SMALL-SCALE RETAIL IN CZECH REPUBLIC FROM THE CUSTOMER’S PERSPECTIVE

ABSTRACT. Customers’ position towards a retail outlet is essential to life for this shop in the view of its competitiveness. Namely it is only a customer who points out in what type of retail outlet he (or she) will realize his (her) purchases and what sort of purchases.

The environmental development in the 90’s of the 20th century meant a number of changes for post-communist countries. Formerly closed economies were opened and foreign companies have been allowed to penetrate territorial markets. In the concrete for the branch of retail business, this opening of markets has meant an incidence of trans-national retail giant companies and their super and hyper markets. Till this time, customers were accustomed to smaller shops of very limited supply of goods. This fact has caused, among others, the change of customers’ position towards shopping and the change of their shopping behaviours that have very sensible affected the competitiveness of small-scale retailers.

In my work then I deal with the competitiveness of small-scale retail of the type of grocery, general goods, because especially these retail outlets, so called “retail outlets of village type”, have suffered the greatest injuries because of super and hyper markets’ arrival.

For a relevant assessment of competitiveness of this type of shops is necessary to identify many causing factors and to determine their weight significances. So it is impossible to exclude the factor of customers.

In the article, there are introduced partial findings of my research on which basis is constructed the initial background for my next work and its outcomes.

JEL Classification: L81, P2

Keywords: competitiveness, customer, retail outlet, small-scale retail.

Introduction

In the course of last fourteen years, retail in the Czech Republic has passed through many changes and in the 90’s of the 20th century it has become a substantial part of small and medium-sized enterprise here. By the transnational retail chains, with their sophisticated strategies, penetration of the Czech market, post of local small-scale retail of general goods, of a grocery type, what my work is aimed at, has complicated considerably.
But it the course of these fourteen years´ period customers´ behaviour has changed substantially, their shopping customs and their attitude towards small-scale retail outlets. 

Up to the revolutionary year 1989 Czechoslovak retail of the time has been absolutely thrown into the shade of production branches and so retail has been presented as a still blundering line of socialistic distribution that is the only one which bore the guilt for lack of goods and caused absolute insaturation of the goods market. At the end of the 80´s in the Czechoslovakia, there existed only the retail owned by state, of three quarters share, and the cooperative retail of one quarter share in the whole retail turnover. Private sector hasn´t existed in this branch, or in other branches. In this state, the retail has provided only a cover of basic need of Czechoslovak inhabitants, mostly without any choice among brands of goods. Considerably reduced supply has been the cause for a “under the counter” goods appearance and it has been causing the never ending queues for all kinds of assortment in shops.

The end of the year 1989 and the beginning of the 90´s meant the beginning of the Czechoslovak economy transformation, so also the beginning of the retail branch transformation. The process of privatization has stood at the start of a private sphere birth. Concerning to the retail, in the 1992 the retail private sphere produced already the share of 75 per cent of the total retail turnover.

A general development of retail in that time has been supported also by the state in the goods market that had been in absolute unbalance. Demand has far exceeded supply and on the top of it, a psychological factor of the bygone period of lack of goods has been also affecting here. Then the retailers had not scarcity of customers who have been ready to spend their disposal financial means into consumption. Maybe this was also under the influence of psychological factors, now the factor of anticipated increase of inflation that means increase of prices, and also the factor of the past life period spent in the economic with the market of minimized supply. Instead of competition for a customer among the retailers, instead of retail service improvement and the outlet or assortment touching up and so on, in other words, instead of revere the motto “Our customer – Our top” the most of retailers have been liable to an idea that a customer is here to serve the shop profitability and haven’t taken into account that the retail outlet is here to serve a customer.

At the beginning of the 2nd half of the 90´s all the aspects of retail globalization have displayed in this branch. Transnational giant retail companies were allowed to penetrate Czech market and as soon as was possible they have started to build up the brand new retail capacities here. Especially the years of 1996 – 1998 could be characteristic of the sudden taking up of bug retail companies when many large-scale stores, first hyper and super markets were built up very quickly.

But this period was also a period of Czech economy recession. It has lead to reduction of real wages of inhabitants and then also to a decrease of households´ consumption. Logically, customers shopping behaviour has been changed markedly. In a follow up with the reduction of real wages increase, the purchase power of customers has been relatively small. Czech inhabitants have re-oriented from the consumption to the savings. From the view of their purchases it has meant a looking out for lower prices. In the goods market not only the supply side, sellers – retailers, has started to change but the demand side, buyers – customers with their shopping behaviour, has changed too. Customers´ liking for the large-scale stores oriented on a discount and an aggressive price policy, and also facilitating "a big shopping under one cover” has increased conspicuously. And prices are just up to now the kind of competition that the small-scales are not able to compete. But from my point of view, it have been not only the prices what had caused a customers´ deflection from small-scale retail but also the above mentioned manners of small retailers who had been still missing the point that they should serve to customers and not at other way round, has been the cause of a new state.
1. Aims of the work and methodology

In my work I’m aimed at the competitiveness of small-scale retail, especially at the competitiveness of the small-scale retail of rural of village type which is characteristic, above all, of the retail outlets of general goods. It means I don’t concern in outlets of specialized assortment or shops of branded goods.

