Preface

I realize this is the final task I have to perform in my master studies. It is hard to describe my feelings at this moment. When I first arrived in the Netherlands six years ago by myself, I was only a little girl who was nervous and insecure on almost everything. I have learned a lot and met many people during these years. Thanks to the experience, I become more and more brave and optimistic. I am so proud and happy for myself that finally I finish my studies in time and at the same time, I am a mama now. My son is 4 months today. From deep my heart, I would like to take this opportunity to thank all the people I met in the University of Amsterdam. They all gave me lots of support and encouragement.

Especially when I wrote this thesis, my supervisor Dr. Tettero really helped me a lot. At first, I spent long time to doubt about how I should structure the topic and dig into the problems. Every time when I came to Dr. Tettero for advice, he always gave me inspirations and printed out relevant articles for me. He also discussed with me about the trend in the retailing business to broaden my horizon and suggested which elective course would help me in writing this thesis. I was so touched that during the whole process of writing this thesis, he always told me I can tend to him whenever I had questions. And at the same time, when I sent him the manuscripts, he always replied to me very quickly with detail and brilliant comments. I must say that I learned a lot during this thesis writing period and I would not be able to finish my studies in time without the careful guidance from Dr. Tettero.

I would also like to thank you my parents for encourage and support me during my study years. Thank you my dear Mum and Dad! I would try my best to be a successful and responsible person.

Last but not least, I would like to thank you my husband Ling Shan. Thank you that you are always by my side to encourage me. You must be very tired in taking care of the baby and me after long work every day during these several months. You are such a great father and husband. Thank you! Now you can have a rest and let me take care of everything.

August 20 2012

Jing Xu
Abstract

The competition in retailing business is dramatically increasing. The critical success factors are crucial to the future development of grocery retailers. Large amount of researches have been done on individual success factors. However, to the best of my knowledge, no previous studies have been focused on the key success factors in the supermarkets in the Netherlands. Therefore, the aim of the current mixed-methods study is to investigate the important success factors for the supermarket—Albert Heijn. Both qualitative and quantitative research methods have been conducted in the current study. Together with literature reviews, the semi-structured qualitative interview facilitates to identify the relevant success factors for the supermarkets in the current country context. A quantitative questionnaire has been developed using the main factors concluded from the qualitative research. The results from the data analysis revealing that on average people tend to care more about the following attributes among others: availability of my favorite products, product quality, opening hours, product variety and the price level. In order to make reliable suggestions to the future concrete development of Albert Heijn, the performance of other competitor supermarkets and the influence of culture background on the evaluation of success factors have also been analyzed. It is interesting to find out that the culture background indeed plays an enormous role for customers in identifying the importance of different success factors. Non-Dutch residents believe that supermarkets should place more considerations on fast check-out and loyalty programs than Dutch people think. In the end, suggestions on the loyalty program, check out waiting time etc. have been concluded. The results provide a rational for future larger sample research, which will greatly help supermarket Albert Heijn to improve the customer orientated service.
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1 Introduction:

1.1 General background

The grocery retailing business has been one of the most growth industries since last decade. The competition is fierce and lots of changes have been taken place in the last few years (McNeill, 2012). Although retailers are becoming more brave and efficient to face the competition, challenges still exist.

Grocery retailing business can be divided into world retail leaders such as Wal-Mart, Carrefour and regional operators such as Albert Heijn, Jumbo etc. During the past years, Albert Heijn mainly focus on the Netherlands market and only from 2010, it began to expand into Belgium. Previous literature showed that retailing as a business activity often found difficulties to go international (Hollander, 1970; Segal-Horn and Davison, 1992). Due to different consumer behaviors, local competitive advantages and the sourcing problems, many grocery retailers decide to develop their domestic markets only or simply expanded into neighbor countries. However, even in the Netherlands market, the grocery retailing competition is fierce. There are players like Albert Heijn and some other excellent domestic famous players such as C1000, Jumbo etc. Besides, some international grocery retailing such as Aldi, Lidi etc. also join the battle. In addition to the fierce competitions, in recent years, Albert Heijn faces new challenges because of the expansion of other supermarket chains and the changing customer behaviors based on current economic situations. The number of stores and the shop square meters keep increasing, which put enormous pressures on profitability and budgets. Albert Heijn has to adopt proper approaches to adapt to new situations. The problem for the supermarket Albert Heijn is continuing drive growth. With the increasing number of competitor supermarkets, especially more and more retailers are having the same products and the price differences are small, to excel other critical success factors such as store service, loyalty programs offered, location or store atmosphere etc. can help the retailer attract more customers and retain current ones. In the end, they may stand out of competition. All in all, the critical success factors will influence the development of supermarkets a lot.
From definition, critical success factor is an element that is necessary for a company to be succeed (Hong and Kim, 2002). The critical success factors will transfer into the strengths of the company if the focal company can perform well on these factors and the customers can perceive the subsequent values. More competitive advantages of the company can be built up subsequently, which will lead the company stand out of the competitions.

1.2 Research gap
Previous researches have indicated different success factors for the growth of a supermarket. The critical success factors are generally considered as price, location, promotion, product variety and quality, service etc (Hildebrandt, 1988). Each of these success factors has been analyzed carefully by the previous published works. However, very few literatures have incorporated all of the potential key success factors into one study to analyze the development of a retailing business in a specific culture context. The success of the supermarket Albert Heijn is not a coincidence. However, not a single previous work has applied these success factors to the supermarket---Albert Heijn. This thesis is going to analyze the most relevant success factors for the development of Albert Heijn. How these factors are inter-related to each others? Among these factors, which variable plays the most essential role for the further development of Alber Heijn? Besides, the performance satisfaction levels on the proposed success factors of other supermarkets in the Netherlands will also be studied and compared. Further suggestions based on the success factor analysis and the specific culture backgrounds will be given in order to make Albert Heijn stand out of competition in the following years.

1.3 Research structure
The aim of the current research is to clarify the critical success factors for the development of the supermarket Albert Heijn in the Netherlands. In the end, some valuable recommendations will be proposed based on performance comparisons with other supermarkets in the Netherlands and the specific culture context. In general, the thesis research can be divided into the following parts: Firstly, the current performance of the supermarket Albert Heijn is going to critically evaluated based on existing articles and other general resources. Next, literature reviews about the critical success factors of grocery retailing business such as product assortment, price, brand variety, location, in-store atmosphere and service and quality issues will be discussed one by one. Then the methodology selected in the current study will be introduced. Basically, the current exploratory research incorporates both the qualitative and
quantitative methods. There is very few literatures talked about the success factors of supermarket in the Netherlands. The qualitative research, therefore, is necessary. A semi-structured interview will be conducted to select the most relevant factors based on the previous literature review so that a quantitative questionnaire can be developed in the current country context later on. The quantitative research method is performed to collect the opinions from the respondents via online questionnaires. Both the results from qualitative and quantitative researches will be carefully illustrated in the results part. In the end, some valuable recommendations will be made for the supermarket –Albert Heijn after comparing the current performance of other supermarkets in the Netherlands. Last but not the least, the limitations of the current study will also be discussed.
2 General background of Albert Heijn

2.1 History of Albert Heijn

Albert Heijn, the Netherlands’s largest and most famous supermarket chain was founded in 1887. Till now Albert Heijn has more than 850 (of which more than 200 franchise) stores in the Netherlands. During the 125 years development, Albert Heijn made several crucial movements by which it became one of the largest grocery firms in the Netherlands. Albert Heijn (1887) was founded in the Dutch village Oostzaan. After few years growing, the owner made first excellent movement by selling articles in their own name. In this way both the stores and articles were growing in following years. In 1952, Albert Heijn opened the first self-service store where the customer were no longer served one by one, instead they could selected and picked up their own goods by walking along the shelves with a shopping basket. In this way, Albert Heijn largely saved the costs and provided better shopping environment. In 1999, “Albert Heijn to go” was introduced. It was an easy store with healthy and quick solutions for eating or drinking at work or on the way. Two years later, web store was introduced. In 2003, Albert Heijn reformulated its strategy because of the upcoming competition and the bad high-price image. As for the store formats, in total Albert Heijn has regular Albert Heijn, Albert Heijn XL, Albert Heijn to go, Albert Heijn Web Store in the Netherlands.

