstores positioning
- To determine how store layout influences hyperstores positioning
- To determine how income levels influences hyperstores positioning
- To determine how location influences hyperstores positioning

1.4. Research Questions

This research sought to answer the following questions

- How did price variation influence hyperstores positioning?
- How did store layout influence hyperstores positioning?
- How did income levels influence hyperstores positioning?
- How did location influence hyperstores positioning?

1.5. Purpose of the Research

The purpose of the study was to evaluate the factors that influence store positioning using descriptive research with a view of establishing the degree of relationship between them.

1.6. Scope of the Study

This study was concerned for determination of factors influencing store positioning. It was conducted in Keroka town stores using descriptive research and a sample of twenty seven (27) respondents from each stores sampled randomly from a target population of four (4) major stores namely Shivling, Nehema, Meetmega and Menora data being collected through questionnaires and observations.

1.7. Significance of the Study

Findings from this study would inform the stores management to know how sensitive consumers are to: prices of goods and other store attributes necessary for good positioning. The study would also inform government agencies to set bills that protect consumers against exploitation by business persons and consumers would also benefit by understanding how to match utility to these factors.

1.8. Limitations

Financial constraints prompted the researcher to limit the sample size and geographical area. Some respondents did not interpret some questions and the researcher personally interpreted for them.

2. Literature Review

2.1. Introduction

Customer satisfaction is an important aspect in service quality measurement. This can be measured by studying consumer perceptions. Service providers' ultimate goal is to maximize customer satisfaction. This comes from the strong belief that high customer satisfaction level leads to high business performance (Morgan, Anderson, & Mittal, 2005). According to Ueltschy (2007), different customers express different levels of satisfaction for the same or similar service encounters due to the fact that

customer satisfaction is evaluated based on individual's perceptions. Therefore, it is important to identify the attributes of stores that customers deem most important in order to maximize customer satisfaction and to improve service quality. Hence, it is necessary for supermarkets to devise strategies that suit the ever dynamic business environment in order to maximize returns and still maintain their image.

2.2. Household Consumption Behavior Theory

This study was guided by household consumption behavior by stressing strongly that households differ significantly whereby some households learn that some needs can be made quite economically if they go about meeting them in certain ways and some households may spend more than they need in order to meet a need (Wesley, 1912). This theory identifies that several kinds of processes are set in train by changes in the prices faced by a household and in so doing calls for attention to the fact that certain kinds of changes are difficult to make than others (Richard, 2012). This theory will guide the study given that price variation is one of the variables and the outcome of the study will be helpful to store management in predicting and understanding consumer's response to certain price changes. This theory however does not identify some of those processes set in train as a result of changes in prices and even the kinds of changes which are difficult to make.

2.3. Microeconomic Theory

Another theory which seemed to conform to this study was microeconomic theory which is concerned with how households allocates its income among expenditures for various goods and services. It is also concerned with determination of a firm's profit maximizing level of production (Michael, 1983).

2.4. Prices

This is the amount of money a seller is willing to accept in exchange for a product at a given time and under certain circumstances. It is worth to note that price allocates goods and services among those who are willing and able to buy them. It is therefore an important ingredient in business as it allocates financial resources among producers according to how well they satisfy customers' needs. An item is worth only what someone else is willing to pay for it. The pricing strategy is influenced by factors which intervene in the production and distribution process. These factors include but not limited to; cost of raw materials, salaries and wages, transport expenses and storage factors (Obonyo, 2013).

Pricing strategies are chosen to leverage particular operational advantages and often have implications for other aspects of retail mix. Thus, a store's pricing strategy is a key element in this multi-dimensional bundle. A store's pricing policy is closely tied to its overall positioning strategy.