The problem of defining the small shop is not new. Attempts to define the small shop have deal with various characteristics of size, management, operation etc. Thus, in a literature, the small retail outlet has been defined as one with a relatively small share of the market, managed by its owners in a personalized way, independent, it means is not forming part of a larger enterprise, and having few employees. Other characteristics include family management, opening for long hours, meagre turnover and succession problems (Sim, 1999). I have assumed the definitions base on the same characteristics, or as the case may be, on characteristics worded on a basis of fuzzy models in my work. Than I introduce here a term the typical retail outlet that convey a small village-type shop of general goods, a grocery.

Nevertheless, this part of my work is based on the research of customers’ attitudes towards these typical retail outlets. In order that a customer could be able to distinguish exactly if a grocery is typical retail outlet or not I have narrowed the characteristics, respectively the characteristic of shopping space in an outlet has been limited to 500 square meters, and the characteristic of assortment is defined as general goods.

The target of this partial research was to find out the way that a customer looks at the typical retail outlet in what he/she realizes the shopping, if the customer ever does the shopping in that typical outlet, to find how a customer assesses a supply of goods, especially of fresh goods in this shop, to find customer’s opinion to what are the advantages and what are the disadvantages of typical retail outlets in comparison with stores of giant retail chains. The findings than will constitute the basis for the identification of the factors of small-scale retail competitiveness in the quadrant of customers.

2. The role of small-scale retail

The importance of small-scale retail has become to decrease in the face of problems of competition, of the changing mind of customers and of financial difficulties. It has suffered the same fare as small shops in the United Kingdom and other European Countries, being unable to compete wit multiple retailers and keen up wit changing customers’ demand (Davies and Harris, 1990).

With the development of super and hyper markets and chain stores, the role of the small shops has changed from that of primary source of goods to just being supportive of larger retail outlets – a source of topping-up, or supplementing goods as most households tend to do their shopping for provision one a week at super markets and hyper markets.

Advances in new technology led to the rise of large-scale chain stores. In addition to these, the improvement of public transport and growing affluence produced a highly urbanized mobile class of shoppers. Then the typical outlets tend to attract the poorer, more elderly and less mobile sections of the community. It means the part of customers who tend to buy lower quality products with very low profits margins. The mobile and more affluent part of customers who generally earn higher incomes have been attracted to large chain stores which offer more choices of goods and lower prices of convenience items (Sim, 1999).

On this, supply of goods in small typical outlets is limited to a certain extent. As was mentioned above, small-scale groceries, typical outlets, serve today in the major degree only to everyday buying of bread, “heavy buyings” are done in super and hyper markets which visits have become an invisible part of family life style in the most of cases. Nevertheless, it is
to still sustain a full assortment of goods in these typical outlets, even if not in such a scope of various brands of the same kind of goods because especially in villages these typical outlets are the only possibility where to shop for the small group of inhabitants without any opportunity to do shopping regularly in large-scale chain stores. But these typical outlets, small groceries serve also as an “emergency” in the case when something has been forgotten during a heavy shopping. In such small groceries the demand is probably very inconstant and varied and it is very difficult to anticipate its variations and to adapt the quantity and assortment composition to these demand fluctuations. Then within the effort for losses minimization the keepers of typical outlets, small groceries tend to sustain the only basic assortment of goods in their shops.

Competing with giant chain stores represents a key challenge facing small independent retailers anywhere. In smaller communities, the competitive nature of the rural market has dramatically altered in recent years. Better travelling conditions along with attractive regional shopping centres entice customers to travel beyond their local market and spend their money “outside”. This phenomenon, called outshopping, results in lost sales for the local small-sized retailers (Miller and Kean, 1997).

2.1. Studies on outshopping

Various previous studies suggest that outshopping is a common activity in rural communities. The extent to which consumers shop outside their local market has been shown to influence significantly the stability of the local trade area which is largely made up of small independent groceries. The trend of trade migration to larger chain stores continues to reduce the survival rate of small retailers in rural area (Miller and Kean, 1997).

Several causal factors have been attributed to outshopping. Examination of outshopping or intermarket patronage, so the preferences of small local groceries, has traditionally taken two approaches.

