



The Role of Pricing as Part of Retail Mix In Customer Purchasing Decisions: The Case of Selected Supermarkets in Gaborone, Botswana.

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ABSTRACT:- This paper evaluated the role played by pricing as a retail mix component in customers' supermarket patronage decisions. It explored pricing as an element of the retail mix in influencing consumer choices of supermarkets, to see if these decisions varied according to different demographic factors. The study focused on 7 major supermarkets in Botswana, located in 9 malls in Gaborone. A mall intercept survey was used and 150 questionnaires were randomly distributed in Gaborone. The data was cross-tabulated to test if there was a relationship between supermarket choice and price and whether this was dependent on demographic factors

Findings indicated that price played a critical role in customer purchasing decisions; however this was less important than other elements of the retail mix such as cleanliness of the store and availability of merchandise. The findings also indicated that demographic factors tempered the consideration set.

Keywords: Pricing, Retail mix, Consumer patronage decisions, Supermarket, Price promotion, consideration set.

I. INTRODUCTION

Price is considered as one of the most significant signs of the marketplace. It is an important component of marketing mix; the most sensitive element of market mix and the only element that produces income (Hustić & Gregurec, 2015). Price is considered important not only in the context of selling a product; it has its impact on each and every segment of an enterprise's life period. It can also be changed very easily and quickly as compared to other elements of the marketing mix. At organizational level, pricing plays a strategic role and is found to be the only element of the marketing mix components that adds value to business enterprises (Georgescu, 2015).

Price of a product in the narrow sense refers to the amount of money asked for a product or service and in the broad sense, signifies the sum total of all values that customers are changing for the benefit of ownership or usage of a certain product or service (Hustić & Gregurec, 2015). The pressure of competition can lead to frequent changes in prices as price constitutes the most important product or service search and evaluation criterion for the consumer. Therefore, the pricing strategy must reflect the feedback received from various consumers through market research as well as the opposite parts of the elements of price such as costs and other expenses (Georgescu, 2015).

Much attention is currently given to the behavioural preferences of consumers in their purchase decision making and their impact on competition among enterprises. The determinants of consumers' store choice are complex. The intense competition in retail markets has forced the owners of such businesses to focus on strategies that will help them to attract and retain the right consumers (Cunha & Carvalho, 2006). One important factor that influences consumer's choice of stores is the price promotion that supermarkets engage on a very frequent basis. Knowledge on how consumers respond to price promotions and the role of pricing in the purchase decision making had been widely researched, (Cox, & Cox, 1990; Herrmann, *et al.*, 2009; Grewal, *et al.*, 2014, Munyoki, 1997, Metobo, 2013, Saad Andaleeb, & Conway, (2006), Oliveira-Castro *et al.*, 2008) Price is one of the retail mix elements that has been used in retail competition strategies by supermarkets. This is the result of the high competitive pressure experienced in retail industry and the need to survive (Grewal, *et al.*, 2014). Traditionally, most retailers at supermarket level competed on the basis of services or price. However,

price in supermarkets play a significant role in consumer perception of the store, the merchandise or service, (Cox, & Cox, 1990, Gijsbrechts, 1993, Greenleaf, 1995).

Competition has increased both at inter and intra levels among retail stores; all of them using the price element of the retail mix as means of gaining competitive advantage (Grewal, *et al.*, 2014). Understanding how consumers perceive price promotions and the subsequent response to them should be of interest to supermarket retailers, especially in the development of their retail strategy. The common pricing strategies used by retailers as documented by various authors include, discounts and allowances, everyday low pricing strategies, high low pricing strategies, geographical pricing, skimming and penetration, one price and flexible pricing, unit pricing, price lining, resale price maintenance, leader pricing and psychological pricing. Discounts and allowances include cases where the manufacturer reduces the price of the product from the list price, or gives some form of free merchandise to the buyer (Munyoki, 1997, Metobo, 2013). According to Danziger, Hadar and Morwitz (2014), the results of a series of studies demonstrated that the respondents were more interested to choose a retailer that offered an everyday low pricing strategy (EDLP) or that offered small discounts more frequently over a retailer that offered infrequent large discounts.

