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The Influence of Marketing Strategy on Consumer Behavior

A study on ICA, Willys and Coop supermarkets in Gävle, Sweden

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ABSTRACT

Aim: This study presents the relationship between marketing strategy and consumer behavior. We discuss how marketing strategy can influence consumers' buying decision. Hence, our aim is to understand how consumers choose supermarkets for buying and how the supermarkets' marketing strategies affect their buying decision.

Method: This study was carried out by using a qualitative and quantitative research method. We gathered relevant information by conducting a survey on 120 consumers and 3 in-depth interviews with three managers from ICA, Willys and Coop supermarkets.

Findings and Conclusions: Through the analysis of the survey and interview, we discover that price strategy is not the most important effect that can influence consumers' buying decision. Our findings show that consumers will rather pay more attention on product quality and services of supermarkets. Also new marketing promotional methods such as using smart phone application (APP) has become a popular strategy used by supermarkets to attract and retain more customers.

Practical Implications: Given the fact that our sample size of respondents is small, the study results cannot be generalized. In other words, the results may not be applicable to all consumer behaviors and supermarket marketing strategies. In addition, this study was restricted to geographical limitations.

Originality/Value: The study results show how marketing strategy influences consumer behavior in supermarket industry and the factors that motivate consumers' buying decision in a global context. More also, the paper fills the gaps in the related literatures. This thesis is a detailed research on marketing strategy for impacting consumer behavior in supermarkets industry.

Keyword: Marketing Strategy, Consumer behavior, Supermarkets

Content

ABSTRACT	2
1. Introduction.....	5
1.1 Background.....	5
1.1.1 Consumer Behavior	6
1.1.2 Marketing Strategy	6
1.2 Purpose.....	7
1.3 Research Problem	8
1.4 Limitation.....	8
1.5 Disposition	9
2. Theoretical Framework.....	10
2.1 Consumer Behavior and Marketing Strategy	10
2.1.1 Consumer Behavior	10
2.1.2 Marketing Strategy	12
2.2 Five Force Model.....	14
2.3 Types of Marketing Strategy.....	15
2.3.1 Market Positioning.....	16
2.3.2 Promotion.....	16
2.3.3 Brand Developing.....	17
3. Methodology	18
3.1 Quantitative and Qualitative	18
3.1.1 Quantitative Approach.....	18
3.1.2 Qualitative Approach.....	19
3.2 Data Collection	19
3.2.1 Questionnaire	19
3.2.2 Interview	20
3.3 Reliability and Validity	21
3.3.1 Reliability.....	21
3.3.2 Validity	22
4. Empirical Study.....	24
4.1 Survey and Interview	24
4.1.1 Survey	24
4.1.2 Interview	24
4.2 Presentation of the Companies	25
4.2.1 ICA.....	25
4.2.2 WILLYS.....	26
4.2.3 COOP.....	26
4.3 Survey Study	27

4.4 Interview Study	31
5. Analysis	35
5.1 Current Situation.....	35
5.1.1 Consumer Current Situation (RFM).....	35
5.1.2 Supermarket Current Situation (SWOT).....	36
5.2 Market Opportunity Analysis	37
5.3 Marketing Strategy Analysis.....	39
6. Conclusions	43
6.1 Contributions.....	43
6.2 Suggestions	44
References	45
Appendix I Questionnaire	50
Appendix II Interview Question List	52

1. Introduction

In the introduction part, we present the background of our research in consumer behavior and marketing strategy. The research purpose and problem is described in this part as well. Next is the limitation and disposition of the study. Basically, this introduction chapter is an overview of the whole study.

1.1 Background

Due to globalization of the world market, the retail industry is characterized by severe competition and a high rate of failure (Ashish, 2000). The market for the retail industry is very competitive and market strategy needs to be involved at a functional level with managers to keep them motivated toward the enterprises. It is important for retail store to establish the right marketing strategy to hold consumers (Azar, 2011). There have been more people with more money to spend in retail stores (Schapker, 1966). Consumers are cutting out luxuries and focusing on purchasing necessities instead (Azar, 2011). These shoppers demand much greater variety of foods to satisfy their constantly increasing needs for more time-saving, convenience, and better quality (Schapker, 1966). So, supermarkets which are retail stores face opportunities and challenges today as they seek for new developing trends to differentiate them from competitors (Ashish, 2000).

Consumer choice behavior can be viewed as a series of processes including selection, consumption, and disposal of products or services to accomplish the specific needs (Huang, 2009). For supermarkets, choosing the right marketing strategy influences the consumer choice greatly; therefore they should be concerned about the consumer behavior. (Baltas, et al.1997). From a consumer perspective, a supermarket needs a marketing strategy that can satisfy consumers' needs in ways that would be more time-saving, more money-saving, and convenient. Also their strategy expectation must embrace better quality of goods and services with improved taste and flavor (Schapker,

1966). Understanding how consumers make purchases, it is apparent that choice is a central issue in marketing theory (Baltas, et al.1997). Considering the competition, supermarkets need to properly study consumer behavior for developing effective marketing strategy.

1.1.1 Consumer Behavior

An important question in consumer behavior deals with how marketing strategy such as commercials, pricing, role models or slogans can motivate consumers to exhibit specific behaviors (Veltkamp, et al, 2011). For the reason of different consumer preference and purchase decisions to shop in a particular supermarket, consumers always have several alternatives which usually differ in their quality and price (Azar, 2011). In the consumers' domain, consumers prefer retail brands associated with a thrift goal, i.e. Wal-Mart (Veltkamp, et al, 2011). As Veltkamp (2011) states, thrift goal makes consumers more motivated to purchase, they prefer lower-priced products to prestigious one. This implies that when consumers choose their ideal supermarket, the strategies such as pricing and promotion that the supermarket applies is of great importance as much as the brand image (Azar, 2011).

1.1.2 Marketing Strategy

Marketers have acknowledged the importance of consumer attitudes and discussed marketing strategy with consumer behavior (Vinson, et al.1977). In this study, we also want to link the consumer behavior with marketing strategy to figure out how supermarket strategy affects consumers' choice.

Most short-term supermarket strategies such as advertising, special promotions, price reductions, in-store promotions and displays were used to increase temporal unit sales of certain products (Segal & Giacobbe, 1994). Furthermore, many supermarket chains opened up the smaller stores in specific locations to meet consumers' basic needs (Vinson, et al.1977). Moreover, targeted in-store advertising for example, Wal-Mart's Smart Network features is a technologically advanced in-store television that provides

detailed product information and advertising on individual screens (Segal & Giacobbe, 1994). Wal-Mart provides the smart shopping assistance. Consumers can breeze through stores with smart shopping carts that tabulate the products as they were added, and download available coupons for the products of the carts through their cell phones (Vinson, et al.1977). All these strategies can influence consumers' choice.

Supermarket is a diversified form of the traditional grocery store; it is a self-service shop offering a wide variety of foods, household products, organized into aisles (Morris, 2000). Over the past 20 years, the opening of each supermarket has caused certain predictable shifts in consumer choice (Bucklin, 2011). We chose three supermarkets in Gävle to carry out this study. These supermarkets include ICA, Willys and Coop.

ICA is an association with more than 3000 independent retailers. It had the character of a movement when it was founded by Hakon Svensson in 1917, and ICA movement has been very successful in grocery retailing (Stymne, 1989). Willys is Sweden's leading discount chain, with 178 stores. Coop is also a huge retail chain. These three supermarkets occupy a guaranteed market share in Gävle and they have many chain stores around Europe. In this work, we study the marketing strategy and consumer behavior of these three supermarkets in the Gävle region.

1.2 Purpose

This study presents the relationship between marketing strategy and consumer purchase decision making. The aim of this study is to analyze the link between supermarket marketing strategy and consumers' buying decisions. Further, we also work towards getting more information and having a better understanding of the basic situation in Gävle supermarkets, especially in consumer behavior and marketing strategies discussed the contribution of marketing strategy and also how to convert a great marketing strategy to competitive advantage.

1.3 Research Problem

In recent years, enterprises increasingly establish their marketing strategy based on the consumers (He & Li, 2010). What do consumers really want? How does marketing strategy contribute to make consumers satisfied?