In designing a pricing strategy a store should adopt heterogeneous pricing strategies because demand related forces may outweigh the advantages of its specialization and any pricing strategy must include the role of competition. For a rational cost minimizing consumer, the frequency of store visits and the average quantities purchased per visit are driven by price variability (Ho, Tang and Bell 1998). Brand switchers, do not stock up any one brand, but their initial brand choice decisions are highly sensitive to changes in price (Krishnamurthi and Raj 1991). Because shopping behavior is repetitive, consumers can use their knowledge of prices at a particular point in time to inform their stores selection decision.

Customers are looking for a reason of shopping in one store regularly. Incentives serve to bring customers and build loyal, valuable customers forever. However, the incentives offered should be related to the business for the consumer to truly benefit and recognize that your business provided that extra touch. The number one motivator is a reduced price. If a customer sees savings, they will prefer you over the competition in a heartbeat. There are customers loyal to specific brands, but the majority of users, especially during such economic, are hunting for the best deal (Ayat Shukairy, 2009). Promoting loyalty gains a supermarket devoted customers. Much of revenue comes from repeat customers, so it makes sense for incentive programs to focus on customer loyalty as a two way exchange and the bridge between customers and stores.

Large department store chains have "images" to the extent that poor people declare that they would not feel "comfortable" shopping in the most up-market stores even if they have not actually tried those stores (Dornoff and Tatham 1972). A consumer forms relative judgments about the available stores based on his attitudes towards the stores and choice is made using a decision rule (Black-well, 2001). Perceptions are often highly inaccurate so that customers may be making these comparisons based on very imperfect information because perceptions of benefits and costs may vary from one customer to another. Competition includes all the actual and potential rival offerings and substitutes a buyer might consider. Competitive pressures together with consumer behavior have resulted in a market place characterized by heavy discounting and sales promotion (Kotler 2009). However, according to obonyo, (2013) on his study on how price influences supermarket choice in Kisii town argues that, Price management rarely attracts customers. The image of the business is one of the main elements in customer satisfaction and high stock turnover which translate to high profits for customers. The research underscored the same thought as Tuskys charged high prices on household items as compared to other supermarkets and yet it attracted more customers. People identify themselves with successful entities.

2.5. Store Display

Retailers today face increasing competition in their markets, prompting them to focus on in-store merchandising (e.g., aisle and display placement decisions) and promotion (e.g., price and deal decisions) strategies to improve their shares of consumer purchases and wallets (Bolton, Shankar, and Montoya 2007; Kumar, Shah, and Venkatesan 2006). As much as 70% of consumer decisions for grocery products are made at the store, making these in-store merchandising decisions critical to retailers' performance (Aldata Solution 2007). An important part of a retailer's cross-category management strategy is aisle management

strategy. Aisle management involves the effective placement of categories in the store aisles to improve customers' shopping experience, sales of related categories, and overall store performance (Burke 2005; Drug Store News 1998).

The relative aisle placement of two categories is typically represented by aisle adjacency, which refers to the proximity of aisles that stock the categories. Retailers can significantly benefit from effective aisle management decisions. For example, according to the director of category management at the Super- Value chain, the retailer used to stock boxed dinners in one aisle and rice mixes two aisles from it (Progressive Grocer 2004a). However, moving the products even closer may provide higher visibility for the products and a better shopping experience for the consumers. Another critical part of retail cross-category management strategy is display placement strategy. The location and proximity of displays of one category with respect to another category can have a significant effect on the sales of both categories. A detailed understanding of such effects can help retailers better manage the placement of displays of different categories in the store. Retail stores have adopted a macro approach to aisle and display management, grouping product categories into broad clusters for aisle location based on consumer expectations, shopping habits, store size, and area demographics (Goldschmidt 2007; McTaggart 2005; Progressive Grocer 1996).

Paying attention to the way wants are met leads one to recognize that in many cases knowledge about the various ways a want can be met is not a trivial form of knowledge, and may take time and experience to acquire. While broad knowledge of means to meet various ends may be in the culture, the knowledge, or belief, of a particular household about what particular means are effective can be strongly conditioned by experience. Also, the effective employment of an activity often requires a certain amount of skill, which may require experience to develop. Since attitudes regarding what wants are worthwhile pursuing are strongly influenced by experience in trying to meet those wants, in a real sense priorities and expectations regarding meeting different wants, beliefs about how to meet wants effectively, and household competences, evolve together.