A supermarket is a commercial establishment that functions under self-service system, whose main purpose is to offer consumers a variety of products from different brands, prices and styles. The physical organization of supermarkets is driven by the idea of giving an opportunity to consumers to freely select the items they need. Normally, supermarkets keep all kinds of consumer items such as fresh food, sweets, bakery, cleaning products, vegetables and fruits, pharmaceutical products and beverages; only to mention a few. Supermarkets are classified as small, medium-sized and large; each of them differentiated by the variety and quantity of consumer products kept for sale. Most supermarkets tend to create conducive and persuasive settings to motivate consumers to buy items that they had not identified in their shopping list through their impressive layouts.

Although there is no commonly agreed definition of a supermarket as they differ from country to country, Othman *et al.* (1982) defines a supermarket as a store selling at least three product lines of food, grocery, produce and meat (Othman, 1990; Goldman, (1982). Shaw, *et al.* (2004) defines supermarket as a store of less than 2000 sq.ft. of sales area, with three or more checkouts and operated mainly on self-service, whose range of merchandise comprises all food groups, including fresh meat and vegetables. According to Shaw, *et al.* (2004) the fall in consumer purchasing power and the need to retain high-volume sales, due to low profit margins were a major stimulant in the growth of supermarkets.

II. RESEARCH OBJECTIVES

While much research has been carried out in the developed world on supermarket retail strategies, especially on the role of price in the retail mix and its effect on customer perceptions, (Cox, & Cox, 1990; Saad Andaleeb, & Conway, (2006), Oliveira-Castro *et al.*, 2008, Herrmann, *et al.*, 2009; Metobo, 2013, Grewal, *et al.*, 2014), very little research has been carried out on this in Africa especially in Botswana. The intra and intercompetition among Botswana supermarkets is high with fading differentiation among retailers. This is further aggravated by expansion of small stores as well as converging of wholesale clubs, discount stores and convenient stores thereby adopting supermarkets characteristics. This necessitated a study as to how supermarkets could effectively compete for survival using price as a competitive tool. This study therefore looked at the role of pricing as part of the retail mix in customer purchasing decision in a supermarket.

The study aimed at finding answers to the following questions:

1. Is price a major consideration for purchase decisions by consumers in a supermarket?
2. How important do shoppers consider pricing in the supermarket shopping behaviour?
3. What is the most important element of retail mix for supermarket shoppers?
4. Does the rank of pricing in the retail mix, differ with demographics?
5. Does the importance of pricing as retail mix, differ with shopping time or seasons of the month?
6. How effective is the price promotion in the retail mix for supermarket shoppers?

III. LITERATURE REVIEW

Customer satisfaction is an asset that should be monitored and managed just like any physical asset (Alam & Rama, 2013). Ram (2013) suggested customer service, brand variety, store environment, convenient location and shopping convenience as determinants of customer satisfaction. However, Lu and Lukoma (2011) recognized location, product quality, reliability, processes and personnel service as determinants of retail customer satisfaction. On the other hand Manish and Sima (2012) identified personnel interactions, physical aspects, promotional campaign, price, location and product quality as determinants of retail customer satisfaction in retail outlets. Rana, Osman and Islam (2014) defined customer satisfaction as the feeling or attitude of a consumer toward a product/service after it has been used. Customer satisfaction is further described as the full meeting of customer expectations of certain products and services, Oliver (1981).