Stable customers mean that some customers are likely to repurchase in one shop. Previous researches indicated that there are lots of reasons that can make them become stable consumers; for example, customization strategy and variety-seeking strategy and so on (Kahn, 1998). It shows that marketing strategy does influence consumer choices. Each of these strategies can increase a supermarket's market share and increase primary demand for the product (He & Li, 2010).

In concrete, two questions are addressed:

- How do consumers chose their supermarket for buying?
- How does marketing strategy affect consumers' buying decision?

1.4 Limitation

At first, there is a huge amount of literatures on the study of marketing strategy and consumer behavior. However, we read small but relevant part of these literatures that are more applicable to this study.

Secondly, this article is a small sample study. Given the geographical limitation of this study, we selected 3 supermarkets in Gävle to research. Our research is focusing on Gävle region, thus the result the study may not be generalized. Although, ICA, Willys and Coop are European supermarkets, but the study cannot guarantee that our finding could be applicable to all supermarkets around the world.

Despite our long term planning for the survey and interview, we managed to get 1 hour to interview each manager because of their busy schedule. We requested for a longer time interview for obtaining more vital information.

1.5 Disposition

Our research thesis is in accordance with the content divided into six chapters. In the first chapter, we described a general overview of the research from the background, problem, purpose, and the limitation of the study. The second chapter gives a main theory structure of the entire study, so the following study will be base on this structure. Further, we described the methodology and the research strategy we used, the way of data collection and analysis, and the validity and reliability of our research. In chapter four, we stated the interview of the three principal supermarkets (ICA, WILLY'S and COOP) manager and the survey of 120 consumer in Gavle. We analysed the empirical data and stated the different marketing strategies of these three supermarkets and it how influences consumer behavior. The final chapter gives a comprehensive conclusion of our research with suggestions for future studies.

2. Theoretical Framework

This chapter deals with the theoretical framework. It mainly consists of four parts: the first part is about consumer behavior and marketing strategy. We discussed two main ideas of our study and described consumer behavior and marketing strategy in detail. RFM model and SWOT model was also used to illustrate these concepts for better clarification. The second part is about five force model; we described the theoretical foundation and explain how it works. Part three is about trend forecasting, in the recent years. There are a lot of researches about the growing trend in retailing industry, so got some core ideas of the literatures and discuss them.

2.1 Consumer Behavior and Marketing Strategy

In this section, we introduced consumer behavior and marketing strategy by the help of RFM and SWOT model. The two models will be used in the analysis part. We present and discuss the studies from recent researches and describe the theory of the main idea in our study.

2.1.1 Consumer Behavior

Consumer behavior is the study of individuals, groups or organizations and the processes they use to select, secure, and dispose of products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and society (Peter 1990). Obviously, behaviors refer to the physical actions of consumers that can be directly observed and measured by others (Rosemary, 2001). It is also called over behavior to distinguish it from mental activities, such as thinking, that cannot be observed directly (Catolu, et al. 2012). According to Peter (1990), there are three major factors that influence consumer behavior: environment factors, marketing strategy and consumer factors.

In customer aspect, we will use RFM model to analyze it. RFM model is a well-known

consumer value analysis method which widely applied for market segmentation (Ullrich, et al. 1979). It is a behavior-based model use to analyze the behavior of the consumer and then make predictions in accordance with the behavior in the database (Wei, et al. 2011). RFM method is used for analyzing customer value. It is commonly used in database marketing and direct marketing and has received particular attention in the retail industry. Therefore, RFM model does help supermarkets to have a better understanding of purchase intentions of consumers.

RFM model is composed of three measures, namely recency, frequency and monetary. Meanwhile, the definitions are described below (Rosemary, 2001):

❖ Recency: How recently did the customer purchase?

Recency means the last time consumers came to the store, the last time to buy products or services, for example, the last time when you bought a car, or the last time you went to a supermarket to buy breakfast or something else (Fader, et al. 2005). Therefore, when the last time consumers shop in supermarkets is closer to the recent time, then those consumers could be seen as great consumers (Wei, et al. 2011). If supermarkets provide new goods or services, they will replace immediately. Functions of recent consumption are not only to provide promotional information, but also, the report of recent consumer may cause soundness oversight (Liu, et al. 2011). What is more, recent consumer report is an important indicator of holding consumers (Wei, et al. 2011). Consumers who bought your products or services recently, or patronize your stores recently are most likely the consumers who will buy your products or services again (Cheng, et al. 2010). Furthermore, it is easier to attract the consumer who is shopping in your supermarkets recently (Rosemary, 2001). Marketers always like to use powerful marketing concepts to establish long-term relationships with customers instead of selling products only, and customers will continue to keep touch with consumers, as well as win customer loyalty (Fader, et al. 2005).

❖ Frequency: How often do they purchase?

Frequency of consumptions means that during a limited period, how many times did the consumers purchases goods and services? We can say that, the frequent customer is also the customer with higher satisfaction and loyalty (Liu, et al. 2011). Increase in customers' procurement time means that you can get market share from competitors and increase revenue (Ullrich, et al. 1979).

❖ Monetary: How much do they spend?

It means how much the consumers spend in the supermarket at once. This is the fundamental data of all databases (Ullrich, et al. 1979).

Recency, Frequency and Monetary are the components that make it easy for measuring consumer value (Rosemary, 2001). Actually, these three indicators fully demonstrate the impact of consumer behavior on the marketing strategy, of which, the recency is the most powerful predictor (Cheng, et al. 2010). General model like CRM focuses on the analysis of the consumer contribution; however, RFM emphasizes that, customers are distinguished according to consumer behavior (Wei, et al. 2011).

2.1.2 Marketing Strategy

Marketing strategy is a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage (Tung, 2012). Business strategy is the same as a wide range of branches that draft and maintain a profitable commercial enterprise in an environment. For supermarket remains a competitive industry, it is really important to establish a proper marketing strategy. As well as, SWOT analysis can help supermarkets plan better in converting their weaknesses to strengths. The acronym SWOT stands for strengths, weaknesses, opportunities and threats, which are the traditional means used to help figure out the current situations of supermarkets objectively and accurately (Valentin, 2001). As *figure 1* shows, they suggest by listing favorable and unfavorable internal and external particulars, based on the current situation of supermarkets to establish suitable marketing strategy that would achieve

their purpose on winning more customers and market shares (Myron, 2000).

Figure 1. Conceptual Structure of the SWOT Framework

	Internal Factors	External Factors
Favorable Factors	Strengths	Opportunities
Unfavorable Factors	Weaknesses	Treats

Resource: Myron, L. (2000). Marketing Literature Review, *Journal of Marketing*, Vol. 64, No. 4, pp. 110-121

SWOT analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business strategy (Valentin, 2001).

- ❖ **Strengths:** characteristics of the business or project that give it an advantage over others. Mature marketing model is strengths for the supermarkets industry.
- ❖ **Weaknesses:** weaknesses are characteristics that place the team at a disadvantage relative to others. All the supermarkets are facing the problem in lack of employee.
- ❖ **Opportunities:** these are business circumstances that could be exploited to be an advantage. Customers desire for much greater variety of foods to meet their satisfactions, this is an opportunity for all supermarkets.
- ❖ **Threats:** elements in the environment that could cause trouble for the business or project. They are faced with the threats like market saturation.

Generally, marketing strategy is a requirement to meet supermarket demand effectively, and the key to achieve the goal is paying more attentions on research in consumer behavior, cracked the black box between consumer mind and enterprise strategy (Lee, et al. 2011). Consumer behavior as an important branch of marketing specializes on making managers of a firm realized the process of consumer decision making and learn how to meet their needs (Peter, 1990). Based on the study of consumer behavior, we can get better advantage using marketing strategy for supermarket.