2.6. *Income Levels*

Household consumption behavior obviously operates under a set of constraints. Putting cultural bounding and the limits and requirements set by individual household idiosyncrasies aside for a moment, household purchases of the goods and services used in their activities to meet wants are limited by two other kinds of constraints. One is the budget constraint of standard consumer theory. At any time that constraint can be rather flexible, since households can dip into savings, buy on credit, or borrow more generally. However, over the long run those with high average incomes and wealth can buy more than those with low average incomes and little wealth to draw on. And the lower the prices of the goods bought by a household, the farther the budget constraint can stretch. A change in the price of a good from that prevailing in a prior household equilibrium will upset this order. There is no reason in the theory we have proposed to assume that a change in price is noted quickly; it may take some time, before households notice the price change, and the lag may be particularly long for households that are not already employing that good in their regular activities. But if that change is an increase in the price of a good a household is purchasing regularly, which is the case we will consider first, we propose that this will be noticed relatively soon, and several responses set in train.

More generally, when the price of a good that the household had been buying and using rises, in some cases easy substitutions plus a small cutting back of aspirations regarding the want whose satisfaction has become more expensive may suffice to bring a household to a new equilibrium. Households that are buying and using that good will have a relaxation of their budget constraint, and be able to increase the extent to which they satisfy various wants. The activities employing the good in question and the level of satisfaction of the wants serviced by those activities are likely to be increased most. Alternative means of meeting those wants may be cut back, but this is not inevitable. Another response by households, that likely will take more time to effect, is adoption of new activities that employ the good in question, as a now less costly way of satisfying particular wants that had been satisfied in other ways, or as a means of addressing wants that previously were regarded as too costly to address.

Thus a rise in the price of a good a household is purchasing requires it to cut down on purchases somewhere and to meet at least some of its wants less fully; its real income has fallen. A decline in the price of a good a household is purchasing and using enables it to meet its prevailing wants more fully, or it can target new ones, without increasing budget outlays. Its real income has increased. Given a rise in real income, a household can meet the wants it already is attending to a greater degree than previously targeted, or it can try to satisfy wants it previously had not attended, or of course some of both. Meeting already attended wants more fully sometimes can be achieved simply by obtaining more of the inputs used in the activities employed by the household and operating those activities at higher levels. A rise in real income usually is associated with a rise in the opportunity cost of time (Metcalf 2001).

2.7. *Location*

According to Thompkins et al. (2006), Location strategy consists of strategic decisions that are impacted by manufacturing location and facilities or support functions for each company area, handling of materials, information systems, the acquisitions and the series of logistic activities. Location has a connection backward to suppliers or forward to customers for contributing to improved performance of the supply chain, being basic to developing core competencies as argued by (Shilpa S. K, 2009). Store location has received much attention in research on store choice. According to Bell et al. (1998), location explains up to 70% of the variations in the choice of grocery store based on industry research in the US. Even though location is critical as a first in a consumer decision process that requires search or the retail options and formats available that best match the consumers' needs, the case may be different for the case of supermarkets in Kenya as consumers have different perceptions towards the supermarkets and therefore need to find out the relationship from this study.