2.2 Financial status

In the year 2003, Albert Heijn experienced competition and bad price imaging crisis, the sales growth was -2.7% in contrast with that average market growth in that year (2.8%). In addition the Market share was 25.1 %, the operating income was 225 million euro and operate income as a percentage of sales was 3.6%. However, the successfully reformulation of the Albert Heijn strategy brought them rapidly growth. Until 2010 their sales growth was 3.1% faster than the average market expanding rate 2.0%. The market shares increased 8.6% to 33.7%. The operating income was tripled (654 million euro).

1 Based upon EFMI-analyse van Annual Reports AHOLD 2003-2009, 2010
2.3 Current performance

2.3.1 Product assortment and brand variety

According to the research from Laurens (2006), in the Netherlands, The regular Albert Heijn carries an assortment that offers to consumers about 30,000 SKUs, which is the largest range amongst the Netherlands supermarket. In the other supermarkets, such as C1000 and Super de Boer, offer about 10,000 and 15,000 items separately.

Albert Heijn offers the most choice in both A level brands which can be found in other supermarkets and own brands including private label AH, AH pure & honest, AH Excellent, AH Express and Euro Shopper.

- AH pure & honest

The products of AH pure & honest is the own brand of Albert Heijn for organic products with extra care for humans, animals, nature or environmentally produced, grown or purchased. There are five categories under the AH pure & honest: AH pure & honest organic, fair-trade, sustainable fish, free-range and ecologically.

- AH Excellent

AH Excellent is the brand for products with special refined taste, a specific good recipe, an excellent combination of ingredients. AH Excellent products are just like products bought from the superior shops, great restaurants and famous chefs. They are heavily sold during periods of festivals, such as Easter and Christmas etc. This product line can bring loyalty to customers due to specialty offered. Basically, AH Excellent and AH pure & honest are two category with high quality and decent price products.

- AH house brand

Besides the premium products and brands introduced above, Albert Heijn also offers AH house brand, which contains 7500 products, including fresh articles and non-food items. For example, you can find almost everything under the AH private label, such as AH Wine, AH Baby things, AH formula, AH gift card, AH non-food, AH lighting, AH tickets etc. In general, the variety of the AH brand product is very competitive among other super markets.
- Euro shopper

In general, Euro shopper brand is the lowest price but fine quality products offered by Albert Heijn, which are selected from all the European supermarkets with low price but trustable quality standards.

Figure below shows the general price and quality level of AH brand products.

![Figure](image)

**Figure  General Quality and Price level of AH brand products**

However, the above figure only indicates the general price and quality levels for various brand types. In practice, the price range differs substantially for different products. The concrete examples followed will illustrate it more clearly.

<table>
<thead>
<tr>
<th>Products</th>
<th>Eggs 10 pieces</th>
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<tr>
<td>Euro shopper</td>
<td>AH Huismerk</td>
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<td></td>
<td>1.64</td>
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<tr>
<td>AH pure &amp;</td>
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<td>honest</td>
<td>1.99</td>
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<td>A-label</td>
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<td>Products</td>
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<td>Brands</td>
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<td>AH Huismark</td>
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<td>Euro shopper</td>
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<td>Brands</td>
<td></td>
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<tr>
<td>Euro shopper</td>
<td>AH Huismark</td>
<td>4.78, 3.99, 6.1, 5.98</td>
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<td>Price (Euro)</td>
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2.3.2 Location and Parking

In total, Albert Heijn has more than 850 stores, including Albert Heijn area stores, Albert Heijn XL, Albert Heijn to go, Albert Heijn Web Store.

- Albert Heijn area stores are the local grocery stores which are located in the centre of neighbours. Usually they are situated on a place with easy transportation and parking places.
- Albert Heijn XL is the big Albert Heijn format for the shoppers. These kind of stores have a larger assortment, more parking spaces and more special promotions every week.
- Albert Heijn to go is an easy store with healthy and quick solutions for eating or drinking on the way. Convenience, freshness and quality are the main characteristics for this type of Albert Heijn store format. Usually they are located in the train and metro stations, campus or hospitals etc.
- Albert Heijn Web Store is meant for customers who want to shop at home. Especially for people who aren’t available to come to the physical store. This ‘store’ is open 24/7 for shoppers’ convenience.

In this way, the Albert Heijn almost covers all the corners of the Netherlands and tries to attract as many customers as possible.

2.3.3 Store atmosphere

In general, Albert Heijn stores are clean, bright and enjoyable shopping places. Different stores have their own type of layouts.

- Albert Heijn to go shop is very compact and easy to reach. Shoppers can see almost everything by a glance. This is exactly typical requirement for people who need to rush to the station and drop by for some products. Therefore, the Albert Heijn to go stores mainly sell products such as fast direct consuming food and drinks.
- Albert Heijn area stores have all kinds of products. Consumers find different types of households very easily. Comparing with Albert Heijn XL, it is smaller and with less products ranges, especially for the non-food categories.
- Albert Heijn XL stores are the largest store format. More various product ranges can be found in the Albert Heijn XL. Albert Heijn XL stores are aiming to create a cosy

http://www.ah.nl/artikel?trg=albertheijn/article.feiten
family shopping environment with small children play area, sitting rest area, coffee drinking area and also with special promotional activities and tasting areas.

2.3.4 Loyalty programs

Albert Heijn currently has a lot of loyalty programs in different dimension. Such as

- AH Bonus Card
- Air miles
- Seasonal saving stamps
- Top Clients Program
- AH Bonus card

AH Bonus card is very easy to use for regular customers of Albert Heijn. If there are discount promotions in the store, customers can simply scan the Bonus card at the checkout counter, then they can enjoy the discounts. Every time when the Bonus card has been scanned, the information about kinds of products are purchased by the customers are stored in a large database. In the end, Albert Heijn can make use of the information to analyze the preference of customers and make proper segmentation when needed. However, the bonus cards are still anonymous currently which prevent true loyalty development for customers.

- Air Miles card

After purchasing the Air mile cards, customers can save points every time they spend in Albert Heijn house brand products or some other alliance stores such as Etos etc. The points customers saved can be used to buy products later on.