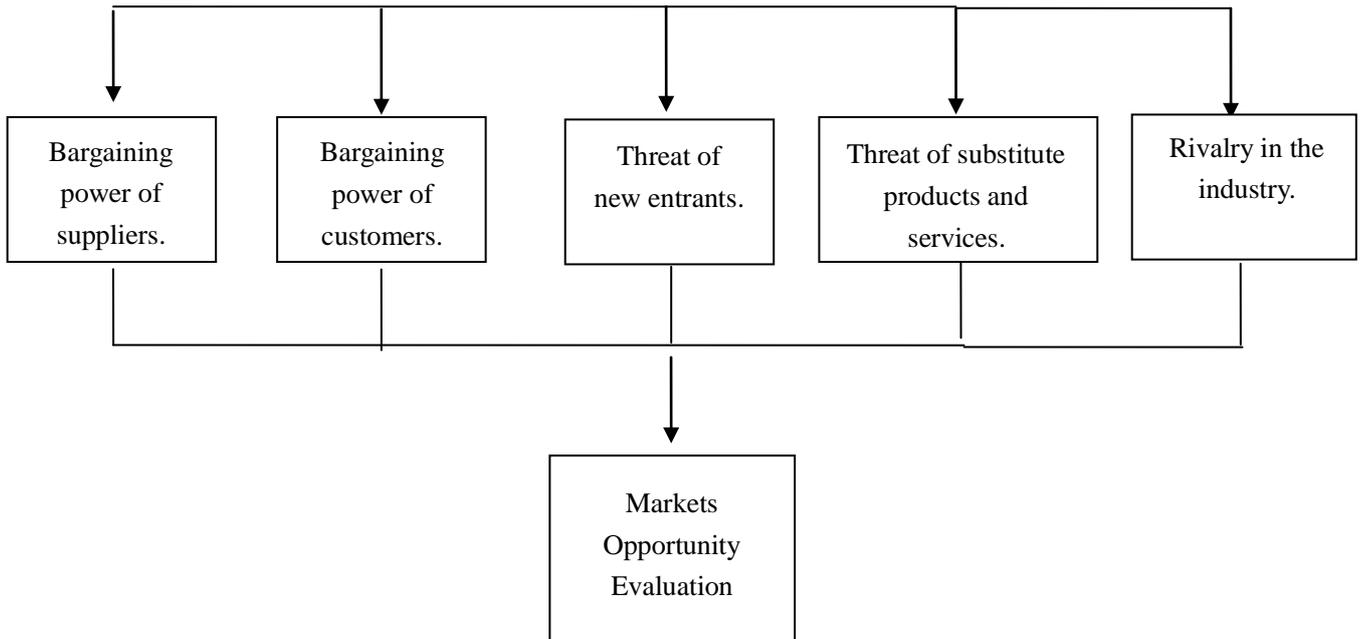
2.2 Five Force Model

We used Michael Porter's five forces model to analyze the market opportunity of these three supermarkets. It has been considered a standard tool for the analysis of industry attractiveness, basic assumptions and the state of competition in an industry (Lee, et al. 2011). Porter talk about five major forces that can determine opportunity in an industry and this includes... the bargaining power of customers, bargaining power of suppliers, threat of new entrants, threat of substitute's products and services, and rivalry among firms in the industry (Woodruff, et al. 1996).

- ❖ Buyers can negotiate to get a lower price, increase cost. This is regarded as a threat.
- ❖ The bargaining power of suppliers is the ability of suppliers to raise prices or reduce the quality of inputs.
- ❖ Entry barriers sources include economies of scale, brand loyalty, cost advantages, customer switching costs, initial capital requirements, government regulation and so on.
- ❖ Similar needs of customers can be adapted to different industries or companies providing products or services. Customers' similar needs can be met in different industries or companies providing products or services, thus it is a threat to the enterprise itself.
- ❖ Intense competition among enterprises and profitability will constitute a powerful threat against one another.

Market opportunity analysis always means a process manager to understand consumers, markets, and opportunity (Woodruff, et al. 1996). The external data is not enough to analyze a market, thus, we used this model to analyze market opportunity of supermarkets.

Figure 2: Market Forces



Resource: Woodruff, R. B. and Gardial, S. F. (1996), Know your customer: New approaches to understanding customer value and satisfaction, Blackwell publishers Inc. 238 main street, Cambridge Massachusetts 02142 USA.

2.3 Types of Marketing Strategy

In this part, we discuss researches on types of marketing strategy. This includes Market positioning, Promotion and Brand development.

If a customer has a fantastic impression on a supermarket product, design, reputation and trademarks, it would increase the consumer's word of mouth advertising. Also, it will become an intangible asset from a brand (Bucklin, 2011). Based on this, it is easier for customers to persuade other people to buy and become regular customers, which in turn will reduce the burden on enterprises. Therefore, the supermarket's marketing strategy must seize the customer, establish consumer centric management and the customers will bring greater benefits to the enterprise (Koufaris, et al. 2001).

In the fierce market competition, the supermarket which can seize the customer satisfactions and establish consumer centric management will be able to get an invincible position in competition and win more customers (Koufaris, et al. 2001).

2.3.1 Market Positioning

In most European countries, the supermarkets' market positioning is quite obvious (Uhlenbruck, et al. 2006). Supermarkets will continue applying the guide role of the market segments to identify the market position (Reddy & Holak, 1991). For example, in the neighborhood supermarket chains, they will focus more on the fresh food, whereas some other supermarkets concentrate on providing the new products and developing green products constantly. In other words, supermarkets have to find a suitable market position (Uhlenbruck, et al. 2006).

2.3.2 Promotion

Promotion is an important factor in marketing strategy that contains the major tools to stimulate and attract consumers to buy more particular products or services (Bucklin, 2011). As well as promotion is a communication activity, essentially marketers send out all kinds of information to their various target consumers as a means to influence consumers' attitudes and behavior (Rick & Imran, 1999). There are five elements in the promotion which includes... personal selling, advertising, sales promotion, direct marketing and publicity (Bucklin, 2011).

Previously, despite all supermarkets see promotion as an important element of marketing strategy used for attracting consumers, the consumers are still unsatisfied (Bucklin, 2011). As a result of the above statement, managers have to choose a suitable promotional technique. In the future, supermarket manager would choose a suitable promotional technique at the right time to make them unique and differ from other competitors. It can help supermarket attract more consumers effectively and increase the sales substantially as a successful supermarket promotion (Rick & Imran, 1999). Hence, membership cards, APP promotion and other innovative ways of promotions will become the popular promotion approach.

2.3.3 Brand Developing

Supermarkets to establish and develop their own brand show that brand effect is an intangible property (Alba, et al. 2011). Supermarkets produce their own brand products to increase brand image (Richardson, et al. 1994). Specific brand merchandises can fully meet consumer needs whether in off-season or peak-season. Therefore, supermarket brand products with high potential will rapidly develop its own brand product (Alba, et al. 2011).

Supermarkets can take advantage of their own brand products to add value and create brand image, as well as stimulate consumer purchase behavior and improve consumer loyalty (Richardson, et al. 1994). In addition, there is an intense competition in supermarket industry as managers want to achieve the purposes such as lower purchase cost, provide satisfied products to consumers by developing and operating its own trademark merchandises (Alba, et al. 2011).

3. Methodology

In this chapter, we introduce the quantitative and qualitative approach which we used. For data collection, we handed out questionnaires to 120 consumers and interviewed three supermarket managers. We present the reliability of our data and the validity of our whole research.

3.1 Quantitative and Qualitative

In general, research method can be divided into two broad categories; they are quantitative approach and qualitative approach. The term quantitative refers to a type of information based on quantities or quantifiable data (Derek, 2007). Qualitative refers to descriptions or distinctions based on some quality or characteristic rather than on some quantity or measured value (Jorge, et. al. 2005). We distinguished these two methods by function when it was applied in data collection. It is important for a research method to be connected with its purpose for proper coherence and clear direction of the study. According to the purpose of this study which is to discover the influence of marketing strategy on and what motivates consumer buying decision, we try to integrate qualitative and quantitative techniques, in order to complete our research.

3.1.1 Quantitative Approach

The quantitative data can be measured in length, height, area, volume, weight, speed, time, temperature, humidity, sound levels, cost, members, ages, etc. (Gagnon, 2010). We used a quantitative approach to collect the data in the questionnaires. In our research, in order to test the large sample of consumer's reaction to marketing strategy, we design a questionnaire to test and measure customers. Using the quantitative approach, we want to figure out which factors are the most important when customers choose the ideal supermarkets as well as determine the effect of marketing strategy.