2.8. Store Choice

For initial store choice, regardless of markets, cultures, and demographics, location convenience and low prices are the top-ranked determinant attributes (Arnold, Oum, and Tigert 1983, p.157). In another report, respondents from Drug Store News magazine ranked eleven store choice factors. Pricing was listed as third by the respondents, store location near home or work was number one, and knowledgeable staff ranked second (Maline 1995). There is strong evidence that there is a group of loyal shoppers that routinely select their grocery store based strictly on price. There is also evidence that there are different classes of shoppers, who may have considered price at some point, but now are loyal to a given store based on some bundle of store choice determinants of which price is only one component (Saporito 1995). The review Many shoppers may have developed a habit of ongoing price search from their initial store choice effort, which may have occurred years ago. While these consumers may not shop competitively, they will be somehow aware of current price differentials between stores (Urbany and Dickson 1996). However, in terms of actual customer switching or opportunistic shopping, up to 15 percent of shoppers actually cross-shop for specials (Urbany, Dickson and Sawyer 2000). There are other studies that attest to the importance consumers place on pricing in initially choosing and then continuing to shop at a given store (Dickson and Sawyer 1990; Woodside and Trappey 1992; Bell, Ho and Tang 1998; Bell and Lattin 1998). Some similar results were seen in conducting research for this paper. In contrast, in doing the research for this paper, while low or competitive pricing was revealed as one of two major determinants in initial store choice, it was only one of many determinants bundled into a reason for ongoing store loyalty.

2.9. Positioning

A position is a complex set of perceptions, impressions and feelings and it is important to note that customers position the organization's value offering with or without its help. It can strengthen its current position, search for a new unoccupied position valued by customers and focus on commanding that position or it may attempt to reposition competitors' brands to its advantage (Bradley and O'Reagain 2002) as cited by (Frank, 2003). Positioning may be decided on the basis of product attributes, benefits offered, usage occasions, users, personalities, and country of origin, societal or environmental concerns. Strategic Marketing Market positioning means understanding customer buying criteria and recognizing the performance of each competitor on each of the evaluative criteria identified. There are two aspects to positioning. The first deals with the customer and the second deals with competitors. In positioning a product relative to customer needs and wants, concern rests with introducing products and services to fill identified gaps in the market, altering product and service positions already in the market and altering buyer perceptions of the benefits sought. This means focusing on changing the importance customers accord to the benefits and identifying or emphasizing benefits previously not recognized (Frank, 2003).

Most organizations can refer to an actual or inferred positioning statement that describes the value proposition of the product for the target market segment – for whom (the target market); reasons for buying (points of difference); comparison with other products (frame of reference). Positioning is accomplished by using all the elements of the marketing mix with a focus on a few key benefits, often referred to as the unique selling proposition or value proposition, sometimes modified to emotional selling proposition for particular types of luxury brands. It is essential; however, that the organization chooses a position it can defend. Positioning involves making a clear choice of the target segment to be served, the points of difference compared to competitors and the frame of reference for customers. Every successful product offers more than a single benefit and appeals to more than one segment of the market. It is important, therefore, to choose the key benefit carefully and to identify for whom it has greatest appeal. Positioning also allows the organization to choose with whom it competes.

Positioning for competitive advantage in this sense is based on the organization's ability to manage the business system to provide strategic Marketing to the final customer with the desired perceived value which requires superior performance in at least one of the business system activities (Bradley and O'Reagain 2002; Gilbert and Strebel 1988) as cited by (Frank, 2003). Only by adding more value in this way can the organization develop a competitive advantage and thereby survive in a particular business system. Obtaining competitive advantage by positioning the organization in the business system means identifying ways of sourcing manufactured components and launching products included in the organization's portfolio. The core of the business system positioning concept is the recognition that the organization competes within a business system, not an industry (Brandenburger and Nalebuff 1996; Lanning and Michaels 1988) as cited by (Frank, 2003). A productive activity is viewed as a chain of many parts ranging from design to use by the final customer. The various parts of this chain can be ordered, therefore, in terms of stages of perceived value added.

To ensure market acceptance for a new product, the product needs to be effectively positioned in the minds of consumers (Guiltinan, 1999; Ottum, 1996). Indeed, product positioning the act of creating and altering product perceptions in customers' minds (Crawford, Urban, and Buzas, 1983) as cited by (Frank, 2003) has been acknowledged to play a key role in the development and launch of new products as well as in determining overall product strategy (Lilien and Rangaswamy, 2003; Wind, 1990) as cited by (Frank, 2003). In light of the importance of positioning, it is essential that store managers evaluate and regularly monitor the extent to which a store is successfully positioned in the minds of clients.