- Seasonal saving stamps

Each year, several seasonal promotional activities will be held by Albert Heijn. Such as Football graphics (Voetbalplaatjes in Dutch) held during the large football event. Customers can then accumulate stamps during these periods in order to get discounts. According to the website introduction, this activity works quite well in the Netherlands.

- Top clients programs

Albert Heijn organized special events for some selected customers who really spend quite some money in Albert Heijn. The customers will be invited into the events such as dinner

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3 http://www.ah.nl/bonuskaart
parties. After communicating with the customers, Albert Heijn can better analyze the target
customers and changing trends.

2.3.5 Promotional activates

Different promotional activates are held at different levels across the year. For example, every
week there is a discount information booklet sent to customers by post. Moreover, there are
seasonal special discount activities run all over the year several times, such as summer time
BBQ festivals etc. Besides, during the Christmas and Easter periods, the festival food will be
on discount.

Interestingly, in order to increase sales and attract shoppers with different ages. Sometimes
Albert Hein will offer free goods such as Smurfs and Disney cartoon figures when customers
have spent a certain amount of money. During football matches or large tournament periods,
orange will be the main color and the most successful example is orange worms during the
2010 Eurpeancup. In regards to the mass media promotions, Albert Heijn uses its on speak-
person on TV advertisements, which draw quite a lot of attentions and build up friendly brand
image.
3 Literature review

According to Oppewal (1995), consumers’ choice of grocery shopping destination is influenced by attributes such as distances from home to shopping destination, grocery assortment ranges, price levels of goods, quality of products, and the availability of parking situations, general in-store service and the store atmosphere etc. In the following section, the success factors such as pricing, assortment availability, loyalty programs, parking availability, store service will be discussed.

3.1 Pricing

Pricing plays a very important role and is a key marketing instrument in retailing. Talking about pricing, retailers need to conduct research in order to understand the price ceiling and price floor. According to the theory, price ceiling is the customers’ maximum willingness to pay for a product. The price ceiling will be increased if the product is highly differentiated from others or the products are in scarcity. For instance in orders to get the limited-edition products, customers are more willing to pay a higher price. Therefore; the price ceiling can go upward. In theory, price floor is directly related to the cost of products. In fact, price floor is the variable costs of products. Price floor will be reduced in the high competition situation or the products are over capacity. In this case, the variable costs of certain products will be reduced and therefore the price floor goes downward.

3.1.1 Pricing strategies:

- Cross-categories pricing

As for a supermarket, the most important strategy on pricing is to make the price of itself competitive in a bundle of product categories. Considering the costs of travelling to different stores to purchase daily groceries such as bakery, butcher etc. People tend to select a small number of supermarkets and purchase most of their daily products which including various category products. However, multi-stop shopping still exists, therefore, retailers needs to know how to set the prices and optimize the product categories in order to increase the so-called one-stop shopping. The research from Smith et al. (2012) indicates that supermarkets has to set up their price and maintain the quality level carefully (Smith and Thomassen). Because number of unrelated product selling volumes may be influenced by the price and quality of one product. Customers will be attracted by one product category and make other
cross-category purchase as well. Usually the supermarkets can offer the lowest prices and widest product ranges when cross-category effects are internalized (Smith and Hay, 2005).

- **Below-cost selling**

In recent years, some retailers tend to set the prices of some of their products lower than the costs. The reason is that customers will be attracted by these products into the stores and purchase other products. According to the studied from Smith and Thomassen (2012), especially in the UK, the below cost selling takes up to 6% of total retailer’s sales (Smith and Thomassen). Retailers tend to set the price of some basic household items below costs, such as bread and banana. In this case, customers will be discouraged from visiting discount store formats. For instance, Aldi and Lidl. In other words, supermarkets can set prices above costs on products which not be provided by specialist stores such as A-label products and can set prices below costs on the products sold by specialist providers. Even if customers understand that the specialist stores can provide higher quality and better service to some extent. They may still pop into supermarkets. In general, as stated in the article from Chen and Rey (2010), below cost selling usually come up without incompletely inform the customers.

There are some other basic pricing strategies that supermarket retailers usually use besides below cost selling and cross-category selling, which will be discussed bellowed.

- **Discount pricing**

Most of times retailers tend to discount the initial prices of merchandise through sales promotions. For instance, weekly discount booklets or other promotional activities such as new product launches. Consumers will be attracted by the pricing strategy and make the consequence purchase. At the same time, the sales promotion will create excitement. Besides, he discount pricing can help retailers clean up the outdated products (Ellickson and Misra, 2008). However, the negative point is that some customers will learn from the experience and just simply wait until the products they want to purchase go on discount. Therefore, they can always stock the merchandise at low price.
• High pricing
High pricing allows retailers to charge higher prices to customers who are not price-sensitive and will be willing to pay the higher price. Usually these groups of customers may think that the higher price stand for higher quality and enjoy the purchase experience. The profits of retailers can be increased through this strategy.

• Everyday low pricing strategy
Lots of retailers, particularly supermarkets, hypermarkets or discount stores have adopted the everyday low pricing strategy. It states that the “low” pricing doesn’t mean “lowest” prices (Ellickson and Misra, 2008). The strategy usually ensure that the retail prices are at a level somewhere between regular prices and the heavy-discount prices. However, some retailers such as Tesco in the UK and Wal-Mart from US have adopted the so-called low-price guarantee policy which guarantees the customers that the retailers offer the lowest price among other competitors.

Based on the book from (Levy et al, 1992), the everyday low pricing strategy has the following advantages:
Firstly, more customers will be regularly attracted to the retailers. Nowadays, more and more shoppers have begun to buy products only on sale. The everyday low price strategy can facilitate customers know that they will get the same low price everyday and don’t need to wait for the discount period or read advertisement booklets etc. Thus, more loyal customers will patronize the retailers.
Secondly, the advertising costs can be reduced. Unlike the discount pricing strategy, everyday low pricing retailers are not required to invest in weekly advertisement booklets.

3.2 Promotions

Sales promotion, as one part of the marketing mix, is a very popular topic in the retailing business.

Large amount of budget has been allocated to sales promotion in the grocery retailing industry (Kahn et al.1997;Peattie 1998). The general aims of the promotional mix for retailers are and the sales volume. Sometimes, the promotional mix can also be used to announce special events or launch new products.
The benefits of conducting promotional activities are as follows. Firstly, the store traffic can be increased. Even some customers who have no intention to purchase some products may be attracted into the store and make subsequent purchase in the end. The promotional activities can also persuade customers to buy larger quantities or purchase newly launch products. Other loyalty reward programs can stimulate customers become loyal to the store and make repeat purchases. In one word, the retailers can be differentiated from the promotional images (LeHew and Fairhurst, 2000).

There are several types of promotion mixes that retailers can offer. Customers can choose from a range of promotion activities, such as advertising, price reductions, loyalty reward programs, coupons etc (Parsons, 2003).

Retailers need to assess the efficacy of the promotional activities since a lot of money has been spent on them. The previous research from Gilbert and Jackaria (2001) indicated that the price discount activities are proved to be the most statistically significant among hundreds of respondents in UK. Coupons and sample trials are also calculated to be influential. However, the results are based in UK and need to be further verified in different country contexts (Gilbert and Jackaria, 2002).