3.1.2 Qualitative Approach

As we have gained insights and ideas about the subject matter, we choose to do an exploratory research. Qualitative research in a long-standing tradition is considering being exploratory. It focuses on collecting amounts of primary data by asking questions or observing behavior (Hair, 2000). This applies to our situation: limited by time and place, small samples and limited to the sampled respondents. Obviously, most advantage of qualitative is both economical and timely. And it plays a critical role in *identifying marketing problems* (Derek, 2007). But the limitation of samples also is the disadvantage; the result can't be used in every supermarket. We did an in-depth interview with three managers for Ica, Coop and Willys to get relevant information on what marketing strategy these supermarkets use.

3.2 Data Collection

We applied two methods in the data collection. Firstly, we distributed some questionnaire to 120 respondents. Then, we designed an interview questions to three managers of each supermarket to understand their marketing strategy.

3.2.1 Questionnaire

We designed questionnaires to gather useful information from supermarket consumers. The questionnaires were designed to be a structured-undisguised type. It is most commonly used in marketing research (Hair, 2000). Questions of this type will have a clear purpose and the respondents are limited to replies. At the time and place limited, we chose 120 respondents, and the samplings were evenly distributed in the three supermarkets and the University of Gävle. Within a specified margin of error, we used probability sampling in which the results achieved may be extended to the target population. That is why we chose to use probability sampling to collect our information. Considering language problems, we designed this questionnaire both in English and Swedish. Customers complete this questionnaire in 2 minutes. The

questionnaire is also present on Appendix I.

3.2.2 Interview

According to Churchill (2005), it could be difficult to obtain the cooperation of respondents for an in-depth interview because it will take a long time. Fortunately, we got a good communication with the managers and they gave us about one hour for the interview. In modern society, more people concerned about the quality of goods and services that supermarket provides. The supermarket choice does not only depends on the supermarket's goods and services, but also on the variety of marketing strategies, customer own preferences and many other factors. We intend to get more information through the interviews.

In-depth interviews always lack structure and are highly random; therefore we prepared questions which we initiated with higher interview skills. Interview skills include interpersonal communication and listening skills (Hair, 2006). We tried to make the interview more comfortable and free. Some easy but essential questions were chosen to be asked. Then we saw the advantages of depth interview: flexibility. The question-and-answer process gives us the flexibility to collect information not only from questions that we prepared.

In the interviews, the purposes are:

- ✓ Getting more information about retailer market;
- ✓ Helping us have a better understanding of the basic situation of the Gavle supermarket market;
- ✓ Helping supermarkets meet customers' demand better;
- ✓ Helping the supermarket to develop an appropriate marketing strategy, and gain more customers,
- ✓ Supermarkets can get more recognition and trust from major customers.

✓ The supermarket also can improve them constantly.

In order to ensure the effectiveness of the investigation, we have also done a lot of preparatory work to help us gain a comprehensive and thorough understanding of marketing strategy in supermarkets. In addition, we will give detail information about our interviews.

Table 1: Basic information on the interviews

	ICA	COOP	WILLYS
Manager	Fredrik	Inga	Lars
Interview Date	25/03/2013	18/03/2013	21/03/2013
Interview Place	Ica in Satra	Coop in City Centre	Willys in Satra
Interview Method	Face-to-Face	Face-to-Face	Face-to-Face
Interview Time	One hour	Fifty Minutes	Seventy Minutes

3.3 Reliability and Validity

In reliability and validity part, we describe the meaning of reliability and validity, and explained the process we followed to make our study is reliable and valid.

3.3.1 Reliability

Reliability depends a lot on validity. For example, if a data is valid, then it is reliable and vice versa. Although there could be cases where a data is reliable and yet may or may not be valid. The reason for this is because reliability does not account for systematic error (Churchill, 2005).

Mixed methods can be defined as a research with more than one method. To achieve a reliable research, we use made use of different methods. These methods include the quantitative and qualitative research methods integrated with the behavior and marketing strategy of the supermarket. Both quantitative and qualitative research methods have strengths and weaknesses (Eisenhardt, 1989). Quantitative research

always asking some questions such as how much to buy, how often to go, and causal relationships between variables. Qualitative research is more appropriate for studying consumer behavior in a natural setting (Molina-Azorín, et al. 2011). The mixed methods will be more time-consuming and so on, but with it we can be more confident that our results are reliable and valid (Niglas, 2004).

3.3.2 Validity

This part ensures that the data collected is accurate and the conclusion is reasonable. This could be achieved by ascertaining the effectiveness of data collected in three ways which includes: predictive, content and construction.

➤ **Predictive validity**

Predictive validity is used to forecast the performance criterion. This type of validity is determined by the connection between the measure and criterion. If the connection is superior, it can be said that the measures have predictive validity (Churchill, 2005).

➤ **Content validity**

Content validity focuses on the adequacy with content. Sometimes it is known as “face validity” because the assessment is by looking at the measures. We have to appoint what the variable is and is not, by examining the literature to determine how the variable has been defined and used previously (Churchill, 2005).

➤ **Construct validity**

Construct validity lies at the very heart of scientific and pragmatic progress, and very difficult to establish. It requires adequate samplings. We should consider the question: “Does it behave as expected? Does it fit the theory or model relating to the constructs?” (Churchill, 2005)

Throughout the study, we can see the correlations between two measures of the same concept even the method is different of which in this case (three supermarkets in Gävle,

Sweden) with a rigorous structure. We are trying to link relationship between consumer behavior and marketing strategy by adequate samplings and accurate information. So we can guarantee the study we did have validity.

4. Empirical Study

We divided the empirical study into three parts: survey and interview, presentation of the companies and survey study. In survey and interview, we introduce the basic information about our questionnaires and interviews. Further, we gave some primary information about the three supermarkets. The last part is about the study of the survey.

4.1 Survey and Interview

In the empirical study, we finished it in two parts; survey by consumers and interview by the managers of ICA, WILLYS and COOP. We introduced the basic circumstances of the survey by consumers and presented seven questions.

4.1.1 Survey

In the survey, we designed a questionnaire (Appendix I) in English and Swedish and selected 120 customers to fill the questionnaire randomly. 120 questionnaires were divided into four parts and completed in four locations respectively. Four locations are COOP, WILLYS, ICA and University of Gavle. Furthermore, the analysis is according to the result of questionnaires, so we did the survey on spot.

According to our research, valid questionnaires are 114 and the effective rate is 95%. The male is about 54%, female is 46%. They complied with the requirements of the questionnaire and provided effective and useful data for the research.

4.1.2 Interview

We interviewed three managers from COOP, ICA and WILLYS. The time of every interview is about an hour. In the interview, we got much valued information; seven questions were prepared. (The question details are mentioned in the Appendix II)

No doubt, managers give us much valued information, as well as, we tried to link our theoretical study with practice through the interview.

4.2 Presentation of the Companies

We present the basic information about the three supermarkets - ICA, WILLYS and Coop in this part. These three supermarkets are the main cases in our research.

4.2.1 ICA

In Sweden, ICA Sverige AB operates in about 1,350 retail stores in 2009. In Gävle, they have 7 retail stores. The stores have different profiles depending on location, range of products and size (Ica, 2013a):

- ◆ ICA Nära ("ICA Nearby")—Convenience-type stores for daily retail needs.
- ◆ ICA Supermarket—Mid-size supermarkets, located near where customers dwell or work carrying a wide range of products.
- ◆ ICA Kvantum—Superstores for large, planned purchases. Large spaces allocated for traffic and parking. Typically located outside of the cities.
- ◆ MAXI ICA Stormarknad—Hypermarkets with a full range of groceries as well as fashions, homewares, entertainment and electrical. Smaller stores do not offer the fashion and electrical ranges while the largest stores also have a DIY and gardening department.

Each store owns and operates separately, but operations are being coordinated within the group and all feature ICA brand products (Erber, 1996). In our study, the type of ICA store we visited is ICA Supermarket. During 2009, ICA Sverige AB had sales of 59 billion SEK (excluding VAT). A major ICA location is in Västerås, where they have a logistics center (Asplund & Friberg, 2002). Since 2001, ICA has run a series of television commercials featuring the staff and customers of a fictional ICA store and as of September 2010 approximately 320 commercials have aired (Erber, 1996).

4.2.2 WILLYS

Willys is Sweden's leading discount chain, with 178 stores, of which 46 are Willys Hemma. And two stores in Gävle. Willys is the food store for price conscious customers, featuring a wide product selection and a rich offering of innovative products (Hedstrom, 2013). Willys offers its customers "Sweden's cheapest bag of groceries". Today they have about 6,000 employees working to provide customers with Sweden's cheapest bag of groceries (Scholz, 2013).

