The relationship between consumer knowledge and gender in selecting grocery items

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ABSTRACT

Consumer knowledge and expertise of an industries prices, products and store location add to the ease at which consumers are able to cherry pick, they are informed of discounted prices on products as well as the product assortment of a particular store, through marketing and promotions. Many define cherry picking as taking the best and leaving the rest. Cherry picking is used to portray both buyer and seller. Various sellers can be viewed as those who are selective about which consumer profile they choose to target, whereas consumers are selective about which products or services they purchase. This article will focus on the consumers and their motive for cherry picking. Consumers who are branded as cherry pickers are price sensitive shoppers with no brand loyalty but this market segment has been found to be sizable, heterogeneous, and potentially attractive for retailers, contrary to the myth that they are a retailers' nemesis. Price knowledge means the ability of buyers to keep prices in mind; it influences what, when, where and how much they buy. Cherry pickers build price competitions between retailers'; therefore they should strive to have the most attractive offers and weekly advertisements, in order to draw the cherry pickers in and obtaining a greater turnover.

Consumer lmowledge and expeltise of an industries prices, products and store location add to the ease at which consumers are able to cheny pick, they are infonned of discounted prices on products as well as the product ass01tment of a pruticular store, through marketing and promotions. Price lmowledge means the ability of buyers to keep plices in mind. Commodity prices in the market play a relevant role in consumer decision-making; they influence what, when, where ruld how much consumers buy (Alba *et al.,* 1999). It is of utmost imp01tance that retailers begin to incorporate strategies that target ruld meet the needs of this type of consumer, as it will ensure a larger market share and in turn a greater turnover.

In this study we aim to explain the effect of a consumers' knowledge, with specific reference to product price knowledge, has on a consumers' propensity to cheny pick. We also aim to establish whether there is a relationship between price knowledge, consumer lmowledge and gender.

Cheny picking can be described as taking the best and leaving the rest according to Fox and Hoch (2003:1). Cheny picking is used to portray both buyer and seller. Various sellers can be viewed as those who are selective about which consumer profile they choose to target, whereas consumers are selective about which products or selvices they purchase. This a1ticle will focus on the consumers ruld their motive for cheny picking. Consumers who are branded as cheny pickers are price sensitive shoppers who tend to delay purchases or move from one shop to another looking for a better deal with regruds to plice, product variety and ass01tment. Levy and Weitz (2004) define cheny picking as consumers who visit a store and only buy merchru1dise sold at big discounts. Other factors that influence a consumer to cheny pick are store location, and store preference and consumer expertise/ knowledge. Piice lmowledge will be investigated as the main constmct in this study.

REASON FOR THE STUDY

There has been numerous studies conducted on cheny picking and price lmowledge in the USA and Europe but ve1y limited research has been conducted on these two constmcts in a

South African context. This study therefore attempts to investigate if the studies conducted on cherry picking and price knowledge hold true for consumers in South Africa.

OBJECTIVES OF THE STUDY

The main objective of this study was to investigate the effect price knowledge and gender has on a consumers' propensity to cherry pick. To achieve these objectives of the study the following hypotheses were set:

H_1:   There is a correlation between price knowledge and gender

H_2:   There is a significant relationship between cherry picking across time and price knowledge

H_3:   There is a significant relationship between consumer knowledge and gender

LIMITATIONS OF THE STUDY

Research was only conducted in shopping malls within the Pretoria (Tshwane) area, therefore this study is not truly representative of the South African population. No research was conducted over weekends and in the early evening; this could therefore have a big impact on the final results of this study as most people conduct their shopping trips during this time thus obtaining a more representative sample of Pretoria. A larger percentage of females than males completed the questionnaire, and therefore this may have a bearing on the stronger results shown on the females to that of the males.

LITERATURE REVIEW

The literature that will be explored in this section will focus on price knowledge, cherry picking and consumer knowledge. In order to better understand cherry picking from a price point of view, price knowledge of consumer decision-making will be discussed in the next section as the main construct under investigation in this study.