Due to the changing customer base and shopping behavior, nowadays, the challenges of correctly using the promotional techniques still remain. Retailers need to understand the market composition with diverse segments (LeHew and Fairhurst, 2000, Parsons, 2003)

Retailers have wide ranges of media to promote themselves. Different media has its own pros and cons, which retailers need to consider carefully before chosen the medias. For examples, Television promotion can help to build up the retailer’s image. The newspaper advertising can reach a larger group of customers (Belch, 2003). However, all these effects are short-term orientated. Retailers need to think about other techniques which can have the long term effects on customers (Wakefield and Barnes, 1997).

3.3 Parking & location

Nowadays, as the increase of efficiency seeking, consumers pay enormous attention to the parking availabilities surrounding shopping areas (Borgers, Timmermans et al, 1998). In the
Netherlands, the supermarkets are all spread among neighborhoods. Comparing with car users, in the Netherlands people tend to use bicycles more when they do the grocery shopping in the Neighborhood.

Parking situation in general means not only the whole parking lots surrounding the shopping areas, but also including parking search time (Timmermans et al, 1984), quality of parking facilities (Timmermans et al, 1992). Van der Waerden and Oppewal (1996) found that characteristics of the above parking situations played a significant role in the choice of shopping destination. Basically, as from the empirical research results of Lorch and Smith (1993), consumers coming from parking lots always choose the nearest shopping mall entries and grocery stores.

Marjanen (1997) found that consumers consider parking as one of the most important store-choice variables. Parking may affect shopping behaviour of consumers from two aspects. Different shopping destination choices and the frequency of shopping trips (Feeney, 1989, Coombe et al, 1997). Retailers may encounter sales decline because consumers may choose to visit other shopping centers (Pacione, 1980; Popp, 1992).

Improve the accessibility of retail areas, such as the number of available parking spaces, parking costs and the location of parking lots (Axhausen and Polak, 1991; Matsoukis, 1993) become critical success factor of a grocery retailing stores.

Location will definitely affect the performance of retailers (Ownbey et al, 1994). According to Ownbey et al.(1994), retail locations can be assessed by several analytical techniques such as checklist, mapping, analog and gravity model. Especially for the gravity model, which was developed by Huff in the early 1960s. It stated that the attractiveness of a retail center was inversely related to the distance and travel time that consumers need to take. Nowadays, with the development of the original model, in reality, besides distance and travel time, other variables such as shopping center layout, traffic, visibility and access can also drive the popularity of retail shopping centers.

The work from (Shoup, 1995) also stated that the succeed of a retailer largely determined by whether it can provide adequate parking facilities. Although the study was more than ten years ago, it is still very useful in the modern society when nowadays the automobile is becoming more and more popular and people tend to drive to shop so they can easily purchase
large quantity items. Several parking complex factors are listed below, to demonstrate the planning and development criteria of a retailer are parking facilities. At first, the quantity of parking, which relates to the size of retailer itself, is very important. The extensive of parking area is also a reflection of the total capacity of the retailers. However, if the parking area is too large and most of the parking lot is always empty. Shoppers may estimate the retailer is not popular and will doubt to patronize there as well. Secondly, the location of parking area also needs to be paid attention to. In general, the location of the parking area will largely depend on the shape of a retailer itself. Retailers must position the parking area carefully because it may have some psychological effects on the potential customers. If the location of parking is still far away from the shopping destination, shoppers may feel upset and disappointed. Thirdly, according to (Shoup, 1995) It must be noted that the parking for employees also need to be taken into account. If there are no separate employee parking facilities, customers can not evaluate the availability and capacity of the total parking service. In additions, many parking lots which are considered to be the most excellent spaces can be usurped by employees.

Articles from (van der Waerden et al., 1998) stated that the parking situations will influence the store choice of consumers. In other words, customers’ choices of shopping destinations are related to the parking situations around the shopping center. In general, the parking situation is the parking facilities around the shopping destinations. Different parking space can be classified by means of location, design and accessibility ((van der Waerden et al., 1998). However, Oppewal(1995) argued that the parking situation should be emphasis in terms of parking convenience and parking costs. Other scholars such as Timmemans (1992) proposed that the parking searching time and the quality of general parking facilities such as number of parking space and availabilities are also some parameters to evaluate the parking situations.

Previous researches clarified that the shopping destination choice can be greatly influenced by the parking situations around the shopping areas. For instance, the studies from Oppewal(1995) found out that different characteristics of parking situations such as availability of parking lots, parking costs etc. play an enormous role for customers to choose which shopping destination to visit. Other previous empirical researches which including the research from Brown(1991) supported that the location and accessibility of parking lots strongly influence the popularity of stores. In particular he specified that the design of parking
lots such as the convenient elevators provided can largely stimulate the number of visitors. Lorch and Simth (1993) concluded that if several shopping stores share the same parking facilities, customers prefer to directly walk in and consume in the store which is the close to the parking facilities. This study stated that the minimized distance from the parking lot to the stores can increase the temptation of the shoppers to visit and shop in a specific store.

3.4 Loyalty program

With the intense competition in grocery retailing industry, the loyalty programs can act as a barrier to prevent new competitive rivals. Although nowadays loyalty programs are increasing popularity around the world, in regards to the Netherlands market, not every supermarket has a stable loyalty program. Only Albert Heijn has the regular loyalty programs such as Bonus card and Air miles.

In recent years, in order to increase customer loyalty, many retail companies have introduced loyalty programs (Kuman & Reinartz, 2005). Loyalty programs provide benefits such as discounts and points collection. There are several reasons why there is a rise in developing loyalty programs. Supermarkets intend to lock in customers by using loyalty programs such as points collection. Loyalty programs may also help to reduce marketing costs. If managed correctly, loyalty program could act as long term promotion program, with benefits of increased number of customers and purchase frequencies (Ehrenberg et al., 1990). According to Sharp (1997), loyalty programs have impact on customers’ repeat purchase. In general, the effectiveness of loyalty program is evaluated by its ability to enhance repeat-purchase patterns.

Not only the market share and profitability of a supermarket can be increased, the closer relationship between customers and the company can also be built up through loyalty programs. Companies are able to gain access to large numbers of current and potential customers when they introduce the loyalty programs to the market. They can also track the needs of customers and customers’ feedbacks on service level easily by using the loyalty program database. In one word, better service can be provided so the customer retention rate can be increased (Kotler, 1992).

According to Byron Sharp (1997), loyalty program is the so-called defensive marketing. One point needs to be noticed here is that in contrast to other marketing activates such as price reductions, high service quality, and advisements etc. which mainly focus on obtaining new customers, the emphasis of loyalty programs are trying not only to win new customers but
also to hold on existing customers as well. Although the traditional marketing activities such as advertisements can also have a positive effect on repeat purchase, loyalty programs will have more long-term effect on repeat-purchase and service evaluation. In the other hand, loyalty programs function to increase customer-company relationships (Ruth N. Bolton alt, 2000)

If managing correctly, loyalty programs can either increase companies net revenue and profitability(Andrew Banasiewicz, 2005). For example, if a designed loyalty program is correctly target the customers who can generate the highest values, the loyalty program can generate profit easily. In the fast moving consumer goods industry, it is not common to build up the loyalty program particularly for a certain group of customers. However, in the airline business, companies usually have different loyalty program schemes to attract diverse group of customers. On the other hand, the loyalty program can boost the revenue if the loyalty program is built by using price incentives. In regards to the supermarkets situations, many of them tend to build the loyalty program around price incentives. Customers can enjoy particular membership discount if they have the loyal card, the so-called Bonus card if they shop at Albert Heijn. In UK, customers can sometimes get cash rebates in Sainsbury when purchase to a certain amount of money.