2.10. Knowledge Gap

Stores retailing is one of the modern retailing concepts that is widely accepted by most consumers. The wide variety of products choices and brands has become the main attraction for consumers to purchase basic necessities and household characteristics (Hassan & Rahman, 2012). However, no study had been done to establish main attributes influencing store positioning in especially in Kenya. Therefore, this study undertook to establish the extent to which prices, store layout, income levels and location influences store positioning in Kenya: A survey of Stores in Keroka Town.

3. Methodology

3.1. Research Design

Descriptive research was applied to answer questions concerning current status of the subjects by describing such things as possible behavior and attitudes of consumers (Gay 1997). The design was good for the study for it can be used to determine the relationship between independent and dependent variables (Mugenda and Mugenda, 1999). This design was good for this research to describe how the above stated factors influence store positioning.

3.2. Target Population

The research targeted all six (6) stores in Keroka town with a population of three hundred and sixty (360) respondents. Keroka town was good for the study because it is a cosmopolitan.

3.3. Sampling Design and Sample Size

This study randomly sampled only one hundred and eight (108) respondents representing thirty (30%) percent of the target population which was a good representation for the study given our target population (Roscoe, 1975) as cited by Uma sekaran and Bourgie's book (2009).

3.4. Data Collection

The researcher personally collected data from the selected sample. The study mainly relied on primary data where one questionnaire was developed with both open and closed ended questions and administered to one hundred and eight (108) respondents sampled randomly. Observations were used to check the prices of sampled items from each store. Areas of confidentiality and anonymity, intentions of the study and how the information would be used were explained to the respondents.

3.5. Data Collection Tools and Techniques

Questionnaires with both open and closed ended questions were the main tools for data collection to solicit ideas regarding objectives guiding the study. Observations were helpful in the study in enhancing its accuracy by observing the prices of the sampled items across the identified stores to compare variations of prices of sampled goods.

3.6. Pre-Testing of Research Instruments

A pilot study was carried out on 30% of the target in a retail stores in Kisii town in order to test the validity and reliability of the instrument. Data obtained was scrutinized for any errors in the instruments (uma Sekaran and Roger Bougie, 2009). The questionnaires were preferred because they covered large population in a short time, personnel and cost.

3.7. Validity and Reliability of Research Instruments

To ensure content validity of the instrument, expert judgment of the supervisor was sought; the corrections made were to improve the instrument. The construct validity was enhanced through combination of data collection instrument such as observation and questionnaire (Onen and Oso, 2005). Reliability is a measure of the degree to which research instruments yield consistent results after repeated use (Mugenda and Mugenda, 1999). The reliability of the instrument was achieved through a pilot study.

3.8. Data Processing and Analysis

Completed questionnaires were analyzed to ensure accuracy of information, and then the data collected was summarized and classified both qualitatively and quantitatively. Qualitative analysis of opinions was organized using judge mental method. Quantitative data was analyzed using descriptive statistics such as measures of central tendency of mean and frequency. Frequency distribution tables and charts were used to organize and give a summary of the collected data and display in a meaningful and understandable manner so as to aid in describing and interpreting the outcome of the research.

4. Reseach Findings and Discussion

4.1. Customer distribution per Store

| Supermarket | No. of customers | Percentage (%) |
|--------------|------------------|----------------|
| Shivling | 25 | 23.1 |
| Nehema | 65 | 60.2 |
| Mitimega | 11 | 10.2 |
| Menora | 7 | 6.5 |
| Total | 108 | 100% |

Table 1

The table shows that 60.2 % of the respondents shopped at Nehema, followed by Shivling with 23.1 %, Meet mega with 10.2 % and finally Menora with 6.5%. This showed that customers had their store of preference which can be attributed to unique features that each store exhibited. Graphically, the above information can be represented as shown below.