Many researches using the 1st approach indicate that demographic and lifestyle variables as well as socioeconomic attitudes influence customers’ choice of retail outlet. In these studies are used especially the demographic and life style such as age, number of children etc. Education and income are both the characteristics of small town customers that are positively associated with tendencies to outshopping (Miller and Kean, 1997).

Socioeconomic attitudinal factors have been reviewed suggesting that it may be attitudinal differences related to shopping orientations and socioeconomic motivations that are important in explaining consumers' shopping behaviour. Based on socioeconomic attitudinal variables, the first group was composed of inactive outshoppers (= inshoppers) who were loyal to local retail outlets and expressed favourable attitudes toward social and economic reasons to shop locally. The second group was characterized by high social motivations with more favourable attitudes towards large chain store shopping, leading them to shop where the prices are lowest, and by high levels of self-confidence in their social exchanges (Miller and Kean, 1995; Miller and Kean, 1997).

The second approach suggests that customers’ attitudes about local retailers are a greater determinant of intermarket patronage behaviour than their demographics, lifestyles, and socioeconomics attitudes. Attitudes about local small-scale retail establishments are influenced by dissatisfaction wit goods selection, price and quality of goods.

Recent studies on shopping motivations also suggest that when customers do shopping, more than the product being purchased is considered – customer chooses where to shop also based on the anticipated experiences, entertainment value, and social aspects the site offers (Babin, Darden and Griffin, 1994).
2.2. Small-scale retail significance for customers

Today, grocery retail operates in mature markets with slow growth opportunities. Meanwhile, as can be said, retailers have been less concerned with genuinely listening to customers’ needs and desires. It could be claimed that customer have had to adapt to any changes being made in the retail structure, that they have changed their shopping behaviours to coincide with the product that retail environment is providing. For example, they have learned to travel longer distances, use a car for shopping, buy larger purchases, and be able to store them in their homes (Uusitalo, 2001).

The large-scale chain stores are also generally well known within a region, even for the people who don’t do shopping in them regularly, particularly due to chain stores fly sheets of “action” prices. In small groceries own, the most of them live only due to their location in customers’ homes neighbourhood, or on the customers’ way to work. On the other side, small shops not on the way to work or home proximity, or otherwise en route, are usually not known. In this connection, the size of retail outlet seems to be directly related to the distance which the customers are willing to travel to do shopping in it. Thus the attractiveness of a retail outlet would be affected by its size.

But small groceries appear to have potentially attractive features other than size. One important aspect of a small shop is the opportunity for persona contacts between a customer and staff of an outlet. The feeling of personal attention and care about personal needs and hopes is very important. The one possible strength of a small shop is then personal customer service that is wanted by customers or sometimes needed in such cases of some kinds of goods. In addition, personal service to customers is also associated with social benefits, that it provides the opportunity for personal conversation and interpersonal relations (Uusitalo, 2001).

The size of a grocery shop is also closely joined with the predictability and the rightness of the expectations. The customer knows what to expect, what goods are available, where the goods are located, and what the price level is about. Then, shopping is efficient, quick, and without too many problems, that could seemed to be nugatory as e.g. searching for a parking place, quest for a coin to the shopping cart, or problems at the cash desk when the scanning device cannot detect the goods stripe in. Therefore different types of shopping trips are associated with stores of different sizes. Accordingly, customers associate different goals and functions with small groceries versus large-scale chain stores. Small groceries offer convenience in terms of ease of shopping. Customers may prefer them because of their accessibility and the familiarity and intimacy.

Even if many inhabitants don’t shop in the local small-scale groceries regularly, they feel and agree that this type of retail outlets is necessary. Meanwhile, they give various reasons for not shopping there regularly and customers appear to have a somewhat ambivalent view of small groceries. Even though they feel that for the sake of the common goods small grocery outlets must operate, small groceries are nonetheless not attractive enough in the face of other temptations (Uusitalo, 2001).

2.3. Customers perceptions of a small-scale grocery outlet

As Gilmore, Margulis and Rauch point out in their study (2001), customers’ perceptions about a retail outlet are the product of three different stimuli dimensions as illustrated in their Consumer Retail Purchase Conflict Model (Figure 1).
So these dimensions are: Internal Retail Stimuli, External Retail Stimuli, and Consumer Stimuli.

First, Internal Stimuli are the situations and conditions over which the retailer has direct control. They are the manifestation of the retailer’s attempt to define and control the immediate internal retail environment. This includes such issues as fixturing, layout, and quality of employees, ease of shopping, possibilities of credit, merchandise assortment, and merchandise availability. In most cases, there is premeditated deliberate attempt to form and to shape customers’ perceptions regarding outlet image and outlet choice. A retailer has a self-defined perception and image of what he feels his customers’ perceptions and images should be.