To be more precise, loyalty can be divided into customer loyalty and brand loyalty. Customer loyalty relates to people. It is a feature of human instead of something inherent into the brands (.Mark D. Uncles, 2003). In the retail business, as stated above, the main goal is to attract and maintain customers. Both customer loyalty and brand loyalty are important to the business. However, it is difficult to measure the true loyalty when combining customer loyalty and brand loyalty.

Based on the research of Mark D. Uncles (2003), there are several aspects need to be taken into account in order to build up a profitable loyalty program in retail business.
First of all, the objectives of loyalty programs need to be stated clearly. For example, in retail business such as supermarkets, the loyalty programs usually tend to increase the company’s brand awareness or revenue. For companies which tend to increase the brand awareness, they can design loyalty programs with low entry requirements so more and more people will notice the loyalty programs and have high probability to join the programs. If the end objective of the loyalty programs to increase the company’s net revenue, companies can take loyalty
program activities such as large volume discounts or cash rebates when spending to a certain amount. Companies have to make clear end goal in their loyalty programs, otherwise they may miss target customers.

Secondly, it is essential to define the proper measurement metrics. In the retail business, some companies tend to use the customer registration rate to measure the impact of loyalty programs. However, it is a poor indicator of program performance. Based on the research of Mark et al., the registration rate itself means little to the economic value of the company. As stated above, the main role of the loyalty program is to stimulate the revisit and repurchase rate. Therefore, the registration rate cannot answer the objective clearly. In fact, instead of the registration rate, it is suggested that the companies have to keep a close eye on the participation renew rate (Mark D. Uncles, 2003) or companies need to conduct some survey to update the current customer database. In the context of supermarket industry, it is easy for customers to participate in the loyalty program such as the Bonus Card from Albert Heijn and Tesco card from Tesco. Customers only need to fill in a form and then they can get the loyalty card for free. It can be assumed that large percentages of citizens have the loyalty card. However, in order to make sure how much percentage of the card holders are true loyal to the certain supermarket. Instead of simple anonymous discount card, loyalty card should act as a function to truly maintain the business-customer relationships.

Last but not least, the loyalty program needs to have absolute competitive advantages. A lot of citizens have enrolled more than one loyalty programs. The possible explanation for the unsuccessful loyalty program is the truth that customers may be the members of several loyalty programs from different providers. In this case, if the loyalty program does not have absolute competitive advantages among other offers, customers may easy to switch to other providers. In another words, if the customers have similar options to collect points or get rewarded, it is not easy for one loyalty program to stand out of competition among others.

3.5 Category management ----assortment and stock outs

The research of Verhoef et al. (2006) has shown that consumers choose their favorite supermarkets based on the following criteria.

1. Excellent quality
2. Acceptable price
3. Wide assortment
4. Large scale of promotional products.
5. Many choices of fresh goods.

It can be seen from the above criteria that the assortment plays an important role in the choice of supermarket selection. Based on the fact that wide assortment, large scale of promotional products and wide choice of fresh goods are all some sort of related to the assortment variety.

From definition, merchandise variety is the number of categories a retailer offers. Assortment means the number of different items offered in a merchandise category. In the retail business, consumers can purchase the same branded products in different retailers. Retailers offer the same merchandise but differ in the assortment and variety of merchandise.

As stated in the loyalty section above, more than 50% of grocery shoppers visit two or more different supermarkets for their grocery. The reasons why grocery shoppers tend to purchase groceries in different stores can be explained by the different service, different promotional strategies, different price level and assortment variety (Fox, Mantrala et al. 2009). Grocery shoppers compare all the related criteria such as service, price and assortment variety to make final purchase decisions. Service and price level cannot make too much difference among different supermarkets. Therefore, the assortment variety is an essential driver for the choice of supermarket selection among grocery shoppers.

Nowadays retailers have began to extend their assortment varieties to meet the needs of shoppers step by step. (Boatwright and Nunes 2001) Previous research have shown that if consumers have more choices than they expected, the level of satisfaction and store attraction will be increased dramatically (Oppewal and Koelemeijer 2005). It is essential for the supermarkets keep a close eye on the levels of stock assortments. They need to have a clear vision about which items to keep and which items to remove. According to the research done by Verhoef et al. (2006), several irritations experienced by supermarket visitors are related to stock assortment issues.

1. Assortment reduction causes Items not available.
2. Regular products out of stock

3. Promotional items out of stock.

The research of Verhoef et al. (2006) also indicates that different types of customers react differently to the choice of assortment a supermarket offers. For example, as for the Netherlands situations, the primary visitors of low-price supermarkets such as Aldi and Lidl are more interested in the price issue of the supermarkets. They care more about the discount items and the low price products offered by the certain supermarkets. In the other hand, the primary shoppers of service-orientated supermarket, such as Albert Heijn are more interested in the assortment variety.

Considering the factors such as limited shelf space, supermarket retailers cannot simply offer grocery shoppers the extensive range of product categories. They need to select carefully the cross-category and within-category items needed to be provided. In fact, the tradeoffs between the assortment varieties play an enormous role in the success of a supermarket. It is easy to understand that when a supermarket has too many within-category products. In another word, there are too many brands or products in the same product category. Consumers may get confused and need to spend more time when making purchase decisions. Consequently, consumers may have negative comments to the certain supermarket (Kahn and McAlister 1997). Supermarket retailers need to optimize the assortment varieties to facilitate grocery shoppers making correct and timely choice. The studies of Kahn and McAlister also indicates that the cut-back of certain number of brands can not only simplify the decision making process for grocery shoppers, the supermarket retailers themselves can reduce out-of-stock situations and minimize the warehouse costs.

In general, retailers need to balance the offerings of number of categories, number of stock-keeping unit within a category and number of products in each individual stock-keeping unit (Mantrala et al., 2009) based on their availability of cash flow and the physical in-store space. This is not an easy task, although nowadays the whole world becomes more international, it still cannot be denied that the difference nature between shoppers ‘backgrounds such as age, gender, nationality ,incomes etc .will lead to various products and service demands. Thus, it is important for retailers to tailor their category management issues such as product assortment and brand variety to the local tastes rather than pure international decisions (O’Connell, 2008). According to the research of Mantrala et al(2009), the optimal
goal for retailers is to satisfy the needs of both potential and current shoppers’ by providing correct products in the right place and at the right time. The benefit is that if shoppers can always satisfy their shopping experience which means they can always find and purchase what they need in a store, they are going to become loyal to the store and visit the store more often. Thus, the sales of the store will be increased (Mantrala et al., 2009).