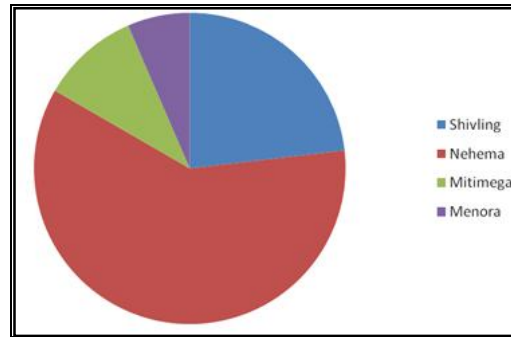


Figure 1

4.2. Prices

Price is the amount of money a seller is willing to accept in exchange for a given product at a given time and under given circumstances. It is worth to note that price allocates goods and services among those who are willing and able to buy them. It is therefore in business as it allocates financial resources among producers according to how well they satisfy customers’ needs.

4.3. Summary of prices of consumer goods in Selected Stores

| Store Type | Mango Juice 1.5 ltrs | Menengai 1kg | Match Box Farasi | Maize Flour Exe 2kg |
|------------|----------------------|--------------|------------------|---------------------|
| Shivling | 170 | 140 | 3 | 130 |
| Nehema | 167 | 135 | 2.50 | 127 |
| Meet mega | 170 | 140 | 3 | 128 |
| Menora | 172 | 140 | 3 | 135 |

Table 2

It is evident that most customers patronized Nehema supermarket and this can be attributed to fair prices and friendly staff as established from respondents. From the table above, it is worthwhile note that Nehema supermarket charges fair prices for most consumable goods as compared to other supermarkets despite being in the same location and being served by same suppliers. This as an attribute, can make customers to patronize Nehema. However, obonyo, (2013), established that prices alone do not influence store patronage, hence it can be concluded that in this study most customers preferred Nehema supermarket due to fair prices they charge and other attributes which gives them competitive advantage. The study also established that customers do price comparison before doing the purchases. The items were selected for study because they are frequently purchased as they are basic commodities. Moore, (2003) argued that when perceived price carries a positive or favorable signal it could be translated to positive quality, prestige and status in the minds of the customers. Perceived price also plays an important role in determining post purchase satisfaction (Jiang and Rosenbloom, 2005). Hence, the more favorable the perceived price is the higher the deemed satisfaction will be.

4.4. Store Layout

Store image is the overall perception the consumer has of the stores environment. Store layout as an attribute leads to low cost, customer familiarity, simplified security and greater possibility of self service. This was evident from the respondents as majority agreed that store layout influenced where to shop. Shoppers’ satisfaction has become a major concern for the retail operators because it is not easy to come up with a magic recipe, which will make the shoppers happy. Though there is a certain degree of commonality among retail shoppers all over the world, but the shoppers are different in different regions and so are their preferences. In the past, researchers attempted to understand various antecedents of shoppers satisfaction and loyalty such as service quality, product quality, store image, product assortment, relationship quality and culture (Chaiyasoonthorn and Suksangiam, 2001). The study established that store layout was significant in store patronage as most respondents involved in the study agreed that they prefer Nehema most because of its layout representing 82% which can be attributed to reduced purchase time and improved quality service. The other 18% of the respondents however, agreed that they consider store layout along with other attributes.

4.5. Income Levels

When income level is high, it means that price sensitivity of consumer is low. This is because higher income level consumers prefer to buy product which is higher price. The reason is related with consumer perception. Most consumers think that higher

price means high quality. However, lower income level consumers think the same way as higher income level consumers. Consumers choose lower price for products because of limited income and it means that they have high sensitivity for high price than high income level consumers.