Second, External Stimuli are external situations and conditions over which a retailer has direct and indirect control. They are the manifestation of the retailer’s attempt to define and control the image that the customer perceives through external non-outlet methods: industry reputation, public relations, advertising, sales promotion, format and image, and social responsibility factors.

Third, Consumer Stimuli are those behavioural and psychological dimensions that define the customer’s own self such as social expectations, values and cultures, psychological issues and behavioural issues.

Customers’ outlet choice decisions are then predicated on a composite of the aforementioned stimuli. The conflict occurs when the retail environment and customers’ perceptions and images of that environment are at odds (Gilmore, Margulis and Rauch, 2001).

The whole of customer’s satisfaction of dissatisfaction is in virtue of a number of factors including the customer’s satisfaction with the retail outlet, with a salesperson, with merchandise etc.

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**Figure 1. Consumer Retail Purchase Conflict Model**

*Source: Gilmore, Margulis and Rauch, 2001.*
3. The research of customers’ attitude towards small-scale grocery outlets

It stands to reason that a retailer is more than the “final link” in the chain of distribution of manufactured consumer goods. Fully developed retailing involves a much more complex set of activities and can take a great variety of forms. Of course, it is necessary to differentiate small-scale and large-scale retail. In an effort to emulate the retail chain stores, small-scale retailers often try to imitate them. But these activities lead to inefficiencies and sometimes also pose to be comic in the customer’s point of view.

So how do the small groceries go along in the customers’ perspective? To answer this question was the main target of my research that is still in progress because it governs, the more dates the more accurately findings. Then in following parts, there are presented the running findings which were obtained from the sample of nearly hundred informants through the questionnaire investigation. The interrogatory contains closed questions as well as opened questions because in this case, answers representing the opinions, attitudes, and feeling are far better, more pregnant, than answers YES – NO even if these are better quantifiable.

3.1. The research findings: Shopping behaviour

As was mentioned above, the research has been made based on the sample of the Czech Republic inhabitants that has counted nearly hundred of informant households living in villages as well as living in towns. The research has been aimed at their attitudes towards small-scale groceries – advantages or disadvantages, merits or drawbacks, and deficiencies of typical small groceries.

The starting finding is that only 5 per cent of informant households never do their shoppings in small-scale groceries. These informants wholly live in towns in proximity of a supermarket where they do their shoppings.

Another essential aspect is if the customers do shopping daily, or how many of them shop daily, it means six times a week from Monday to Saturday. Daily shopping do normally c. 34 per cent of informants whereas 65 per cent of this number of them live in villages of number of inhabitants less than five thousand. Residual c. 66 per cent don’t shop daily, it means that they don’t shop neither the basic everyday goods. Then circa 11 per cent of households does shopping only once a week, twice a week do shopping 23 per cent and 53 per cent of informant households shop three times a week. More than three times but less then six times a week shop c. 15 per cent of informants.

The composition of regular everyday groceries of informant customers who shop daily is expressed in the pyramid bellow (Figure 2). It means that the most frequent grocery elements bought everyday is bread and pastries, consecutive by sausages and milk products, then the third and also the last most frequent goods in everyday shopping baskets are vegetable and fruit. Nothing else has occurred, neither in one occasion.
Nevertheless, if we have a look at the menu of typical small-scale groceries designed especially for small everyday shopping, these are the goods which are more or less problematic. It means that these goods are mostly the weak points of merchandises in the small groceries. Still in this moment I leave this fact, I will return to it later again in the next partial chapter. In the continuity, now I mention only the fact that small groceries are mostly well provided with goods of long lasting durability which are, of course needed too, but mostly are the subject of heavy buyings in super and hyper markets in which most of Czech families more or less often shop. Frequency of informant families’ shopings in retail chains stores is presented by the table bellow (Table 1).

Table 1. Frequency of families’ hyper and super markets shopping

<table>
<thead>
<tr>
<th>Approximate frequency</th>
<th>Share in informants (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than once a month</td>
<td>10,3</td>
</tr>
<tr>
<td>Once a month as a rule</td>
<td>23,1</td>
</tr>
<tr>
<td>At least once a month</td>
<td>7,7</td>
</tr>
<tr>
<td>No more than once a week</td>
<td>15,4</td>
</tr>
<tr>
<td>Once a week as a rule</td>
<td>28,2</td>
</tr>
<tr>
<td>No more than twice a week</td>
<td>5,1</td>
</tr>
<tr>
<td>More often</td>
<td>10,2</td>
</tr>
</tbody>
</table>

No one has answered that his/her family never shop in super or hyper markets. In the sample of informant households, there were held, of course, every age categories. With regard to the category of the oldest, it means 60 years and older, if these people don’t shop in the chain store by them selves, there are their children who realize shopping there for them.