Due to constrains from both internal physical space and external money conditions, retail needs to consider the following points when set up their category management plan. Firstly, the actual and perceived variety issues. From definition, actually variety is the number of varieties offered by the retailers whereas the perceived variety is the number of varieties in the mind of customers. Usually the displays and organizations of merchandise can affect the perceived assortment variety (Kahn et al., 2004). Retailers need to pay attention not only to the actual variety but also the perceived variety because when shoppers of a store perceived the assortment in the certain store is large, they may evaluate the product they have chosen is more superior than others and more satisfied and willing to purchase the product (Godek, Yakes, and Auh, 2001).

Secondly, the out of stock situations. According to the research from Manrala et al, the cost of the out of stock situation is significant for retailers. It may happen that when customers can’t find their preferred product, they substitute a more or less similar item from the same retailer or postpone the purchase. But the customers may also directly go to another retailer for their preferred product. It is true that retailers cannot maintain every stock keeping unit in stock all the time, However, they have to bear in mind that the substitute doesn’t mean substitution opinion from the mind of shoppers (Verhoef et al., 2006).

### 3.6 Customer service

In the context of retailing business, the customer service relates to areas such as facility service and personnel service (Devlin et al., 2003). Many retailers differentiate their offerings, build up good customer relationship and construct sustainable competitive advantages through providing outstanding customer service (Levy et al., 1992). Excellent service can also attract new customers because the loyal customers will generate positive word-of-mouth communications (Bolton et al., 2007).
All employees of a retail business can provide service that increase the perceived value of customers (Levy et al., 1992). The following services are usually provided by food retailers (Levy et al., 1992).

- Acceptance of various payment methods. For example, cash, debit card or credit card. Some supermarkets such as Tesco in the UK offers credit card which works like a reward credit card. The general idea about the reward credit card is that you can save money when you spend money. More specifically, the Tesco credit card offers the following benefits to customers. Customers can get 1 club card point for every 4 pounds spending. 100 points are worth 1 pound. Besides, the reward credit card provide attractive benefits such as interest-free purchase during a special promotional period.

- Extended opening hours. The longer opening hours make it possible for customers to shop whenever it is possible. Reduce the traffic jam during the peak hours and at the same time, some part-time jobs can be created for students and low-incomes (Richbell and Kite, 2007).

- Provide the product information in details. Storage and nutrition information are usually appear on the products that retailers sell. Prior studies state that the perceived product quality can be influenced by not only the price of the product but also the product attributes (Chang and Wildt, 1994). Thus, the more details the product information provided to the customers, the higher the perceive quality and value can be obtained by customers.

- Personal assistance especially for large supermarkets where the product assortment and variety are in high volumes. Customers usually seek for staff for assistance in order to allocate the desire product. Nowadays, with the increasing popularity of healthy & nutrition issues, it is better that the staff of retailers can and able to provide useful advice on the usage of products (Richter et al., 2000).

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4 [http://www.tesco.com/clubcard/clubcard/].
Providing consistent high-quality customer service

It is not a simple task for retailers to provide consistent high-quality customer service. Based on the reasons that different people may have different standards to judge service quality and at the same time it is always a challenge to maintain or control the high-quality service. Because the service is intangible. Retailers can not easily measure or check service before or during the service is provided to customers. However, it is essential to provide a consistent high-service for a retail business in order to develop its competitive advantages. In this case, it will maintain more loyal customers and attract new customers as well (Fullerton, 2005).

Customer service approaches

In general, as indicated in the book of retailing management from Levy(1992), there are two main approaches to maintain the customer service. The first one is personalized service, in which retailers tailor their services to meet different customers’ needs (Sparks, 1992). The benefits of the personalized service is that most customers will receive superior service. However, there must be some customers come across lower quality service. Based on the reasons that not all the staffs have been trained before and the capabilities of the staffs are different.

Another approach is the so-called standardized service. The standardized service aims to offer high quality service and ensure the service is implemented consistently through a standard set of rules and procedures (Levy et al., 1992). In the retail business context, many customers don’t want to use the service provided by staffs. They have already known what they want to purchase, and the only thing they need to do is to quickly buy the merchandise. In this case, retailers can simply providing signs or allocate the merchandise in a proper order to enable the customers allocate the products easily.

3.7 Store atmosphere

The number of retailers is increasing dramatically nowadays. And most of them cannot be differentiated by the products offered. Kotler () stated that the store atmosphere is a very effective marketing tool for retailers. The store atmosphere will help to attract potential buyers visiting the store. The store atmosphere can even be part of the products if the shoppers make purchase in the store. However, people tend to evaluate the store atmosphere
in different ways based on their demographic backgrounds such as age, gender etc. Thus, they may have different emotions triggered by various atmospheric variables such as color, layout, music etc (Donovan et al., 1994).

A lot of variables are included in the concept of store atmosphere. Turley and Milliman(2000) classified the atmospheric variables into the following four types:

- External variables such as address and location, surrounding area, parking availability etc.
- General interior variables which include factors such as lighting, music, cleanliness etc.
- Layout and design variables such as waiting queues, space design and allocation etc.
- Human variables which including employee characteristic and in-store service etc.

The sections before have already discussed the External variables (location & parking) and Human variables (service). Therefore this section will be more focused on store design, layouts and interior variables.

Store design and layout are the most influential factors consumers would consider when choosing which store to visit ((Devlin et al., 2003). The retailers should not only provide as many additional service as possible as stated above but they should also try to keep the store layout in a reasonable pattern and try to minimize the movement of products within each store ((Devlin et al., 2003). Thus, shoppers can easily allocate what they are want. It cannot be denied that not all the stores in the same retail chains have the same space (Devlin et al., 2003). When it is impossible to keep the store formats of different stores in the same retail chains similar , retailers usually facilitate the shoppers by providing adequate signs around each store.

The research from Baker et al.(1992) clarified that retailers can benefit from excellent store designs, which can be illustrated as follows: Basically, customers can become more loyal to the store due to the utilitarian benefits or hedonic benefits provided by the store (Bellizzi et al., 1983, Liang and Lai, 2002). For example, the store provides utilitarian benefits when it allows the customers to locate and purchase the product efficiently, which will leave a good impression on the minds of customers. On the other hand, if the store can provide customers a very pleasant and enjoyable shopping experience by using nice store layout and helpful
employees, customers may want to stay in the store longer and more often to visit the store. Therefore, retailers can be benefit from the unplanned purchase consequently.

Store layout includes factors such as product allocations, traffic flow, and floor space allocation within retailing stores. In the study of Kotzan et al., the shelf facing issues have been studied, they conclude that the shelf facing can positively affect the product sales and the impression of product and brand varieties in the mind of consumers (Dawar and Parker, 1994). However, this is not an easy topic, retailers need to reallocate the products if shelf facing results in sales loss of other products. Retailers can calculate and assign maximum facings of products which can obtain the largest sales margins.

Several previous studies have found that the general customer satisfactions are negatively related to the perceived shopping time during the shopping experience (Taylor, 1995, Pruyn and Smidts, 1998, Tom and Lucey, 1995). Therefore, retailers need to keep a close eye on the waiting time customers experience. Necessary actions need to be taken to reduce the waiting time such as increase the employees who serve at the counters. Besides, retailers can provide entertainments for customers who are waiting in a queue. For instance, play some pleasant music or television programs which can help to reduce the perceived waiting time (Hul et al., 1997, Baker and Cameron, 1996). However, it must be noted that the estimated time may get longer when music is loud and fast (Kellaris and Mantel, 1996). That's why some retailers only play silent television programs. Besides, the perceived waiting time is longer when customers hear familiar rather than unfamiliar music (Yalch and Spangenberg, 2000). Therefore, retailers have to carefully select the music they want to play in the stores.