4.6. Respondents Agreement on Incomes' Influence on Purchasing Behavior

| Aspect | Agree | Undecided | Disagree |
|-------------------------------|-------|-----------|----------|
| Purchases Driven Attitude | 80 | 10 | 18 |
| Purchases Regulated by Budget | 90 | 8 | 10 |

Table 3

From the table above, it can be seen that out of 108 respondents who were issued with questionnaires, 80 respondents agreed that their purchases are influenced by attitude. This can be attributed to the fact that most consumers believe that high priced goods and services are of high quality hence giving them greater satisfaction. Hence, consumers are likely to associate themselves with those stores with such prices. Ten (10) respondents were however, undecided on whether attitude influences store choice and this can be due to the fact that they are not regular consumers or they consider other store attributes. Eighteen (18) disagreed on attitude as a major influence on store choice but agreed on store layout as a major attribute.

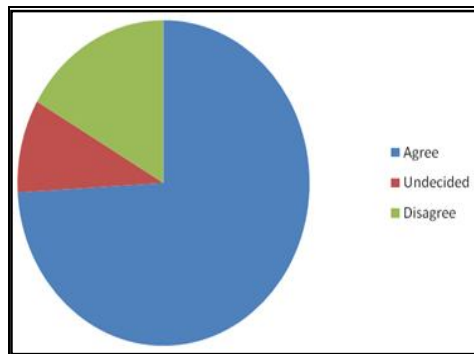


Figure 2: Purchases Regulated Attitude

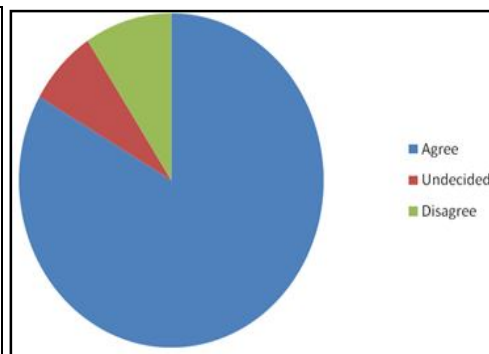


Figure 3: Purchases Regulated by Budget

According to Eargly and Chaiken (1999) as cited by obonyo (2013), attitude is influenced externally. Social class, being a status hierarchy in which individuals and groups are classified on the basis of esteem and prestige acquired mainly through economic success and accumulation of wealth, contributes majorly to changing of attitude.

On budget, 90 respondents agreed that budget constraints limit their purchases. To achieve greater satisfaction they are price sensitive and hence they prefer low priced stores with value in consideration. However, 10 respondents disagreed on budget as an attribute determining their store positioning but rater quality services.

4.7. Location

For easy accessibility of goods and services, location of a business enterprise is an important ingredient and need be considered. The researcher took a keen consideration into the distance each store is located within Keroka town from the main bus stage. The main reason was to determine the causal effect of distance on customer preference on stores for their household items.

4.8. Location vs. Store Preference

| Store | Distance (Metres) | No. of Customers | Percentage |
|--------------|-------------------|------------------|-------------|
| Shivling | 55 | 30 | 28% |
| Nehema | 50 | 56 | 52% |
| Meet mega | 65 | 14 | 13% |
| Menora | 100 | 7 | 7% |
| Total | | 108 | 100% |

Table 4

Table above shows that 52% of the respondents shopped at Neema which is situated fifty (50) metres from the stage, followed by Shivling with 28%, Meet mega with 13% and finally Menora with 7%. It is evident that the location of the business plays an important role in customer satisfaction besides other factors.

4.9. Mode of Payment

The study generally established that in all the stores involved in the study, respondents used cash as a mode of payment for the goods despite the existence of electronic payment options in some stores. This can be attributed to incompetence of staff involved in those stores and inadequate information possessed and attitude of customers shopping in those stores.

To enhance usage of electronic payments, the stores should offer regular trainings to their staff to enhance their competence and also offer sensitization workshops to their customers in order to change their attitude towards electronic mode of payment.

4.10. Loyalty

Loyalty is the mindset of the customer who holds favorable attitude toward a company, commits to repurchase the company's product (or service), and recommends the product to others (Pearson, 1996). To promote loyalty, 70% respondents in the study agreed that stores should have friendly (courteous staff) people to attend customers. However, 30% of the respondents were of the opinion that their loyalty is influenced by prices and hence the stores should regulate the prices.