According to Sivadas and Baker-Prewitt, (2000), companies need to be customer-oriented to survive competition. This is the underpinning of the marketing concept in that identification and satisfaction of customer needs lead to improved customer retention. It is, therefore, not surprising that companies spend substantial resources to measure and manage customer satisfaction. This is more true to supermarket retail store sector, which finds its customer base being eaten up by both specialty and discount stores. Each supermarket need to ensure that they are in the consideration set in the customers' decision making process, as they process the alternatives to shop in. This decision-making process is divided into two disjoint subsets: consideration set and non-consideration set. The consideration set consists of the more seriously considered alternatives. The alternatives are listed in order of preference on calculated variables such as distance, price, cleanliness and availability of merchandise among other supermarket characteristics and awarding points Gensch, & Soofi, (1995). According to Shocker, et al. (1991), consideration sets are formed and revised over time. The revision include costs of information search and thinking about and evaluating the retail store (as a brand) and the evaluation of the benefits or utility accrued including the brand in the consideration set for a particular consumption occasion. Consideration set is dynamic both within and across usage occasions. The consumer processes his/her options in working memory, adding or deleting as necessary. Customer satisfaction leads to customer loyalty. This ensures an automatic future listing in consumers mind among top alternatives when the purchase need arises.

Retailers today are experimenting different pricing models to test the one which will lead to higher purchases (Grewal, Roggeveen & Nordfalt 2014). Profitability in the retail industry has become a primary issue as retailers are operating on very thin margins (Bolton, Shankar & Montoya 2007). Retailers have fallen into a price-promotion trap as they are pressurised by competition and by customers who expect frequent price discounts. Competition between supermarkets appear to be much more intense than ever as supermarkets devote 80% of their week to managing promotions and only 20 % of the retail sales come from those promotions. Grewal, Roggeveen and Nordfalt (2014) hinted that prices were changed by stores based on the prices of their competitors.

According to Monroe, Grewal and Krishnan (1998) the pricing policy of retail chain stores could also play a significant role in customer satisfaction because price has the capability to attract or repel customers. This is because price functions as the indicator of quality (Lewis & Shoemaker, 1997). Saad Andaleeb and Conway, (2006) stated that when prices were high, customers generally expected high quality or it could also suggest that they were being ripped off. Furthermore when prices are low customers may question the quality of products and services. Because of competitiveness of retail industry in Bangladesh, Monroe, Grewal and Krishnan (1998) discovered that customers were able to establish internal reference prices. When establishing prices for products and services, an internal reference price is defined as a price (or price scale) in buyers' memory that serves as a basis for judging or comparing actual prices. This indicates that the price for an item needs to be in accordance with what the market expects to pay.

According to Marinescu, Mihai and Toma (2010), many consumers get confused in the retail environment; a study made in Wharton Business School indicates that consumers rely on three points to decide on what they think is a fair price. They considered the price of the object in the past, the prices of rivals for the same object and their perception of selling costs of the objects.

Herrmann, Moser and Weber (2009) noted that with the (Hi-Lo) strategies, retailers put items on special offer periodically, and this raises price variability. Hansen (2006) produced evidence that the level of the price discount is time dependent too and rises, for example, prior to holidays. Hosken and Reiffen (2001) define a "sale" as a temporary reduction in the price of an item that is unrelated to cost changes. Dodson et al. (1978) hinted that despite the impact the price promotions had on consumers behaviour and purchase decisions, they could also cultivate some negative effects such as decreasing the consumer perception of product quality and create doubts on the value proposition; that is positioning of the brand (Daun and Klinger, 2006). Thus, knowledge on how consumers respond to price promotions is essential in making critical decisions concerning price promotions for service industries (Oliveira-Castro et al., 2008). Understanding how consumers perceive price promotions and respond to them should be of interest to retailers.

Price discounts form part of sales promotions; price discounts can be defined as short term or periodical reduction of listed prices (Chen et al. 1998). However, still on the same note (Shi et al., 2005) alleged that it is necessary to differentiate between loyal customers and switchers. In addition, marketers need to understand the threshold effects of price discounts, that is, the minimum value of a price discount required to induce consumers to purchase the product (Blattberg et al., 1995). It is estimated that 17 percent of companies engage in price discounts (Guerreiro et al., 2004).

According to María Rosa-Díaz, (2004), the empirical evidence available on the impact of age on price knowledge is contradictory. Some studies have found no significant effect while others have shown a clear influence. For example, Urbany et al. (1996) observed that older consumers have a better knowledge of prices.