In the next chapter, all the above variables which including the pricing, promotion, parking, customer service, category management, store atmosphere etc. will be considered to make the methodological analysis.
4 Research methods

4.1 Research design

According to Saunders et al. (2009), the current thesis research can be seen as an exploratory research. From definition, exploratory research is to find out what is happening and to look for new insights. The study is trying to clarify the understanding of what success factors are actually related to the supermarket Albert Heijn and seek for new insights for the supermarket development. Therefore, the current research is exploratory research. Saunders et al. (2009) introduced several strategies for exploratory research. For instance, questionnaire, group interviews etc. The current research is going to incorporate both quantitative and the qualitative research methods.

4.2 Mixed methods research

The current study is going to conduct the mixed methods approach to identify and analyze what and to what extent are the relevant factors customers may consider when selecting supermarkets and how the supermarkets can succeed based on the success factors. The study from Molina-Azorin (2012) mentions that the mixed methods research combine both the qualitative and quantitative data collection methods and analyze them in a single study (Johnson & Onwuegbuzie, 2004; Plano Clark, 2005; Teddlie & Tashakkori, 2003).

The central purpose of the mixed methods is that the combination of both research methods can provide better understandings of the research question, result in more comprehensive research findings (Johnson & Christensen, 2004), and both the reliability and validity of the research can be increased than conducting one approach alone (Creswell & Plano Clark, 2007). There is no doubt that both qualitative and quantitative research have different values and advantages. The following section will discuss them one by one and also explain why both methods are needed to be incorporated in this research in more details.

4.2.1 Qualitative research method

The qualitative research method can provide rich understandings on a certain topic and stimulate deeper thought (Weick, 2007) and the qualitative research can then be used to compare the extent of several insights (Van de Ven, 2007). Secondly, qualitative research can
also help to make the communication easier and at the same time to ensure the applicability and meaningfulness of certain topics. The research from Doz(2011) also emphases that the qualitative research can help to discover the importance and relevance of certain factors. Besides, qualitative research can also be used to compare the extent of several insights (Van de Ven,2007).

In the current study, a qualitative research ahead the quantitative one can help to figure out what factors are really matters for customers in the Netherlands market. According to the previous research from Doz(2011),researchers have to be sensitive to some demographic issues such as country of origin so they won’t miss the differences and the final results can be more realistic (Siggelkow,2007). Therefore, the qualitative research will consider the nationality, household composition and educational background these basic criterions to make the results more persuasive.

According to the previous researches, customers tend to choose different types of supermarkets based on their demographic variables such as age, gender, educational backgrounds. These factors will influence their shopping behaviour significantly.

The early studies show that the major household shoppers are female-household mothers(Zeithaml, 1985).However, with the increasing development of economics, gender roles are emerged. More males are sharing the daily grocery shopping tasks. In additions, other demographic groups such as working females, elderly and single individuals will perform the shopping responsibilities as well.

The shopping behaviours differ for various demographic groups. For examples, Male shoppers tend to spend less time and more money in the grocery shopping trips due to less planning such as write up the shopping lists and go through the promotional advertisements etc.(Zeithaml, 1985).Elderly shoppers are more likely to respond to the conventional shopping promotional activities and have special needs for healthy and diet concerns(Zeithaml, 1985, Pettigrew et al . , 2005).Single individuals with incomes or duel income couples are not price sensitive compared with other groups, they are more time-constrained and care more about the efficiency of the grocery shopping trips and the quality of the products(Zeithaml, 1985, McCall, 1977, Lazer and Smallwood, 1977) . Especially for higher income shoppers who are less likely to check prices before visiting the supermarkets and use the coupons(Zeithaml, 1985, Strober and Weinberg, 1977). However, the actual shopping behaviours of grocery shoppers are far more complex. All the single demographic variables are connected with each
other. Therefore, the effect of signal demographic variable will be influenced by others. To illustrate it more clearly, for example, the effect of working status will be influenced by age, gender and family composition etc. (Zeithaml, 1985).

In general, Doz (2011) mentions in his research that although it is true that other research methods such as quantitative research can also result in the similar benefits, the qualitative research provides a better opportunity to discover and ensure what is worthy to investigate.

4.2.2 Quantitative research method

Conducting questionnaire is the most common strategy in quantitative research. Questionnaires are popular because they can collect data from a relatively large population in a highly economical and efficient way.

According to Sauders (2009), quantitative research which using the questionnaire as the instrument has the following benefits.

1. Quantitative research method is cost and time efficient to collect large amount of information from a large number of people.

2. Large information can be summarized through quantitative research; comparisons can be made across categories. In this thesis study, comparison will be made among different success factors of supermarkets. The relationships between different variables can be found out in order to make further development suggestions for Albert Heijn.

3. The results from the quantitative research are always high in reliability. According to the theory from the book of Saunders (Harrison and Reilly), reliability means the extent to which the questions or procedures concluding the same result on repeated trials. In the questionnaires, different questions will be made to test both reliability and validity. For example, in the current research study, there are several questions talking about supermarket loyalty, but ask in different ways and phenomenon in the questionnaire.

In the end, quantitative research method allows us to measure and analyze the data by using SPSS statistics. A single format questionnaire will be used to collect data. The relationship between an independent and dependent variable can be studied in details. In this case, by using the data collected from respondents, SPSS will help to measure the relationship between different success factors and understand which of the variable plays the most essential role.
Besides, relevant statistics will be performed to test the reliability and significance in the current culture context.

4.3 Research Procedure

As stated in the previous paragraphs, the current study incorporates both quantitative and qualitative research methods. Both of the research procedure will be illustrated one by one as follows.

4.3.1 Qualitative research procedure

In general, the semi-structure interview technique has been chosen to conduct the qualitative research.

4.3.1.1 General overview of the Semi-structured interview

Several techniques can be used to collect data in a qualitative research. For instance, Sauders(2009) introduces literature reviews, semi-structured interviews, focus groups and direct observations. Semi-structured interview strategy has been chosen in the current because of the following reasons: Firstly, it can be conducted by using a relatively small sample (Miles,1994).Secondly, different from the direct observations, the data are easier to obtain. Last but not least, semi-structured interviews can generate insights into the problems. Interviewees may have different valuable opinions on the certain issues that the researchers haven’t thought before.

In the current study, semi-structured interviews are used to collect and explore interviewees’ opinions regarding supermarkets attractiveness. In particular, the following core topics will be focused on the current semi-structured interviews.

- Grocery shopping behavior such as shopping frequency and prefer store types.
- Understanding and opinions on assortment ranges and out-of stock situations.
- Understanding and opinions on brand variety and product variety.
- Supermarket locations and formats
- Service and general atmosphere of supermarkets
- Product quality and price issues
- Parking issues
4.3.1.2 Semi-structured interview Procedure

➢ Preparing interviews

Before the interview really starts, the following preparations have been performed.

- Set up interview objectives:

The relevant success factors of the supermarkets in the Netherlands would be identified and generated through the interviews, which can be regarded as the supplements for the previous literature review.