The price knowledge and gender relationship

Commodity prices in the market play a relevant role in consumer decision-making, as they influence what, when, where and how much consumers' buy (Alba et al. 1999:100) and therefore studying consumers' price awareness is highly relevant. Price awareness or price knowledge means the ability of buyers to keep prices in mind (Aalto-Setala & Raijas. 2003:181). Majority of past studies on pricing have pointed out that consumers have very limited knowledge of prices. Price knowledge has therefore become the subject of increasing research interest. The consumers' price knowledge effect on consumers' selection of grocery items can be influenced by numerous factors, which may be related to the characteristic of the consumer or the product category (Estelami. 1998:254-256). The demographic background (for example; age, gender and income) of a consumer may affect their interest in products as well as their expertise as to their prices. It has been researched that females, who account for the larger percentage of purchases of jewellery products, would be more knowledgeable about prices in this category than males (Simmons market Research Bureau. 1994). This study will investigate if this statement holds true for grocery items purchased. Estelami (1998:256) researched the influence of demographics on price knowledge in a grocery shopping industry, this study will route from this research but will aim, once again, to do so in a South African context, therefore the following hypothesis was set:

H_1:   There is a correlation between price knowledge and gender

Venhuele and Dreze (2002:78) found that there are different levels of price knowledge that a consumer can be found in. In the first level, there is no price knowledge, the second level reflects recognition of large price differences but this is still not perfect. The third level represents a consumers' ability to recall a price within a 5% difference from the actual price set. The last level represents a consumer ability to accurately recognise the actual price of a product; this level is representative of the highest and rarest form of price recall. Venhuele and Dreze (2002:80) also deduced that cherry picking has no impact on price knowledge, due to their increased task complexity from the average shopper.

Cherry picking across time and price knowledge

There are many definitions and descriptions of cherry pickers that have been compiled by various researchers (Fox & Hoch, 2003, Gauri, Sudhira & Talukdar, 2005, Levy & Weitz, 2004), but to give a summary of these descriptions, cherry pickers are purchasers who examine the different proposals of several retailers and pick out the best over one or more days. They are characterised as price sensitive and well informed customers, as they construct pre-determined shopping trips from promotions and sales advertisements previously viewed so that the best deals are utilised.

The American Marketing Association (2004) defines cherry picking as a buyer selection of only a few items from one's line and others from another line, failing to purchase a complete line or classification of merchandise from one source. Due to the shopping style of these customers, many affected retailers question their brand and store loyalty. Gauri, Sudhir & Talukbar (2005:1), argue against this the loyalty aspect of this definition as they found that cherry pickers can indeed be store loyal as they delay their shopping trip over time and in order to get a better price deal at the same store.

Secondary research done by the American Marketing Association (2004) shows that cherry pickers either keep a different reference price for each store they pick from or create an average reference price from several different sources. This may also leads to the lack of price knowledge. We will investigate if this statement holds true for the South African industry, therefore the following hypothesis was set:

H_2:   There is a significant relationship between cherry picking across time and price knowledge

Although it is important that consumers are informed of the different prices offered at various places, it will benefit them even more if they have a general understanding of the retail industry as a whole. Finding from the research conducted by Fox and Hoch (2003) indicate this market segment is sizable, heterogeneous, and potentially attractive for retailers, contrary to the myth that they are a retailers' nemesis. The composition of the main decision-makers in a household their

different characteristics could determine cherry picking to a greater or lesser extent (Fox and Hoch. 2003:12). See table 1 below for a better description.