Older population have more time to search and compare prices compared to younger generation that have time pressure. This was observed also in marital status, with married couples expected to have better price knowledge than singles. Regarding education level, a higher level of education could be associated with a higher capacity to process and retain price information. However, researches established a negative relationship between the consumers' income level and price recall ability (Urbany et al. 1996).

Research has proved a positive correlation between the intention to purchase and the discount rate (Marshall and Leng, 2002). Bitta and Monroe (1980) hinted that managers in business believe that price reductions of approximately 15 % are needed to attract consumers to buy a product. For example, if the product is sold at lower price than the consumers' reference point then the intent to purchase increases (Kalwani and Yim, 1992). Regardless of its good effects price discounts have been criticized (Ortmeyer et al., 1991). Several studies have shown that price discounts can lead to a negative consumer perception towards discounted items by undermining perceived quality (Raghubir and Corfman, 1999; Scott and Yalch, 1980). Dondson (1978) further said that they lower the probability of future purchases. Dell Bitta et al. (1981) suggested that if price reduction is too large, many consumers may perceive it not genuine. Accordingly, marketers must evaluate the short-run economic benefits of the discount level against their negative effects on future purchase decisions (Greenleaf, 1995). However, the most challenging question to marketers is what level of discount is optimal without negatively impacting the quality perception.

Price discounts might be costly and have detrimental effect of reducing consumer reference price, which may cost on the business profits (Blattberg et al., 1995). Aalto –Setälä and Rajas (2003) noted that consumers may be more familiar with the prices of the products they buy very often, since repeated contact with prices is likely to mean more accurate price knowledge. With grocery shopping, there is a positive relationship between purchase frequency and price knowledge.

Businesses need to ensure high levels of customer satisfaction because customers who are satisfied are more likely to become loyal to the store, make frequent purchases and also use a variety of other services offered by the business Jeevananda (2011). Oliver (1987) considered customer satisfaction as a baseline standard of performance and a possible standard of excellence for any business organization. To strengthen customer orientation on a day to day basis, a growing number of companies choose customer satisfaction as their main performance indicator. By using this indicator companies can modify their goods and services as per the preferences of the customers. In this way customer satisfaction can be ensured. Customer satisfaction then leads to customer retention that ensures business growth and profitability. The importance of customer satisfaction can be explained in this way that a highly satisfied customer stays loyal longer, buys more as the retailer introduces new products and upgrades existing brands, talks favourably about the retailer and its merchandise and pays less attention to competing brands (Kotler & Armstrong, 2006). Based on these facts, it is important that the retailers pay considerable attention to customer satisfaction, its determinants and measure it regularly.

IV. METHODOLOGY

A mall intercept survey was carried out in order to find out how pricing affects the customer purchasing decision, especially the choice of supermarket and the time of shopping. This was done to find out the role of price in supermarket choice in the retail mix, the time of the month shopping, and the brand choice by the customers. Gaborone has about 9 malls, all anchored by a branch of one of the seven major supermarkets operating in Botswana. The respondents were selected from all the malls to ensure uniform participation from customers shopping in the various branches of the seven supermarkets. A total of 150 questionnaires were randomly distributed to customers in the different malls. The mean and standard deviation difference were calculated on the factors that influenced customers on the super prices per supermarket between the periods to get the trend. The mid-month price was used as the base. The survey data was cross-tabulated to get the shopping behaviour especially the factors the supermarket customers looked for while selecting supermarkets. The cross-tabulated data was also used to test if there was a relationship between supermarket choice and price and whether this was dependent on demographic factors.