Here I presented the basic findings of my research which are by and large well quantifiable. As I have mentioned above, regarding the target of the research that is aimed at the customers’ attitudes towards typical small groceries, giving opinions is very necessary here. Such opinion is not so easy to quantify but is a very good basis to create the fuzzy model of a small grocery rating. The following partial chapters are dealing with these findings.
3.2. The research findings: Supply of merchandises

How a customer set the opinion on a small grocery is naturally and indisputably the reflection of his/her satisfaction with the supply the supply of goods in this retail outlet. Then I can be deducted that the small grocery rating is more or less directly proportional to a customer’s needs and expectations satisfaction. If I will proceed from the primary mission of the small-scale retail that is to satisfy the basic everyday needs, we can base on the findings mentioned and graphically denoted above (Figure 2), namely on the most frequent structure of customer’s usual everyday shopping basket, that is bread and pastries, followed by sausages and milk products, and closing by vegetable and fruit.

From the research findings ensues that nothing but even the foundation of the everyday groceries pyramid is very problematic in some small groceries. According to some given voices to the supply of basic merchandised in a small grocery, to find bread and pastries in the afternoon or in Saturdays midday is impossible in some small groceries. And concerning to fresh bread, the words of informants are still the same: the fresh bread is always mixed with the old. But by all appearances, the demand for bread is the most stable demand of all, and is relatively very good identifiable and anticipatable. In neither this moment we can only argue the reason of the lack of the bread in these small groceries, if the retailer disregards the customers’ demand, or if the retailer knows nothing and has nor the basic knowledge about the retail management.

The second floor of the pyramid is occupied by sausages and milk products. According to various answers, informants’ opinions on the small groceries’ supply of these fresh products assortment, I have shaped the fuzzy unit groups presented in the following table (Table 2) with the introduced contingents on all answers. The supply of fresh sausages and fresh milk products in small-scale groceries is:

Table 2. Supply of fresh sausages and fresh mil products

<table>
<thead>
<tr>
<th>How is the supply</th>
<th>Share in informants (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quite satisfactory</td>
<td>27,6</td>
</tr>
<tr>
<td>Convenient</td>
<td>51,7</td>
</tr>
<tr>
<td>Inconvenient</td>
<td>31,0</td>
</tr>
<tr>
<td>Quite unsatisfactory</td>
<td>20,7</td>
</tr>
</tbody>
</table>

With regard to the fact that these groups are based on fuzzy, the whole in not hundred per cent because some answers more or less conform to two or more fuzzy unit groups.

Nevertheless, from the abovementioned is perceptible that the entire majority of small-scale grocery outlets gravitates towards the supply of these products that in on the border between convenient and inconvenient. It can be supported by the type of answers: “Convenient, but…” As to these assortments, this state is better understandable because small groceries are provisioned with fresh sausages mostly twice a week, but it is not an excuse for setting the goods which is deteriorated and of doubtful quality, how was the supply of sausages denominated by nearly 14 per cent of informants. In this case, informants’ answers, except only one answer (quoting: “wide supply, fresh and cheap”), have contained also declarations about the price of this assortment. Then it could be said, that the price is included in the category “accustomed”.

But this is not valid for the assortment creating the top of the pyramid, for the supply of fresh fruit and vegetable. The informants have declared that, in typical small groceries, these merchandises are usually very expensive or over-prices. This type of answer has been
noted down in more than 31 per cent of informants’ typical groceries customers’ words. Then, when I have extracted the subject of price from the answers, I classed the answers again with the fuzzy unit groups, which parts are presented in the table bellow (Table 3).

Table 3. Supply of fresh vegetable and fruit

<table>
<thead>
<tr>
<th>How is the supply</th>
<th>Share in informants (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quite satisfactory</td>
<td>25,0</td>
</tr>
<tr>
<td>Convenient</td>
<td>18,8</td>
</tr>
<tr>
<td>Inconvenient</td>
<td>46,9</td>
</tr>
<tr>
<td>Quite unsatisfactory</td>
<td>20,7</td>
</tr>
</tbody>
</table>

It is evident that, in small-scale groceries, these merchandises are classified to the negative rating groups. The informants have also described the assortment of fresh fruit and vegetable often with the attributes: of bad quality, unseemly, damaged, faded, rotted etc. To keep these merchandises in typical small groceries is really very problematic. But is also doesn’t exculpate the retailers who sell the goods of unconformable quality and mostly over-priced at the same time.