Findings in this study concurs to (Baldinger & Rubinson, 1996) that loyal customers are less likely to move to other competitors and they make more purchases as compared to less loyal customers.

4.11. Information About A store

Eight five (85%) respondents agreed that they get information about good store from other consumers while 15% of respondents were undecided and this may be attributed to lack of patronage implying that they not loyal to any particular store. This study concluded that stores have not fully utilized mass media in advertising their goods in order to promote their image in the minds of consumers. To ensure greater customer base, the study therefore encouraged the stores to maximize on mass media.

5. Summary, Conclusion and Recommendations

5.1. Introduction

Supermarket services are likely to directly expand demand for all items sold by attracting more consumers (Shilpa.S.K, 2009). Supermarkets, like other forms of enterprises, do business with the core reason of making profit. Therefore, their core objectives which include; increased profit, increased added value, survival and service to community are met.

5.2. Summary of Findings

Price management rarely attracts customers. The image of the business is one of the main elements in customer satisfaction and high stock turnover which translate to high profits for customers. Customers identify themselves with successful entities. All the supermarkets studied have put in place strategies which have shown them grow. ICT has not been optimized in all supermarkets as 100% of the respondents paid cash for the goods and services they bought from supermarkets. Contrary to the optimization of ICT, people lacked information about the importance of using such moneyless transactions with supermarkets. It is important to note that they are supposed to embark on a serious campaign on the usage and importance of such cards. Through this, ICT systems would be fully optimized.

The current location of supermarkets is not likely to change soon but they are supposed to put in place strategies that would encounter distance issue. This was evidenced when the supermarkets near the bus stage received large numbers of customers irrespective of their high prices they charge. The quality of the products and customer care should match the information communicated to them. It is worth noting that people's loyalty is captured if only the right information is communicated to the intended recipients.

5.3. Conclusion

The factors underlying the buying behavior need be improved. The majority who shop at supermarkets normally are middle class and upper class people. To improve the customer base, the supermarkets need to position themselves properly, in terms of price, layout, location and take into consideration of income levels. However, with the existing laws regarding town planning, supermarkets which are situated far away from the bus stage should embrace other styles, like transporting bulky items on behalf of customers to the bus stage by using trolleys and carts.

The study also conformed to Brennan's (1991) survey of retailers in small towns in Minnesota regarding the actions they had taken to compete with discounters (low prices) and the success of those actions where providing specialized services, offering better quality products and improved customer service were most successful strategies. On the other hand, increasing sales and promotions, lowering prices and increasing advertising were least successful.

5.4. Recommendations

Supermarkets are supposed to continuously train their employees to help them improve and maintain the quality that consumers demand. Manpower training often enables the manager to cope with challenges by ensuring relevance and effectiveness in today's dynamic business environment. The image of the enterprise is protected by the employees who are knowledgeable and focused. Customer-seller relationship serves as an important ingredient in service delivery and overall enterprise growth. Sales and

marketing, finance, public relations, administration and management do not work in isolation. If these departments got the right training, then flow of service through to the consumer would be efficient. The employees work efficiently when they are convinced in the mind that they are the owners of the business activity. It would be worthwhile if the employees were allowed to buy shares in the supermarkets they work. This would increase efficiency in service delivery and reduce wastage that would have been avoided. They would also be eager to come up with ideas which would be beneficial to the entire organization to achieve its overall objectives.

Supermarkets need also to go African. With diversity of culture and tradition, people love to identify themselves with their culture. Business thrives well in the environment which the owners appreciate the culture and tradition that prevail in it. Supermarkets are no exception. The researcher felt that for any supermarket to increase its customer base, it needed to integrate cultural values to their advertisement. The study was a success in that the objectives were met as per the expectation of the researcher. It paves way for further researches to determine the proportional level each strategy needs to be employed to maximize the performance of supermarkets within the region.

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