V. DEMOGRAPHICS ANALYSIS

In order to get the views of the respondents on the role of pricing as part of the retail mix in customer purchasing decision in a supermarket, the research targeted a sample of 150 respondents. 107 usable questionnaires were collected, of which 66.4% of the respondents were female while 33.6% were male. About 24.5 % of the respondents were married and 72.7% were either single or cohabiting. Majority of respondents, 71.1% were less than 30 years while 28% were between 30 and 50 years. Taking into consideration that Gaborone population consists of households that are either working or schooling and the fact that culturally Africans retire into the rural areas, the above-mentioned composition was found to be a true reflection of reality. Majority of respondents, 35.5% were earning between a P 1,000 and P4999 whilst very few people, about 6.5 %

earning above P 30,000. The level of education was also taken into consideration with 70% of the respondents having attained tertiary education level, 10% being post graduate level as indicated on Table 1.

Age		
	Frequency	Percent
Younger than 30 years	76	71.1
30 years to 39 years	20	18.7
40 years to 49 years	10	9.3
50 years to 59 years	1	.9
Total	107	100
Highest education attained		
Secondary school certificate	21	19.6
Tertiary diploma or certificate	28	26.2
Bachelor's degree or equivalent	47	43.9
Graduate degree or equivalent	11	10.3
Total	107	100
Gender		
Male	36	33.6
Female	71	66.4
Total	107	100
Your approximate current monthly income before taxes		
Any income less than P1, 000	23	21.5
P1000 to P4, 999	38	35.5
P5, 000 to P9, 999	7	6.5
P10, 000 to P14, 999	20	18.7
P15, 000 to 19, 999	8	7.5
P20, 000 to P24, 999	2	1.9
P25, 000 to P29, 999	2	1.9
P30, 000 or more	7	6.5
Total	107	100.0

Table 1. Demographics

Listing Importance factors in retail mix consideration set in the supermarket shopping

The factors that respondents took into consideration before selecting a supermarket to shop in varied. Although price was deemed important as indicated by a mean score of 3.94(1.110), it was considered less than other factors. Most respondents viewed cleanliness of the store with 4.33(1.020), availability of products, 4.32(1.021) and location, mean of 4.16 (1.123) and lastly distance 4.00(1.235) as the most important factors in selecting the shop to visit. .

The importance of these factors differed by gender with females placing price at mean of 4.14(1.002) compared to males with a mean score of 3.54(1.215). The price was rated as third in order of importance by females as compared to males who rated it at fifth position. The study revealed that respondents earning between P1, 000 and P5, 000 rated the importance of price at a mean of 3.88(1.05) and usage of Knock and Drop pamphlets that advertise price at 3.24(0.944) while those earning between P5, 000 and P10, 000 had a mean of 4.00 (1.73) and the usage of the Knock and Drop pamphlets at mean of 4.00(1.732).

The above analysis indicated that the middle income earners were more concerned with price than low income earners. However, the usage of the Knock and Drop pamphlets decreased as the income level increased with those earning above P30 000 indicating a mean of 3.22(1.67). Males placed the highest emphasis on the availability of products, distance and cleanliness with mean scores of 4.31(1.091) and 4.24(1.062) respectively, as depicted on Table 2

Shopping factors	Mean(STD)	Male	Female
Low prices	3.94 (1.110)	3.54(1.215)	4.14(1.002)
Atmospherics	3.51 (1.308)	3.46(1.301)	3.55(1.374)
Location	4.16 (1.123)	4.21(1.083)	4.12(1.161)
Distance	4.00 (1.235)	4.24(1.062)	4.12(1.337)
Convenient facilities	3.28 (1.446)	3.41(1.316)	3.25(1.517)
Availability of imported items	2.88(1.451)	3.00(1.491)	2.80(1.419)
Staff etiquettes	3.09 (1.340)	3.15(1.372)	3.09(1.283)
Availability of almost all products	4.32(1.021)	4.31(1.091)	4.30(1.010)
Cleanliness of the store	4.33 (1.020)	4.24(1.032)	4.38(1.031)