If I rate the supply of fresh foodstuffs in the small-scale grocery outlets with the regard to the research findings, the classification would be most often fated in the negative part of the scale. It means that entire most of small groceries never reach the top of the Everyday groceries pyramid. And neither some of these retail outlets don’t reach nor the ground of the pyramid. Then the paradox is that these retail outlets supply a wide assortment of long lasting foods, especially tinned foods or dry foods which are subjects of purchases in much cheaper large-scale chain stores.

Except the rate of customers’ basic needs satisfaction, with regard to merchandises supply, a great feature is also the thing that I title as “a pig in a poke”. It means, there is rotted merchandise sold to a customer quite wittingly. In this meaning the worst rating has the second level of the pyramid. The full 79 per cent of informants very often meet rotted milk products, and 10,5 per cent of informants often meet rotted sausages. In the listing of merchandises of nonconforming quality, even further more than sausages the informants said they often met rotted products of delicatessen, especially salads. Respectively 15,8 per cent of informants said so.

Rotted merchandises sold are supplemented also with vegetables and fruit as was mentioned by 5,3 per cent of informants. The aspect, how often a customer meets rotten goods, respectively how often rotted goods are sold to a customer is shown in the table bellow.

Table 4. Wilful selling of rotten merchandises to a customer

<table>
<thead>
<tr>
<th>How often rotted merchandise is sold to you?</th>
<th>Share in informants (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>More or less regularly</td>
<td>41,2</td>
</tr>
<tr>
<td>Scarcely ever</td>
<td>23,5</td>
</tr>
<tr>
<td>Never</td>
<td>35,3</td>
</tr>
</tbody>
</table>

Hygiene is also closely connected with this aspect. Complying with hygiene in a retail outlet is felt very deeply by a customer. From the results of interrogating follows that the hygiene is not abided, or the customers are not content with it in the full one third of small-
scale retail outlets. The complaints are mostly joined by bread and by the desk-selling of sausages. Then these facts are perceived so much more that these merchandises create the basic levels of the pyramid, that these are the merchandises which are the subject of shopping in small groceries the most often. Nevertheless, to comply with the hygiene is one of the basic obligations on retail outlets. And if a retailer fails to provide a hygienic choice of the bread, even if it is not possible every time, even what nor the service in the sector of sausages corresponding with the basic hygienic standards, it predicates about a certain level of the charge of customers on which the customers design their attitudes toward a retail outlet.

3.3. The research findings: Customers’ expectations

Every customer who goes shopping is doing so with a certain expectation, at least with the expectation that he/she will buy desired goods. How is the expectation fulfilled will also affect in what vein will the customer go to shop to the retail outlet next time, or if the customer any go to shop to this retail outlet any more. What does a customer expect from a small grocery these aren’t usually revolutionary novelties. If a customer satisfies his/her usual momentary needs there under the common conditions, a customer would be more or less content, as the case may be, and customer’s attitude towards this retail outlet wouldn’t change. But every attendance at the retail outlet can be accompanied by a certain moment of surprise that will already more or less affect the customer’s attitude towards this shop. If it is nice surprise, that is of course a much desired event, customer’s partiality for the shop doesn’t decrease but we can claim not that it increases in every case. But if a customer is taken by unfavourable surprise, his/her level of the partiality for the retail outlet will always decrease. This is approximately shown at the graph bellow (Figure 3).

![Figure 3. Function of customer’s partiality for a shop depending upon the customer’s expectations fulfilment](image)

According to my research finding, 17 per cent of informants were positive influenced by a reconstruction of the grocery. That means a customer is very susceptible to an ease of shopping. The enlargement of merchandises assortment was positively perceived by 33 per cent of informants. The willingness of the salespersons also operates as a positive influence. I would be, of course, the obvisiosity. And then, if the salesperson willingness is a nice surprise for a customer, as was stated by 12,5 per cent of informants, it could indicate that something...
is not right in that shop, namely in the customer’s grocery in use. With the sign “plus”, there were mentioned also for e.g. prices reduction (21 per cent), shortening of waiting time at the cash desk (8 per cent), or also the action offers of advantageous goods, and in-store tasting that he small groceries started to arrange, and also the prolongation of opening hours.

It results from the human substance that a man usually more deeply perceives the worse aspects of anything. It is likewise described on the graph above (Figure 3).