Willys Hemma is the sister chain of Willys and like the Willys is the low prices downtown (Willys, 2013a). The Willys Hemma is where you can shop really cheap and near from your home.

Through environmental initiatives and an attractively priced range of organic products, Willys adds further value by also offering "Sweden's cheapest bag of organic groceries" (Scholz, 2013). Large households and families with children are Willys' priority customer categories. Willys Hemma is a smaller version of Willys. Willys Hemma aims to be the natural choice for cost-conscious customers who want to meet their daily shopping needs close to home (Hedstrom, 2013).

4.2.3 COOP

Coop Norden was a pan-Scandinavian retail chain. It was based in Sweden and owned by three major cooperative retail companies (Follin & Fransson, 2013):

- ◆ Sweden's KF (42%),
- ◆ Denmark's FDB (38%)
- ◆ Norway's Coop NKL (20%)

During its years of operation, Coop Norden ran around 1,000 stores and had a yearly turnover of approximately SEK 90 billion. In 2007, the parent companies decided to dissolve the arrangement and in January of 2008, operation and ownership of the retail chains returned to the national cooperatives (Coop, 2013a).

Coop Forum is a Swedish hypermarket (combined supermarket and department store) chain. The brand is owned by Coop Butiker och Stormarknader AB, who also runs most of the stores (Follin & Fransson, 2013). Some stores are run by regional cooperative societies through an agreement with Coop.

The chain was two types of their story: created through the conversion of many B&W, Robin Hood, Prix and Obs! Stores into the Coop Forum format in addition to new openings (Asplund & Friberg, 2002). The Coop has

- ◆ Coop Forum

- ◆ Coop Bygg

The largest Coop Forum stores carry a full hypermarket range including groceries, clothes, home wares and electrical goods; the smaller stores are more compact selling only a full range of groceries and a selection of home wares (Wikipedia, 2013a). Many Coop Forum stores also have a branch of Coop Bygg attached. Coop Bygg is a small DIY store.

4.3 Survey Study

In a survey study, we concluded the data we got, made some icons and describe it. We also gained some value information for analysis. Below are the type questions we had in our questionnaires with graphical illustrations of data collected.

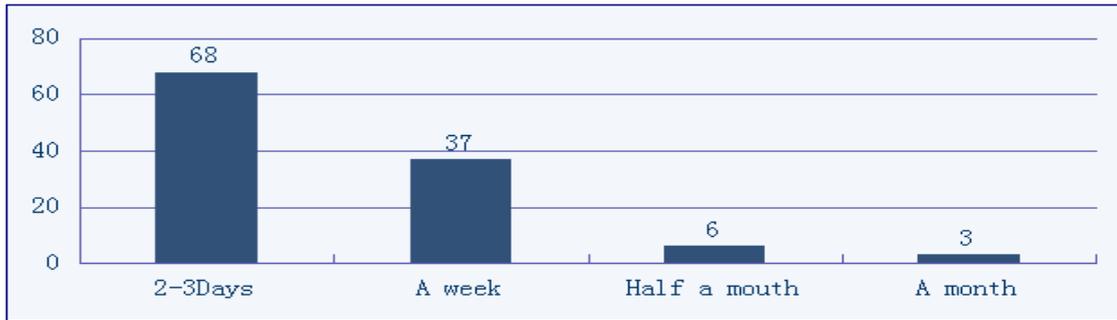
- Question 1: Gender

In the first question, the male is about 54% , female is 46% so we can see that the male customs are more than female.

- Question 2: Which supermarket do you often shop?

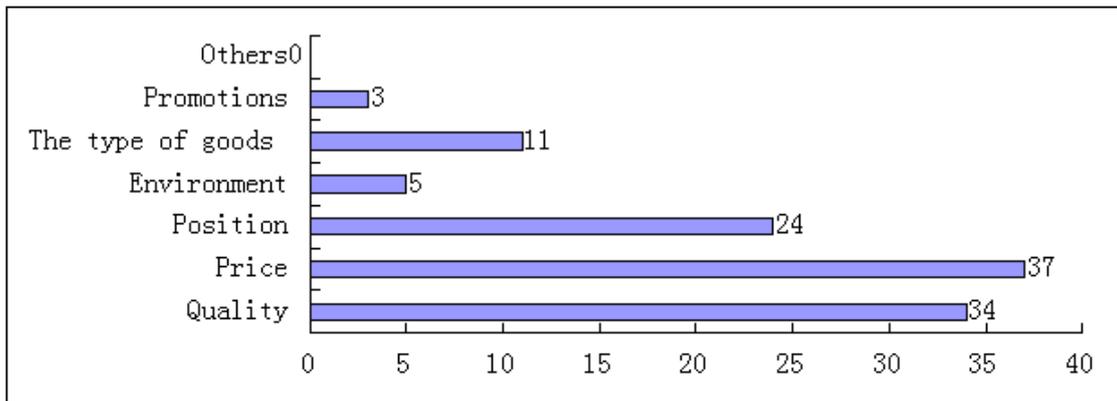
In this question, we can see, in total that 47% of consumers shops at ICA, and 37% of the consumers also shops to Willys, but there are only 16% consumers who shops at Coop. Therefore, ICA is the most popular supermarkets with most customers in Gävle.

➤ Question 3: How often do you go to supermarket?



Answering this question, we want to understand consumer behavior in how often they went to supermarkets. And we find out that 57% of consumers went to supermarket once in 2-3 days, and 31% of consumers went to the supermarket about once in a week. Other 12% of the customs go to go to shop about once in two and a half weeks or a month. Most of the consumers go to the supermarket every 2-3 days.

➤ Question 4: What is the most important thing when you choose the supermarket?



We give seven options to the consumer, and 32% of consumers think that suitable price is the most important thing, and 30% of the consumers think the quality of the goods is the most important. Something else, 21% will choose the supermarkets by thinking the position of the supermarkets, as well as, 11% of the consumers focus on the type of goods. The other 7% customers think the promotion and environment are important. Therefore, we can say that the price and quality of the goods are the first factor for the consumer to choose the supermarkets.

➤ Question 5: What is your favorite promotion?

Promotion is an important marketing strategy for supermarkets. The results of our survey are:

- ✧ 44% of the consumers like the bargain price;
- ✧ 27% customers prefer the promotion way of buy one get one free;
- ✧ 14% of the consumers think the return of the cash is the best promotion way;
- ✧ 4% customers are fond of the point redemption;
- ✧ 11% customers gave us more ideas such as the half price and all free if you get some lucky number.

Overall, bargain price is the most popular promotion approach.

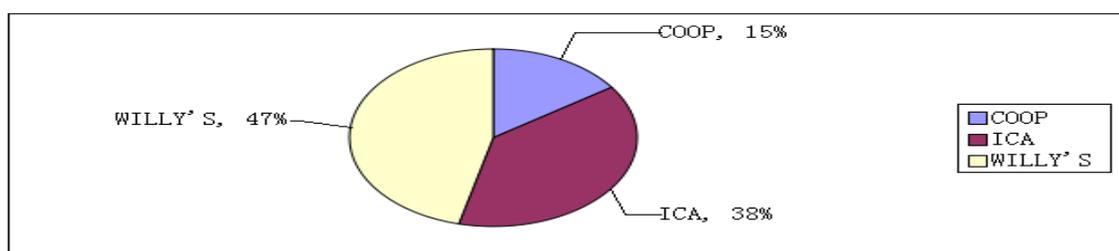
- Question 6: if you want to buy food which supermarkets will you choose?

In this question, we try to understand which supermarket's food is the most popular and we found out that: 46% customers always buy food from Willys; 43% buy from ICA and 11% of consumers buy food from Coop. Given the stated information, we can say that Willys' food is the most widespread in Gävle.

- Question 7: Which supermarkets will you choose if you want to buy the daily necessities?

In this question, we try to understand which supermarket's daily necessities are most popular. We found out that: 41% of customers always buy daily necessities in Willys, 41% buy from ICA and 19% of consumers buy from Coop. So we can see that Willys and ICA's daily necessities are most popular in Gävle.