Table 2. Gender and element of retail mix for supermarket shoppers

Price as an element of retail mix for supermarket shoppers’ consideration set

Although price was not the highest in the rankings for the selection of supermarkets and the products, it was found to be a significant factor that respondents attribute to the shopping decisions. Responses indicate that price comparisons were deemed important with a mean score of 3.82(1.279) with women undertaking more price comparisons than men (4.00(1.240) and 3.43(1.199) respectively. The same trend was observed with making reference to regular prices before shopping with a mean of 3.58(1.189). Although customers compared prices between supermarkets, there were no significant mean differences noted between supermarket branches. More women planned to shop when the prices were low compared to men 3.11(1.448) to 2.78(1.385) respectively. The same trend was observed with budgeting to shop at lower prices. Females planned their shopping in a better way compared to males as indicated by mean scores of 3.00(1.524) compared to 2.68 (1.376). It was observed that women were more price sensitive than men in supermarket shopping while men were more distance sensitive than women. As shown in Table 3, the price promotions attracted shoppers to the supermarket at a mean of 3.02 (1.464) and was appealing more to females 3.11(1.471), than to males 2.78 (1.385).

Price sensitivity	Mean (std)	Male	Female
	N	N	N
Price is the most important factors in shopping	3.93(1.111)	3.54 (1.215)	4.14(1.002)
I compare prices before shopping	3.82 (1.279)	3.43(1.199)	4.00(1.240)
I make reference to regular prices for grocery items	3.58 (1.189)	3.29(1.169)	3.74(1.149)
I note price differences among supermarkets	3.48 (1.306)	3.28(1.224)	3.60(1.321)
I note any price differences within supermarket branches	2.62 (1.455)	2.61(1.321)	2.63(1.537)
I am aware of the period when items are put on specials	3.08 (1.433)	2.82(1.357)	3.19(1.448)
I plan my shopping schedules to take advantage of specials	3.02 (1.464)	2.78(1.385)	3.11(1.471)
I budget to buy extra supplies when an item is on specials	2.91 (1.487)	2.68(1.376)	3.00(1.524)
My choice of supermarket is dependent on distance and transportation expenses	3.11 (1.421)	3.21 (1.431)	3.06(1.424)
I compare prices while shopping using the advertising leaflets	3.07 (1.379)	3.00(1.344)	3.11(1.393)

Table 3. Price sensitivity

Correlation of pricing importance in the retail mix, with demographics

The study tested the correlation between the importance attached to price offers by the supermarkets and the decision to visit the supermarkets on various demographic variables. The result indicated strong correlations between gender and low price as a motivator for shopping in the identified supermarkets at 0.258 (0.34), significant at the 0.05 level. However the other demographic variables such as monthly income, education level and occupation yielded low positive correlations of 0.015, and 0.029 respectively while Education and Occupation had negative correlation of 0.062 and 0.008 respectively (Table 4).

		Gender	Monthly income	Marital status	Highest education attained	Occupation	Age
Low price as motivator for shopping in the identified supermarket/s	Pearson Correlation	.258*	.015	.029	-.062	-.008	
	Sig. (2-tailed)	.034	.910	.820	.620	.953	
	N	68	62	66	67	64	
I Do plan my shopping schedules to take advantage of specials		.039	-.122	-.126	.073	.145	.027
		.711	.259	.225	.478	.167	.792
	N	95	87	95	96	92	96

*. Correlation is significant at the 0.05 level (2-tailed).

Table 4: Correlations between Low price and demographics as motivator for shopping in supermarkets

The study also noted a weak correlation between shopping while products are on specials with demographics with the strongest being a positive 0.145(0.167) on occupation followed by marital status and monthly income with negative 0.126 (0.225) and 0.122(0.259) respectively. The availability of special prices provided by the supermarket did not translate into customer’s attraction into the shops and did not have a relationship with most demographic factors. However, a strong negative correlation between marital status and the shopping-week at $-.236^*$ (.019) was noted at the significance level of 0.05. The other demographic variables displayed a weak significance level. However, there is a correlation between the demographic variables and the time of the month the respondents visited the supermarkets (Table 5).