Then prices’ increase has been an unfavourable surprise for 27.3 per cent of informants. But today, customers already more or less bargain for these events, they expect these events to a certain extent, then the level of negativity is not so high even if it could cause that a customer will change a shop and will move into another one where the prices are not so high, if a customer has this possibility. The decisive role of salesperson was already mentioned above. Nevertheless the manners of salesperson have been the unfavourable surprise for 18.2 per cent of polled customers of small groceries. Then 27.3 per cent of informants have complained about the always crowded shop and long queues, these are closely connected with an ease of shopping. Other negative events that have been found in the answer were e. g. short assortment of bread and pastries in poor quantity, disorder in the shop, inconsistency of the prices, and also the freshness of merchandises. Then these all are causing that the customer does shopping in such shop with a certain scepticism and alertness which make the shopping less convenient for a customer in a psychical wise, maybe up to stressful.

And if it is possible, people usually try to remain the stressful situations away. In the case of retail, it means that if a customer has the possibility, he/she quits the shop where the shopping constitutes any over-stress for him/her and will change this retail outlet for another one, maybe even at the cost of higher prices.

3.4. The research findings: Advantages of typical small-scale groceries

In the end of my research the informants were asked to present their opinion in what aspects are the small typical groceries better than super and hyper markets, retail chain stores, and conversely, what subsists the advantages of large-scale retail chains stores in comparison wit the small-scale groceries. The most frequent opinions and their apportionments are shown in the tables (Table 5 and Table 6) bellow.

Table 5. Advantages of small-scale groceries

<table>
<thead>
<tr>
<th>The advantage</th>
<th>Share in informants (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The shopping there doesn’t take so much time</td>
<td>24,1</td>
</tr>
<tr>
<td>Proximity of the retail outlet</td>
<td>25,9</td>
</tr>
<tr>
<td>Nerveless shopping, and lucidity in a shop</td>
<td>9,3</td>
</tr>
<tr>
<td>Assortment satisfying the everyday needs</td>
<td>11,0</td>
</tr>
<tr>
<td>No advantage</td>
<td>26,0</td>
</tr>
</tbody>
</table>

Among the other opinion of the positive aspects of small groceries not so frequent has occurred e. g. the possibility to order any merchandises, or that these small retail outlets don’t trepan into buyings of futilities. What is startling for me is the fact that only one informant has answered that the greatest advantage of small groceries is the personal relation between a customer and a salesperson. This brings the question if the personal relations that are thus much emphasized by a literature (e.g. Uusitalo, 2001) as the highest advantage of small shops are not valid mostly only for the shops of specialized assortments where the customers often need a consultation, while the everyday needs are bought according the customer’s customs.
Table 6. Advantages of large-scale retail chain stores

<table>
<thead>
<tr>
<th>The advantage</th>
<th>Share in informants (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy buying under one cover, over-choice of wide assortment</td>
<td>44,0</td>
</tr>
<tr>
<td>Lower prices</td>
<td>22,6</td>
</tr>
<tr>
<td>Ease of shopping and transport</td>
<td>14,3</td>
</tr>
<tr>
<td>Suitable for longer time provision</td>
<td>4,8</td>
</tr>
</tbody>
</table>

Then another advantages mentioned in the informants’ answers were e. g. accompanying services, offer of novelties and specialities, or in-store tasting, and also the opening hours in these stores. Shopping in the large-scale stores brings no advantage only for 2.4 per cent of informants.

4. Conclusions of the research

The research findings make obvious that the customer’s attitude towards a typical small-scale grocery, or towards any retail outlet, is created by several factors. These factors would be possible to regroup into one global quantity that I term as the shopping satisfaction which partial components, of course, have different wages. At the determination of this wages, I suppose, the Maslow’s Hierarchy of needs could be used very effectively. If I apply it on the shopping satisfaction, the weights of individual factors would be deducted based on the scheme bellow (Figure 4).

Figure 4. Composition of the Shopping satisfaction quantity

As well as in the Maslow’s hierarchy of needs, the basic level is created by the basic needs satisfaction. In this case it means that a customer would find – buy everything what he/she needs at the moment in the grocery, then a customer satisfies his/her present needs which are the incentives leading him/her to go shopping. If I start from the suppose of the equilateral triangle representing the apportionment of the individual parts of the global factor of shopping satisfaction, the weights of these partial factors are as follows.
Table 7. Wages of the Shopping satisfaction components

<table>
<thead>
<tr>
<th>Component</th>
<th>Weigh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal self-fulfilment</td>
<td>0,03</td>
</tr>
<tr>
<td>Social interaction</td>
<td>0,08</td>
</tr>
<tr>
<td>Shopping comfort</td>
<td>0,14</td>
</tr>
<tr>
<td>Hygiene</td>
<td>0,19</td>
</tr>
<tr>
<td>Quality of merchandises</td>
<td>0,25</td>
</tr>
<tr>
<td>Basic everyday needs satisfaction</td>
<td>0,31</td>
</tr>
</tbody>
</table>

The meanings of these component factors are:

**Basic everyday needs satisfaction**

The stage is fulfilled if a customer would find and buy everything what was an impulse to go shopping. So if the most frequent composition of everyday shopping is considered it means that customer could find at least fresh goods as bread, sausages, and milk products and may be fruit and vegetable in a grocery.