Table 1:
Description of typical cherry pickers

Household type	Probability for cherry picking to occur
Larger households	More likely
Household with senior citizens	More likely
Household with homeownership	More likely
Wealthy household	Less likely
Household with working adult female	Less likely

From the deductions made above in table 1, one can conclude that cherry picking has a great influence on the retail industry from an economic point of view, and therefore is a cause of concern for the affected retailers of today.   A consumers understanding and intellect of the retail industry has a big influence on their propensity to cherry pick. Consumer knowledge will therefore be discussed as the next important construct put under investigation this study.

Consumer knowledge and gender

Consumer knowledge or expertise is generally defined as a consumers' confidence or experience in shopping. Knowledgeable consumers are those who are well informed or "clued up" on the prices of products, the types of stores as well as product assortment. These consumers generally feel comfortable in sharing this knowledge with others as they see themselves as a good source of reference. Consumers inform themselves by searching for information on promotional material and constantly updating themselves on the latest product on the market or price specials at certain stores. If a consumer is enlightened through various media channels and word of mouth, they begin to store this information in their memory and begin to feel confident in their knowledge and therefore if information is asked of them, they share it with the thought of being a good source of information.

H_3:   There is a significant relationship between consumer knowledge and gender

The method of analysis chosen and the results thereof will be follow next.

METHODOLOGY

The sampling, data collections and measures of the research will analysed in this section.

Sampling

Grocery shoppers were the targeted population of this study. We targeted our sample through the use of mall intercept and interviewer-administrated personal interviews at a variety of shopping malls.

The sampling frame was obtained from different shopping malls found in Pretoria (Tshwane), South Africa, based on convenience. Shopping malls found in areas representing the different LSM groups were targeted, thus affording us a closely representative sample of the population of Pretoria (Tshwane).

A realised sample size of 176 was obtained from a target sample size of 250 with 100% of the questionnaires being usable. This could be attributed to the use of personal interviews as a data collection method. The data collection method will now be discussed in more detail.

Data collection

A pilot study was conducted to on the questionnaire through 10 quasi interviews. Respondents were selected based on convenience and only "main family grocery shopper" was allowed to participate.

Data collection took place over a span of three days through the use of personal interviews at ten different shopping malls within the Pretoria (Tshwane) region. Well trained interviewees were used to conduct the research, thus decreasing the chance of error and bias. According to Tustin et al (2005:155) personal interviews are regarded as one of the most viable options to use in testing variables like cherry picking and consumer knowledge. Three different times slots in the day where used (morning, afternoon and early evening) where upon research was conducted, thus allowing the researches to capture a wider spread of respondents.

Measures

This study's main constructs of price knowledge, cherry picking and consumer knowledge was measured through the use of Likert-type scales as opposed to the demographic variables (income, age, and gender) whose questions delivered only nominal data. The basic scale design therefore consisted of a Likert-type scale with five scale points (with labels ranging from strongly agree to strongly disagree and not well informed to very well informed). This scale was found to be highly reliable with a Cronbach's Alpha of above 0.7. No items on any of these scales were reverse scored. The results of the study are shown below.

RESEARCH RESULTS

In this study the research results were described by using descriptive statistics and hypnosis testing.

Descriptive statistics

The study shows that the majority of respondents who participated in this study were female (67%) with an average age of between 24 and 28 years (30%). A relatively diverse spread of language across respondents was obtained with most respondent's preferred language being Afrikaans (50%), with English (37%) and North Sotho (13%). The race of the respondents was an important variable in indicating what effect price knowledge and gender has on a consumers' propensity to cherry pick and the response is summarized in figure 1.
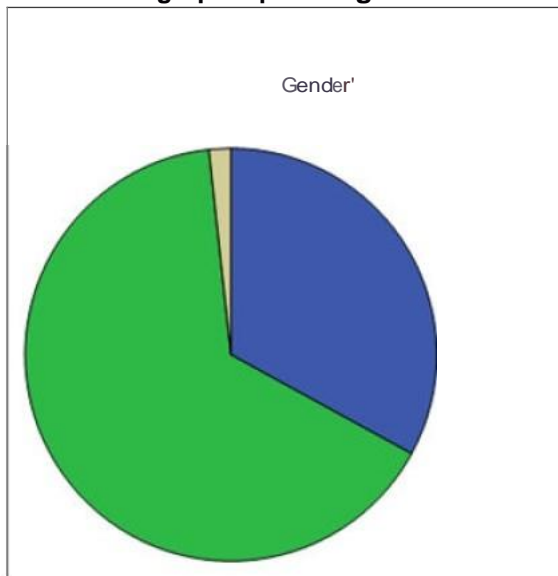
From the data represented above in figure 1, the response with regards to the race of the respondents, that more respondents from the white (52%) and African (45%) races completed the questionnaires, compared to a measly 2% coloured and 1% Indian. The outcome of this statistic can possibly be explained due to the selection of shopping centres during data collection were found be in predominately white and African areas.