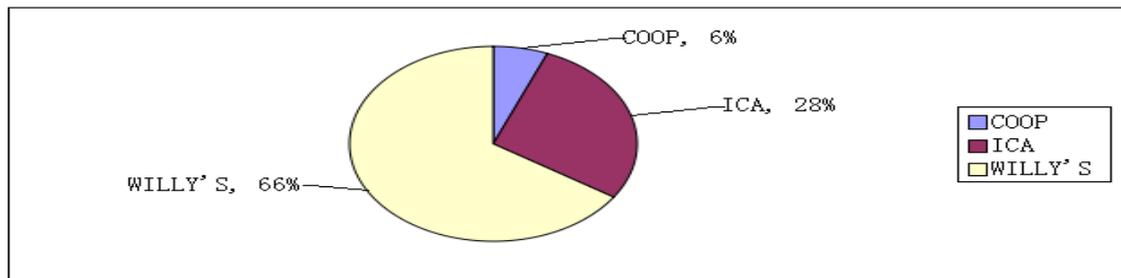
- Question 8: In service, which supermarket do you like best?



Above is a diagrammatical illustration used for comparing data about services among the three supermarkets. 47% of the consumers like the service in Willys best; 38% likes ICA and 15% consumers like Coop's service.

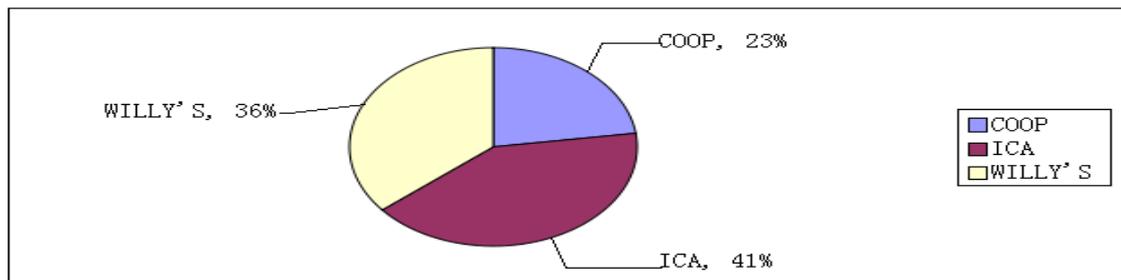
Overall, the Willys is the best in service.

➤ Question 9: In price, which supermarkets do you like best?



The above diagram compares the price between the three supermarkets. 66% of the consumers like the price at Willys best, 28% likes the price at ICA and 6% consumers like Coop's price. Overall, Willys is the best in price.

➤ Question 10: In the good's quality, which supermarket do you like best?



The above diagram compares the good's quality between the three supermarkets. 36% of the consumers like the good's quality in Willys best; 41% consumers think Ica is the best in good's quality and 23% consumers like Coop. Overall, ICA is the best in service.

➤ Question 11: which supermarket do a great job in a full range of goods?

Compare the full range of goods between the three supermarkets.

- ✧ 47% of the consumers think Willys' foods is full;
- ✧ 40% customs think Ica is the best in a full range of goods;
- ✧ 13% consumers believe Coop does the best job.

Overall, Willys is the best in the full range of the goods.

- Question 12: In position and environment, which supermarket do you like best?

Compare the position and environment between the three supermarkets.

- ✧ 38% of the consumers like the position and environment in Willys best;
- ✧ 44% customs think ICA is the best in position and environment;
- ✧ 18% consumers like position and environment of Coop.

Overall, the ICA is the best in service

4.4 Interview Study

We will analyze the interview with these questions.

- ✓ Can you do some brief introduction about your firm?

The location of the Coop which we visited is in Gävle city center and they have 23 employees. The manager wants to provide the freshest food to the consumers. To achieve this purpose, they provide the fresh and hot lunch to the customers at 11am-1pm every day. Coop has about 5000 consumers per month and every customer spends 200-500SEK per time.

The Willys store we visited is located in Satra Gävle and their slogan is "Sweden's cheapest bag of groceries". They commit to provide the cheapest goods to consumers. In this Willys, they have 28 employees, and 10 for part-time job. As well as, they have full of products.

The ICA store we visited is also located in Satra Gävle. In the introduction, we read

that there are ICA types of ICA supermarkets. The ICA we studied is one of the four Supermarkets and they have 35 employees, 27 full time employees and 8 part time employees. ICA is the local supermarket which is an advantage because many indigenous people like to shop there.

- ✓ How many branches do you have in Gävle?
 - Coop has five branches in Gävle;
 - Willys has two branches in Gävle;
 - Ica has seven branches in Gävle.

- ✓ Can you tell me some marketing strategy about your supermarket? (Including communication strategy, pricing strategy and channel strategy)

Coop manager thinks the communication strategy is important and they did a lot of work on it. Their work includes providing the paper advertising every week. On the paper advertising, it gives the information about the price of the goods as well as the discount they provide every week. The manager also believes it has great effects. In addition, she thinks the price is not the most important thing in what consumers care about. She also believes the location of the supermarkets is the significant factor. Coop is located in the city center with a huge customer flow.

Willys' manager thinks the pricing strategy is the most significant marketing strategy. Obviously their slogan is "Sweden's cheapest bag of groceries", so they did many works to provide the lowest price to customers, especially in logistics. The same as Coop, they all consider the paper advertising is a great way to do the promotion. Willys publishes the advertising in the local newspaper every week. Of course, advertising also provides information about the price and discount of goods. Five years ago, they tried to make the advertising on television, but it did not work out well, so they give up on it. Manager of Willys also did something in channel strategy. For example, they pay much attention on laying the supermarket, like where to put the meat in, where to put the vegetables in and which kind of goods put in front and so on. Actually they did a

lot of work in the marketing strategy.

The ICA manager talked about what they should do to make themselves better. They publish the advertisement in the local newspaper. The same as the Willys, they want to provide the cheapest price. In common, these three supermarkets think television advertising is useless for them and paper advertising is better.

✓ What is the main promotion way in your supermarket?

Coop main promotion way is member card which involves registration with your personal number and passport, and then you can get one member card for free. Every week, Coop will provide different discount for their members.

The main promotion way in Willys is giving the discount to customers. Actually, Willys also has their own member card and use the promotion technique of buy one for one free. The managers think the different products should have separate promotion ways. The special thing is that they have their own App, and consumers who download this App will get the special price as well. This promotional method is following the time and very popular with young people. In our opinion, we think that this promotional method will develop well in the future. Willys is leading the supermarkets in using this promotional method. ICA also has different promotion approach in different goods. However, comparing with other two supermarkets, they did not do that much work on promotion.

✓ Compare with the other two supermarkets, what is your advantage and what is your disadvantage?

Table 2: The advantages and disadvantages of three supermarkets

Coop

Advantages	Disadvantages
The location is in the city center;	The parking is not convenient to the consumer;
They provide the fresh lunch every day;	The supermarket is not big enough.
They provide the freshest food in Gavle.	

Willys

Advantages	Disadvantages
The price is the cheapest in Sweden;	A few parking spaces;
They are professional and do a great job in logistics;	The layout of them is too long
They have large-scale;	
The full of goods.	

Ica

Advantages	Disadvantages
They also provide the low price;	The parking is also the problems for them;
Ica is the largest supermarkets in Sweden;	Lack of staffs.
Location is well.	

- ✓ What do you think is the most need of the customer?

Coop manager considers what the custom wants is not the lowest price, but the fresh food. On the other hand, Willys manager thinks that providing the lowest price can satisfy the customer; and ICA manager thinks that they should provide more types of consumer products.

5. Analysis

This chapter is an analysis of the marketing strategy and consumer behavior. Firstly, we analyze the current situation of consumers and supermarkets based on the results of questionnaires and interviews. Furthermore, we did some market opportunity analysis based on the theory. In the final part of this chapter, we explained some developed trend of retailing industry from the three supermarkets (ICA, Coop, Willys) in Gävle.

5.1 Current Situation

The current situation will be analyzed in two parts. First part is the consumer current situation. We analyzed what the consumers think about, how they make the final purchase decision and their current needs. The second part is about the supermarkets current situation analysis. In this part, we analyzed the data derived from the interviews with the three managers of the supermarkets, point out some marketing strategies the supermarkets using now.