Favourable *quality of merchandises* sold

The goods that a customer wants to buy, respectively that has been the impulse to what he/she decided to go to the shop, must be, of course, of a suitable quality. If it isn’t so and if a customer is not in a state of pressure leading him/her to a compromise, namely to buy goods of poor quality, e. g. to buy tired bread, he/she probably won’t buy this food at all. It corresponds to the state that a customer wouldn’t find desired goods in the shop.

**Hygiene**

Without any doubt, a customer will be surely slow to shop in the retail outlet where the sanitary conditions are not in compliance with his/her view of the hygiene.

**Shopping comfort** (Ease of shopping)

This is the first of the upper half of the pyramid. According to my interpretation that means, if this factor is not realized it wouldn’t be unavoidably necessary that a customer will not do shopping in such retail outlet. Then the *Shopping comfort* involves both physic comfort, this is elbowroom, transparent ordering in the shop, capacity of the retail outlet accordant wit the number of customers, easy accessibility of the shop and so on, and psychic comfort that is e. g. the state when a customer knows, can be sure, that rotted goods won’t be sold him/her wilfully, or that he/she won’t be picket by a pickpocket as well as rooked by the retailer. A man already from the human substance usually always chooses the way which is better passable for him, which is more comfortable and it is the same in the case of groceries as well.

**Social interaction**

As is said in the Theory of Human Needs of Maslow, firs of all ha to be achieved the lower parts of the pyramid that the higher needs might be satisfied. Respectively a retail outlet may satisfy the customer’s need of a social interaction as late as it would have satisfied all lower customers’ expectations. Here the *social* interaction means the positive relations between a sales person and a customer that is, a customer can feel that he/she is welcome in a shop.

**Personal self-fulfilment**

To reach the top of the pyramid means the absolute shopping satisfaction. But here is also valid the same as is valid in the Maslow’s theory, the top of the pyramid is reached scarcely ever. As for the retail business, customer’s self-fulfilment means that a customer actively participates in the work of a shop, e. g. everything what is in
excess of scope of usual assortment in the retail outlet, in excess of scope of usual everyday basic goods, a customer can order, it is a customer has some king of possibility to operate an additional supply in a grocery, or the opening hours in the shop are adapting according to customers’ needs, or other accompanying services are providing as may be to drive the groceries to customer’s (especially the elders) home and so on, such services – “bits and pieces” – that are not usually foretell able in a small grocery.

It is evident that every level of the pyramid doesn’t necessitate to be fulfilled absolutely for hundred per cent to the next level could be saturating. This is the difference from the Theory of Maslow. But no level can be left out to continue to the higher. If the previous lower level is not fulfilled absolutely, not the higher levels can be. The fulfilment of next level will be cancelled out in the proportional rate. The rating of every shopping satisfaction part fulfilment will be based on the fuzzy model because a customer likely won’t be able to rate exactly that e. g.: “I’m satisfied with the shopping comfort for 63 per cent.” etc. But it won’t be any problem for him/her to choose one of the freely drawn fuzzy groups which may be such as:

Absolutely satisfied / Very satisfied / Satisfied – Convenient / Rather satisfied / Dissatisfied / Absolutely dissatisfied

The global quantity of Shopping satisfaction realized after this manner will by then involved to the final rating of competitiveness of the typical small-scale grocery like the whole with other factors which will be derivate on the basis of my next research.

Conclusion

It is evident that the prosperity of every retail outlet, and not only of small-scale grocery, depends especially on customers. A shop without customer is sentenced to die. If a customer would shop in a retail outlet or not is among others up to his/her rating of this retail outlet, in his/her attitude towards this shop. “Among others” in this context means that a customer has a choice of two or more groceries, what is but not the rule everywhere.

The indicator of the Shopping satisfaction then would represent just the customers’ attitude towards a retail outlet, and this indicator of the shopping satisfaction will be then the one that would have the greatest weight in the final rating of the competitiveness.

For the retail business, customers are basically the “living water”. The retail business stands and falls with the customers. But it is not a subject of retail business to offer a broad range of other accompanying activities and components to customers in an effort to please them. Then these activities are not a bit a subject of typical small-scale groceries operation where these various activities could have a funny effect. In this sense, it is concerned especially on retailer’s sensibility to customers’ needs and feelings, which are nor learnable at school where can be gained only starting theoretical basis about it, but which are at the same time relatively easy to feel out. But it just depends on the retailer oneself, so for a change, on retailer’s attitude towards a customer.

References