Figure 1:
Socio-demographic profile • race
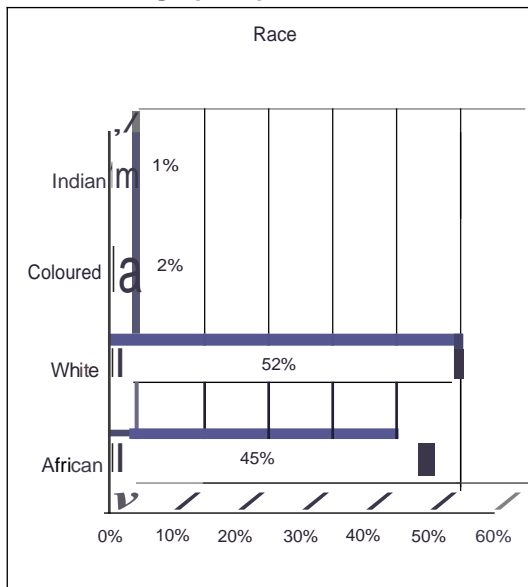
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Figure 2:
Socio-demographic profile ·gender

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Consumer knowledge and gender

Consumer knowledge or expertise is generally defmed as a consumers' confidence or expeiience in shopping. Knowledgeable consumers are those who are well informed or "clued up" on the prices of products, the types of stores as well as product assortment. These consumers generally feel comfortable in sharing this knowledge with others as they see themselves as a good source of reference. Consumers inform themselves by searching for inf01mation on promotional material and constantly updating themselves on the latest product on the market or piice specials at certain stores. If a consumer is enlightened through various media channels and word of mouth, they begin to store this information in their memory and begin to feel confident in their knowledge and therefore if information is asked of them, they share it with the thought of being a good source of information.

H_3:   There is a significant relationship between consumer knowledge and gender

The method of ar1alysis chosen ar1d the results thereof will be follow next.

Inferential statistics

In this study the researchers want not only describe the sample data such as means, standard deviation and proportions but they whish to make inferences about the population based on what was observed in the sample. Inferential statistics allow researchers to make inferences concerning the tme differences in the population (Tustin *et. al.*, 2005).

- ### The price knowledge and gender relationship

The gender of consumers may have an affect in their interest in products as well as their expertise as to their prices. It has been researched that females, who account for the larger percentage of purchases of jewellery products, would be more knowledgeable about prices in this category than males (Simmons mar·ket Research Bureau. 1994). This study would like to investigate if this statement holds tiue for grocery items purchased.   To achieve the objectives of the study, the main aim of this article was to determine price knowledge ar1d gender relationship of

consumers when they do grocery shopping. Therefore the following hypotheses were formulated:

$H0_1$: There is no correlation between price knowledge and gender

Ha_1: There is a correlation between price knowledge and gender

In analysing H_1, we conducted a Pearson Correlation test between the variables; gender and how inform consumers are with regards to the prices of different products. From the results it shows that there is a significant relationship between the two as the p-value is 0.037 for both at a 0.05 significant level. When conducting the z-test, H01 was rejected therefore accepting Ha1. Therefore, by accepting Ha1, one may conclude that there is a significant correlation price knowledge and gender. The table below portrays the results of a cross tabulation between the two constructs tested in this hypothesis.