5.1.1 Consumer Current Situation (RFM)

Recency indicates the last time a consumer bought an item (Wei et al. 2011). According to Wei, et al (2011), when the last time consumers shop in a supermarket is closer to the recent time, those customers should be seen as great customers. We did the survey in the supermarkets and the consumers we interviewed are of high loyalty. When we did the survey at Willys and Ica, it took an hour to finish 30 questionnaires and two hours in Coop. Data collected shows that Willys and ICA did great in recency. Frequency means how often consumers in the recent period buy (Wei, et al. 2011). Increasing frequency customers means that you can get market share from the competitor and increase revenue (Ullrich, t al. 1979).

We discover that most customers often go to the supermarket about 2-3days. Customers always want to balance price, quality of product and comfortable service of

supermarkets. Moreover, customers want a convenient position and bargain price as well. They like Willys but they often go to ICA, because Willys is located in outskirts thereby far away from city town. Monetary represents how much goods customers buy the last time (Wei, et al. 2011). The Monetary is related to the business secret of supermarkets and consumers, so we cannot do detail researches about monetary.

Nowadays, consumers are going to seek a higher value in satisfying their needs. They are not only buying a product, but also considering about the survey and brand of the supermarkets.

5.1.2 Supermarket Current Situation (SWOT)

The competition is becoming increasingly global and intense thereby gives more choices to customers (Tung, 2012). Supermarkets managers desire to find the best way to manage their enterprises (Peter, 1990). SWOT model can help to analyze the current situation of supermarkets as it is the foundation for them to establish the marketing strategy.

- ❖ **Strengths:** Characteristics of the business or project that gives it an advantage over others (Valentin, 2001). Coop strengths are: it is located in the city center and they provide fresh lunch every day. Willys think their price is the cheapest in Sweden and they are professional with job in logistics; For Ica, they think location and price are their strengths, as well; Ica is the largest supermarkets in Sweden.
- ❖ **Weaknesses** are characteristics that place the team at a disadvantage relative to others (Valentin, 2001). Parking problems are the common weakness for these three supermarkets. What is more, Coop thinks their supermarket is not big enough. Willys also think the layout is a weakness. Ica's defect is lack of staffs.
- ❖ **Opportunities:** Elements that the project could exploit to its advantage (Valentin, 2001). Myron (2000) said customers have demanded on much greater variety of foods to satisfy their need, this is the opportunities for all the supermarkets. In our

study, we also found consumers who are searching for better services and environment for supermarkets. There is an opportunity for these three supermarkets to meet customers' satisfaction as much as possible.

- ❖ Threats: Elements in the environment that could cause trouble for the business or project (Valentin, 2001). There are some small retailing stores that were opened near from the residences area. In the interview; the three managers think that this is a threat to them.

We can see, these three supermarkets understand themselves deeply, because they have chosen suitable ways to operate and promote their goods and services. Furthermore, they all understand the importance of consumers and try to focus more on and meet customers' needs.

5.2 Market Opportunity Analysis

According to Woodruff, et al (1996), market opportunity analysis means the process managers follow to understand consumers, markets, and opportunity. A business common pursuits are three overall marketing objectives- gets customers, keep customers and grow customers. The difference of these three objectives depends on the marketing strategy they used to ascertain how supermarkets can deal with today's dynamic markets. As the model by Porter, we analyzed the market opportunity of three supermarkets in the following five perspectives:

- ❖ Bargaining power of customers

Three supermarkets all gave a suitable price for consumers, but it depends on their situation. Although in some products, they may give different prices, but in most situations they use the standard pricing strategy with attractive promotion strategy to attract customers. Anyway, the supermarket has an unfixed pricing and it cannot be changed, so under normal circumstances, there are no effects on bargaining power of customers.

❖ Bargaining power of suppliers

From this perspective, the product price in supermarkets depends on the price that suppliers give the supermarkets. Every retailer wants to buy the product at the lowest price as the bargaining power of suppliers can decide a lot of things. Willys, Ica and Coop have the same suppliers. However in most cases, there is no big difference in supply price. Willys has their own logistics chain to a certain extent and it can help them reduce costs. Bargaining power of suppliers can determine basic price of products in supermarkets.

❖ Threat of new entrants

By talking about the new entrants, we have to say that Gävle is a small market with three giant supermarkets and a lot of retail stores. It is quite difficult for new entrants to enter this market. However, their competitors may not be the big retail supermarkets. On the contrary, some small stores near the residential area could be their competitors. According to the ICA manager, as a result a new Tai store opened in Campus, they loss some consumers. They should give some discount and keep innovating for holding the consumers. The Willys manager, he also said that, they are not afraid of new entrants because of their solid foundation in Gävle and the help of innovation to gain advantages in competition. What ICA could do to improve as much as possible...

❖ Threat of substitute products and services

There are many retail stores in Gavle, but they only provide snacks, cigarette, and some daily services. This cannot be a threat to the supermarket. So the threats come from themselves. Anyways, those retail stores make them lose some consumers, but this could be handled properly as they also possession of a large number of the market shares. In this situation, what they should do to improve the quality and variety of product and their service.

❖ Rivalry among firms in the industry

Willys is not located in the city center, but it has a great environment and sundry products. ICA has a convenient position-located near living-area and ICA also can provide the lowest price in Gavle. COOP is located in the city center, so they cannot have a discounted price, but has the most convenient position. These three supermarkets understand themselves and each other in deeply, as we know, the Willys' manager worked in ICA for 10 years before, so he knows ICA very well. Furthermore, he said that there is no conflict as they also can gain many market shares in Gävle, and they can compete in a harmony environment. Learning from each other, improving themselves as soon as possible, providing better products and services to consumers. Rivalry among firms in the industry presents a harmonious state in our case. I believe this kind of competition can not only promote development of the three supermarkets, but also can promote the development in supermarkets industry in Gavle and satisfy customers better.

Generally, cooperation is the most important thing in a small market. The managers need to consider the relationship between consumer behavior and marketing strategy in order to develop a common sense to each interaction (Peter, 1990). All these three managers are not satisfied with what they had gained now and they want to do better as well as find the suitable marketing strategy to gain more consumers and provide better services to consumers.

5.3 Marketing Strategy Analysis

In marketing strategy analysis, we combine the recent researches with our study to analyze the marketing strategies used by supermarkets to attract and retain customers:

❖ From self-centered to customer-centered

Koufaris, et al. (2011) said supermarkets over-emphasize corporate profits and brand image, while ignoring consumer value and needs. In our opinion, the supermarket

customer-centric business philosophy has not yet fully formed. They tend to focus too much on the pursuit of profits, but neglect of customer satisfaction. Willys always adhere to the tradition of "everyday low prices", establish the business strategy in low-cost, low-price, high-quality and high service. This is a common requirement of all consumers. If a customer is not satisfied, the supermarkets may lose this customer permanently, even more, the consumer may also complain to other consumers, causing resentment of other consumers. Lee et al. (2011) also said, if a customer has a fantastic impression on brand's product, design, reputation and trademarks, which is equal to establish the consumer's word of mouth advertising, it will become an intangible asset for supermarkets.

❖ Diversity competition

In Rao's (2009) research, they find the simple price advantage was gone and the competition is more complicated. For the reason of homogeneity of goods and the quality of goods it is a magic weapon for supermarkets to gain a competitive advantage. Therefore, Coop manager said that they do not care too much about price; rather they want to provide the better service to consumers. Steven & Kristy (2002) also find consumer psychology from the "affordable" in past trend to "happy shopping" even to "enjoy the shopping" "experience shopping" in today.

❖ Fuzzy positioning changes to the characteristics positioning

Reddy & Holak (1991), Uhlenbruck (2006) all said, the supermarkets should identify the market position. In our thesis, we think those three supermarkets did a great job in it. WILLYS choose daily home buyers as their targets and many of their products are large package. ICA targets low-income customers and the price is relatively low. COOP's target customers are positioned as urban office workers, providing daily necessity to them and building the supermarket in downtown where traffic is convenient.