Correlations						
		Age	Which week of the month do you generally do shopping?	Marital status	Gender	monthly income before taxes
Age	Pearson Correlation	1	.060	-.539**	-.021	.637**
	Sig. (2-tailed)		.552	.000	.827	.000
	N	108	100	106	106	96
Which week of the month do you generally do shopping?	Pearson Correlation	.060	1	-.236*	-.094	.060
	Sig. (2-tailed)	.552		.019	.355	.573
	N	100	101	99	99	90
Marital status	Pearson Correlation	-.539**	-.236*	1	-.025	-.466**
	Sig. (2-tailed)	.000	.019		.798	.000
	N	106	99	107	105	95
Gender	Pearson Correlation	-.021	-.094	-.025	1	-.003
	Sig. (2-tailed)	.827	.355	.798		.973
	N	106	99	105	107	95
Your approximate current monthly income before taxes	Pearson Correlation	.637**	.060	-.466**	-.003	1
	Sig. (2-tailed)	.000	.573	.000	.973	
	N	96	90	95	95	97

** . Correlation is significant at the 0.01 level (2-tailed).
 * . Correlation is significant at the 0.05 level (2-tailed).

Table 5: Demographic variables in relation to the week respondents shopped

Price promotion is an effective tool in the retail mix for discount stores in attracting shoppers as they use price to attract customers. However the characteristics of supermarkets emphasize other factors than price that are necessary for customer attraction. The study, however, noted that although there was a weak correlation between the pricing and store patronage, customers did make reference to the regular price differences at the supermarket while at the same time comparing the prices between the supermarkets at 3.58(1.189) and 3.48(1.306) respectively. They also planned their shopping to take advantage of the special with a mean of 3.02(1.464) while few respondents indicated that they shopped more when the products were on specials as indicated in Table 6. This indicate the price promotions played a role although not as much as the other factors in the retail mix.

	Mean (STD)
I do usually make reference to regular prices for grocery items	3.58(1.189)
I do usually note price differences among supermarkets?	3.48(1.306)
I am aware of the period when items are put on specials?	3.08 (1.433)
I Do plan my shopping schedules to take advantage of specials?	3.02(1.464)
I Do budget to buy extra supplies when an item is on specials?	2.91(1.487)

Table 6: The importance of price promotions in supermarket customer attraction

Price plays a big role in customer satisfaction and is a major factor in customer decision making in respect to the store selection as well as the product. As such price promotion in the supermarkets play a minor role in supermarket selection by customers. However the price promotion alone may not attract the requisites number of patrons and as such need to be combined with other leading retail mix elements.

VI. DISCUSSION

Importance of pricing in supermarket patronage consideration

Price plays a role in customer attraction to the shop as noted by Grewal, et al. (2014); however the price is not the only factor that customers look for when deciding on the supermarket selection. Other factors such as the atmospherics in the store, followed by availability of the needed products and the store locations play a bigger role than price. This is in line with research by Lu and Lukoma (2011) and Manish and Sima (2012) which suggested that location, physical aspects of the store, product quality, reliability, processes and personnel service are main determinants of retail customer satisfaction. The use of price promotion by supermarket in Botswana to attract customers may not yield as much results as required if the other variables in the retail mix are not emphasised more than the price. Africa has growing middle class which is the main target of supermarket stores. The shopping needs of this target group include quality, leisure and comfort as well as recreation. They need more than just the product. The research indicated that the price was ranked as fourth in the consideration set on supermarket choice. This may denote the difference between the discount store model and the supermarkets. As such the market communication and the competition strategy should focus on other more important factors rather than emulating discount store strategies.

The most important element of retail mix for supermarket shoppers

As noted above the store cleanliness or the atmospherics and the availability of merchandise in one-stop shopping were the main factors that attracted the patrons to the supermarkets. According to Oliver (1981) and Rana et al. (2014), customers look for satisfaction that emanates from meeting their expectations fully, in terms of products, services, as well as convenience. These were the factors that came out as the most important to the respondents in the supermarket retail mix considerations set. The importance of these factors was displayed across the demographics. It should be noted however that although the above factors featured as more important than price, price was still significant in the customer consideration set. This implies that price plays a role in the promotional mix and as such should not be ignored in supermarket communication, but should be moderated by other variables.