Table 2:
Cross-tabulation of price knowledge and gender

How informed are female and male respondents with regard to prices of products.	Male	Female
Not very well informed	60%	30%
Indifferent	16%	17%
Very well informed	24%	53%

Table 2 shows that 53 percent of the female respondents are of the opinion that they are well informed about prices of grocery products compared to 24 percent of the male respondents. Table 2 also shows that 60 percent of the male respondents amid that they are not very well informed compared to only 30 percent of the female respondents. The study shows that females are more knowledgeable about prices of grocery products.

• **Cherry picking across time and price knowledge**

The research aims to establish whether cherry pickers keep a different reference price for each store or create an average reference price from several different sources in South Africa and therefore the following hypothesis was set:

$H0_2$: There is no significant relationship between cherry picking across time and price knowledge

Ha_2: There is a significant relationship between cherry picking across time and price knowledge

The variables where correlated through the use of the Pearson Correlation test. The results show that there is a significant relationship between these to variables with the p-value of 0.046 on a 0.05 significant level, thus the null hypothesis is rejected as 0.046 is smaller than the p-value. Therefore there is a significant relationship between cherry picking across time and price knowledge.

From the results found above it can be concluded that South African consumers are able to confidently cherry pick over more than one day due to their increased knowledge of prices offered on different products at different stores. If consumers have a broader knowledge of prices they are able to participate in the act of cherry picking easier than a consumer who has selected knowledge thereof.

• **Consumer knowledge and gender**

Consumer knowledge as indicated in paragraph 4.3 is the consumers' confidence or experience in shopping. Knowledgeable consumers are those who are well informed on the prices of products, the types of stores as well as product assortment. The respondents were asked whether they know a lot about product prices, the types of stores as well as product assortment.

It is clear that female respondents are more knowledgeable about product prices, types of stores and product assortment. From the female respondents 65% indicated that the well informed, compared to 35% of males respondents.

The research also aimed to establish whether gender has an influence on the knowledge that the South African consumers have on the prices of products, the types of stores and product assortment and therefore the following hypotheses were set:

$H0_3$: There is no significant relationship between consumer knowledge and gender

Ha$_3$:   There is a significant relationship between consumer knowledge and gender

The variables where correlated through the use of the Pearson Correlation test. The results show that there is a significant relationship between these to variables with the p-value of 0.045 on a 0.05 significant level, thus the null hypothesis is rejected as 0.045 is smaller than the p-value..

From the results found above it can be concluded that gender has an influence on the knowledge that the South African consumers have on product prices, the types of stores and product assortment.

MANAGERIAL IMPLICATIONS

Knowledge regarding cherry picking behaviour will enable retailers to get a higher wallet share from even its price sensitive shoppers, while at the same time charging higher prices for its price insensitive customers. The retailers must be aware of the fact that much of the savings on cherry picking trips is due to the purchase of more promotional items, where savings is subsidised by manufacturer discounting. Thus, the burden of cherry picking is borne by both retailer and manufacturer.

Retailers must also make an effort to embrace this segment as it accounts for such a large percentage of the population. Cherry pickers build price competitions between retailers', therefore they should strive to have the most attractive offers and weekly advertisements, in order to draw the cherry pickers in and obtaining a greater turnover.

RECOMMENDATIONS FOR FUTURE RESEARCH

Research could be conducted over weekends and in the earlier evening, this taking into consideration the working population who only get the chance to conduct their shopping trips during these periods.

A larger sample of South Africa needs to be considered in order to create a "truer" representation of the shopping habits of South Africans.

A 50-50 sample population with regards to men and women should be attained in order to measure the true level of price knowledge and consumer knowledge.

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