❖ Modernization promotion

In Johnson's (2012) opinion, consumers feel dissatisfied with the promotion and managers has to choose the suitable promotion way at right time. They also make them unique and differ from other supermarkets. All three managers think membership card is a good way to promotion. A membership card is not only as a consumer shopping price pass, it also establishes a bridge between consumers and supermarkets. Either now or in the future, in order to be successful, it is necessary to establish complete customer file information, including all historical shopping information, resume, or even personal preferences, in order to strengthen contact with him (Reynolds & Olson, 2001). Moreover, Willys creates a smart phone App for promotion. In the App, the consumer can know about discount as well as get information about Willys. I think this will be a popular and modern way in promotion especially in young generation.

❖ Integration of logistics

Allen (1997) said, supermarket prosperity must have a strong support because it is the distribution center. Supermarket chain through a unified distribution center, centralized purchasing, centralized inventory, focus on transportation. According to the needs of each chain, unified distribution is thereby saving operating costs. Wassenhove (2006) also think efficient distribution center can help supermarket reduce the cost effectively and replenish their stocks quickly. Supermarkets must focus on building an integrated logistics system. Willys has distribution center by themselves, but Coop and ICA has not.

❖ Relationships with suppliers turn to competition and cooperation

Supermarkets relationship with suppliers has become increasingly complicated. Supermarkets managers are searching a new way to get along with suppliers (Peter, 1990). In our opinion, supermarkets have to cooperate with the suppliers closely, get more merchandise information and other relevant information.

❖ Supermarkets brand products

Supermarkets can take advantage of their own brand products to add value and create brand image, as well as stimulate consumer purchase behavior, improve consumer loyalty (Richardson, et al. 1994). Linking to our empirical study, we found, Ica, Willy's and Coop all produce their own brand products, and the managers told us, it can gain a big amount of profit. The developing the supermarkets brand products will continue. There are more and more kind of products will be produced by supermarkets in the future.

❖ The combination of localization and internationalization

Culnan (1993) thinks that the global competition will change our lifestyle. Supermarket managers will change their marketing strategy to adapt the new environment as well (Hair, 2006). Therefore, supermarket managers think that in order to adapt the global environment, must careful analysis the real need of customers. In our opinion, supermarkets should continuous learn and innovate in marketing strategy, creating their own operating characteristics to achieve the development in competition as well as have a deep understand of customer demand.

6. Conclusions

Our study shows that, marketing strategy can influence the consumer behavior greatly. The managers have to deeply understand the consumer and their behavior. Also they must fully grasp consumer's internal psychological factors like needs, motivation, personality, attitude and learning. Furthermore, they must grasp their purchase decision-making process as well as analysis of external factors, based on that information. Managers can make sure marketing management is based on a scientific basis.

We concluded our study in two parts, contributions and suggestions. In the contributions, we described some new views in our study. In suggestions, we gave our suggestions for future study.

6.1 Contributions

Through our study, we found new factors that influence consumers' buying decision which are quite different from previous research. **Firstly**, in the previous research, they think the price is the main orientation that can influence consumer decision making (Alles & Datar, 1998). However in the study, we found price is not the only element that the consumers care about. Consumers pay more attentions on the services, and the quality of the product now. **Secondly**, we do not think so because in these three supermarkets, only Willys has their own distribution center, but Coop and ICA also developed well. Furthermore, the external delivery service is not only professional but also can save costs. **Thirdly**, in promotion, we found out a new way that can help supermarkets gain more attentions. This is phone App, and it is really popular in young generation, and convenient as well as innovative. **Finally**, In our opinion, supermarkets should identify their market position, like these three supermarkets in Gavle, WILLYS choose daily home buyers as their targets, ICA targeted to low-income customers, the price is relatively low, and COOP's target customers are positioned as urban office

workers. They identify their market position, and they can develop harmony in the same area.

Finally, we found that consumers consider other effects like environment and services of supermarkets when they choose the supermarkets for buying. They will balance all elements of supermarkets before they make the purchase decision. In addition, the marketing strategy of supermarkets is the main effect that can influence customer's decision. For example, Coop manager consider price strategy is not the most important strategy, so those customers who do care about the price will not choose Coop to shopping.

6.2 Suggestions

For supermarkets to meet consumers' need, they need have a better understanding of consumer decision making process. The first problem that consumers will face is identifying the needs. What marketing strategy can influence it? This means that the first step is consumers should reason out their needs, then, the consumer will collect information and based on the information to make a buying decision. So the supermarkets should do something to influence consumer decision through this process. They need to give more information to customers and consumer will base on that information to make decision.

In future study, the researcher should consideration these things. **At first**, consumers had known about these supermarkets and already have their own choice how to let them keep the decision or change the decision. **Second**, consumer behavior and marketing strategy is a wide range of topics, so they should how to subdivide it and make it clear. **Third**, we need to recognize several shortcomings in our study because of the limitation of time and place; we should try to solve this problem in future study. **Finally**, we should do the qualitative and quantitative research to make the thesis more reliable.

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Appendix I Questionnaire

Survey of Gavle's supermarkets

Thank you for supporting our survey, and this survey is a Non-profit program, it is research about the academic issues. Thank you again and the best wishes for you.

Tack för att du stödjer vår undersökning, och denna undersökning är ett icke-vinstdrivande program, det är forskning om akademiska frågor. Tack och bästa önskningar till dig!

- 1、 Gender (Kön)
 - A、 Male (Man)
 - B、 Female (Kvinna)

- 2、 Which supermarket do you most often go to?
Vilken mataff är det du oftast går till?
 - A、 COOP
 - B、 ICA
 - C、 WILLY'S

- 3、 How often have you been to the supermarket?
Hur ofta går du till matafferna?
 - A、 2-3Days (2-3 Dagar i veckan)
 - B、 A week (Varje vecka)
 - C、 Half a month (Varannan månad)
 - D、 A month (Varje månad)

- 4、 What is the most important thing when you choose a supermarket?
Vad är det viktigaste när du väljer ett snabbköp?
 - A、 The quality of the goods (Kvaliteten på varorna)
 - B、 Suitable price (Lämpligt pris)
 - C、 Position of the supermarket (Placering av snabbköpet)
 - D、 Environment of the supermarket (Placeringen av snabbköpet)
 - E、 The type of goods (Typen av varor)
 - F、 Promotions (Kampanjer)
 - G、 Others (Övrigt) _____

- 5、 What is your favorite promotion?
Vilken är din favorit marknadsföring?
 - A、 Buy one get one free (Köp en och få en gratis)
 - B、 Bargain price (Fyndpris)
 - C、 Points redemption (Pöänginlösnings)

D、 The return of cash (Avkastningen av kontanter)

E、 Others (Övriga) _____

6、 Which supermarket will you choose if you want to buy the food?

Vilken stormarknad du kommer att välja om du vill köpa maten?

A、 COOP

B、 ICA

C、 WILLY'S

7、 Which supermarket will you choose if you want to buy the daily necessities?

Vilket stormarknad kommer du att välja om du vill ha de dagliga förnödenheterna?

A、 COOP

B、 ICA

C、 WILLY'S

8、 In service, which supermarket do you like the best?

I tjänsten, vilken stormarknad gillar du bäst?

A、 COOP

B、 ICA

C、 WILLY'S

9、 In price, which supermarket do you like the best?

I pris, vilket stormarknad gillar du bäst?

A、 COOP

B、 ICA

C、 WILLY'S

10、 In the goods quality, which supermarket you like best?

I god kvalitet, vilken stormarknad du gillar bäst?

A、 COOP

B、 ICA

C、 WILLY'S

11、 Which supermarket do a great job in full range of the goods?

Vilket stormarknad gör ett bra jobb i hela skalan av varorna?

A、 COOP

B、 ICA

C、 WILLY'S

12、 In position and environment, which supermarket you like best?

I position och miljö, som stormarknad du gillar bäst?

A、 COOP

B、 ICA

C、 WILLY'S

Appendix II Interview Question List

- ✓ Can you do some brief introduction about your firm?
- ✓ How many branches do you have in Gavle?
- ✓ Can you tell me some marketing strategies about your supermarket? (including communication strategy, pricing strategy and channel strategy.)
- ✓ What is the highest promotion way in your supermarket?
- ✓ Compare with the other two supermarkets, what are your advantage and disadvantage?
- ✓ In your opinion, what is the most demand from customer?
- ✓ In your opinion, how do you link marketing strategy with consumer behavior?