Importance of pricing as part of retail mix by demographics

The price as motivation to patronise a supermarket differed between males and females. The research indicated that males were less susceptible to price factor as a motivator than females. The other demographics were observed to have a weaker correlation with pricing as a factor in the consideration set. This is in line with the observation by María Rosa-Díaz, I. (2004), who indicated that demographics had an impact on the price knowledge which on the other hand might affect the motivation to patronise a store. The price knowledge differed between the gender, marital status, level of education and the income. As noted, this could be explained by the social factors such as the availability of time to search and compare price and the available time for

shopping around. It should be noted that men, younger population, and middle and higher, income, placed distance and location higher in their consideration than price for supermarket selection, which could indicate the pressure of limited shopping time.

Importance of pricing as retail mix, in relation to shopping time and seasons

The study revealed that respondents made use of advertised prices as reference to the price discount displayed by the supermarkets. The Knock and Drop pamphlets that advertised prices was fairly used, especially by the female patrons. The knowledge of prices and discounting period was significantly used by respondents in planning and budgeting for the shopping time. However, while this confirmed the study by Marshall and Leng, (2002), we noted that this was not uniform across demographics. Advertising the price may increase the patronage over a short time but there was no evidence that it could create customer loyalty over the long time.

Price promotion in the retail mix for supermarket shoppers

Price promotion increases the price awareness of the shoppers. As indicated above, price knowledge was found to be significant in the consideration set for respondents in supermarket selection. However customers were attracted to the supermarket by other factors other than price. As such the management would benefit more with communication of other benefits in addition to the price targeting the selected demographics to ensure customer needs were met and thus customer loyalty was attained.

VII. SUMMARY OF FINDINGS

The characteristics of discount stores and departmental stores differ with those of supermarkets. This difference in the various retail store models results in the diversity in patronage. As such the marketing communication and the competition strategy of supermarkets should focus on other more important factors rather than emulating discount store strategies.

Supermarket customers look for convenience, fresh, merchandise and one stop shop, as per the basic characteristics of supermarket and such the competition through price promotion is not in tandem, but opuses more to discount store. Although price plays a role in the retail promotional mix, supermarket communication of price discount should be moderated by other variables.

Supermarket patronage and shopping behaviour is dependent on social factors and demographics such as the availability of time to search and compare price and the available time for shopping around. Men, younger population, and middle and higher income earners, place distance and location higher in their consideration set than price in supermarket patronage selection.

While supermarkets in Botswana engage in price promotions, this does not necessarily increase the patronage nor create customer loyalty over the long time. As such, the management would benefit more with communication other benefits in addition to the price targeting the selected demographics to ensure customer needs are met and thus customer loyalty.

VIII. CONCLUSION

The price of a product as an important component of the retail mix calls for special consideration. The peculiarity of price is that it has a direct bearing on the shopping satisfaction of consumers. The pricing policy should be designed in such a way that the price of a product should be a balanced amount between customer affordability and profit generation for the enterprise. The findings of the study indicate that non-price components have importance in purchase decision of consumers. It is therefore suggested that supermarkets should always be customer focused and be prepared to consider the needs and preferences of its customers. Also, the demographic differences should be taken into account while communicating especially when price promotion and all supermarket patrons do not respond to price discounts.

Limitation Of The Study & Directions For Future Research

The study was carried out only in Greater Gaborone and therefore, the sample selected all came from the urban population. The supermarkets selected for the study was restricted to five and the period covered by the study was also short. Despite the aforesaid limitations, the study succeeded in unearthing the role prices play in consumer decision making as well as in identifying other factors that influence customer decisions.

A much larger sample size with data covering a longer period of time would improve the validity and relevance of the research. A comparative study of consumer reflections among urban and rural population would provide further insights to the topic. Also, a study with additional variables may bring in new dimensions and conclusions to the topic.

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