- Finalize the interview plan.

The most appropriate questions need to be selected and formulated well. Next, I need to consider when and how to conduct the interview. For instance, make decisions about whether to conduct the interview face to face or via telephone. In the end, the interviews have been constructed face to face so that I can have more contact with the respondents and easier to ask follow-up questions when necessary.

- Contact and identify the respondents

The aim of the study is to interpret what factors do the grocery shoppers actually concern when choosing supermarket in the Netherlands. Semi-structure interviews are used to collect concerns that maybe missed out during the literature review period. During the interviews, all the related topics described above will be fully covered. In this context, the main aim of the semi-structured interview can be seen to complement and verify the literature reviews so that the most relevant questions can be formulated in the following questionnaire section. Besides, it cannot be denied that lots of time needs to be spent on formulate, conduct and analyze the semi-structured interviews. Thus, two respondents are selected to participant the interviews. Based on the international environment; respondents have been selected based on their nationalities. One is Dutch, the second one the other is Chinese. They have different working status, family compositions and ages.

After selecting the two respondents, I have sent emails to make appointment with them. In the meantime, I also explained the objective of the current study and I informed them that the information I got from them will be treated confidentially and for the current research only.

➢ Interviewing the respondents
During the interviews, respondents are asked the questions on the list I prepared before the interviews. As can be seen from the list, all the questions are constructed by using words such as how, what, tying to seek detailed rather than simple “Yes” “No” answers from respondents. For instance, in order to study whether the respondent is loyal to a certain supermarket or not, the question was formulated as what your most favorite supermarket is and why it is. Similarly, I use the question: what kind of loyalty program will attract you and why to try to dig out the most attractive loyalty program to the respondents and the background reasons. Therefore, I can make sure whether the similar factors are really useful to be put in the quantitative questionnaire in the second stage or not.

Both the designed questions and some other probing questions are asked during the process. I have typed all the information provided into my laptop for later review and analysis. When I realize I cannot get new information. I close the interview. Just like stated by Fade (2011), Once data saturation is reached, the data collection from respondents should end. Basically, both the interviews lasted about 40 minutes to complete. After each interview, I have summarized some general impressions about opinions of respondents, which facilitated me to analyze the information easier later on.

- Data analysis

The aim of the data analysis is to integrate and compare data in order to make final conclusions. Since the data quantity is relatively small. The main technique used in this study is to read and compare feedbacks of the two respondents. Answers for each question have been read at least three times to find out key variables which are going to use in the questionnaire stage.

Following steps illustrate the analysis process in details.

- Organize the responses

   The respondents were divided into respondent 1 and respondent 2. All the data are directly stored in my laptop during the interview. It is easy to retrieve and analyze the data at any moment.

- Identify and interpret the responses
The key objective in this part is to summarize the recurrent responses from both respondents. In this way, all the responses collected can be changed from descriptive role to analyzing role. Besides, the new emerging information have also been noted down. In the end, I summarize a list of key answers from both respondents. Please refer to Appendix 2.

4.3.2 Quantitative research procedure

Thanks to the help of the qualitative research, the most relevant success factors have been identified and collected. The next step is to formulate a questionnaire by using the critical factors emerged from the qualitative research and conduct the survey in order to generalize the final results.

At first, 2 family members and 3 close friends have been asked to do the try-out questionnaires. They have provided valuable suggestions. For instances, the structure of the questionnaire, the length of the questionnaire and some understanding issues. Some necessary changes have been made after try-out experiment. I began to contact potential participants after the original questionnaire has been revised. The survey participation is totally voluntarily and if participants are interested in the research results, they can contact me via my email address provided in the questionnaire cover page.

4.3.2.1 Questionnaire sampling

In total 141 people from my facebook contacts and other friends who work in the Netherlands Institute of Neuroscience and University of Nijmegen have been randomly as the total sample size. Thus, in total, I have sent out 141 surveys via Emails. 13 automatic replies (unreachable) have been sent back to me directly. I sent another reminder to all the rest 128 people on the fourth day after I sent out the first email. After 2 weeks waiting, I have received 55 complete feedbacks in total. During this period, there are 15 people sent me an email back stating that they could not complete the questionnaire. Some people stated that they have never been in Netherlands before. Others indicated that they are not familiar with the grocery shopping for some reasons. According to the theory stated in the Saunders book, the non-contact respondents who are unreachable and people who are ineligible will not be represented in the data I collected. Thus, based on the formula from Neuman (2005)
Total active response rate = total number of response / total number in sample - (ineligible + unreachable)

The total active response rate = 56/141 - (13 + 15) = 48.7%

Research from Baruch (1999) indicates that a response rate of approximately 35 percent is reasonable. Thus, I am happy to have 48.7% response rate in the current study. (Baruch, 1999)

4.3.2.2 Questionnaire structure and design

In general, the structure and design of the questionnaire will be discussed in the following section.

As mentioned before, survey strategy is the most common and popular technique in exploratory research (Saunders et al., 2009). Usually in order to get the quantitative information, the questions used in a survey are trying to seek information such as what, where, how many, how much etc. It is important to facilitate all respondents to understand the exact meaning of all the questions. The questionnaire has been translated into Dutch. It is easy for Dutch people to completely understand the questions and complete the questionnaire.

There is an introduction page to introduce the survey. The objective of the introduction page is to introduce the purpose of the survey to potential respondents, stating the time needed to complete the survey, clarifying the survey is completely confidential. Last but not least, I appreciate respondents help in advance. Besides, my contact detail is also shown on this page, participants can contact with me if they are interested in the results of the study or they have some other questions.

The questionnaire consists of five parts. In total, there are 60 sub-questions included in the questionnaire. Start with some demographic questions such as age, gender, education level and household composition etc. A quantity question is formulated to ask the age. The question regarding the nationality is formulated into an open question. Multiple choice questions are constructed to ask respondents’ family composition, education, marital status.

The second part is to ask the importance of different factors such as location, price level, and product assortment when selecting supermarkets in the mind of respondents. According to Saunders et al. (2009), rating questions are used to collect opinions. In this part, rating questions adopt the Likert-style rating scale in which respondents are asked how important
they think each of the factors. Five rating scales are used in this question, which are very important, quite important, fairly important, slightly important and not important at all. Part three is to ask the participants’ satisfaction level of their favorite supermarkets. In this part, respondents are asked to evaluate their most favorite supermarkets for the factors which mentioned above in part one. By comparing with part one, the aim of this part is to check the validity of the above success factors. Besides, suggestions can be made to improve the performance of certain supermarket from the grades.

Loyalty issues are questioned in part four. It can be concluded from the previous literature review and the semi-structured interview that the succeed of loyalty programs in supermarkets can help to maintain existing customers and keep attracting new customers. In the end, the supermarket will stand out of competition. Thus, loyalty related topics have to be discussed in details when discuss the success factors of supermarkets. In this part, At first, respondents are asked whether they prefer to visit only a certain store and what kind of loyalty programs really attract them. Then, likert-style rating scale is used again to ask respondents to rate on some loyalty related statements. For instance, the statements such as “I am likely to recommend my main supermarket to my friends and relatives.” “I am always search for my main supermarket (chains) when I am in a new place”. Negative statements are also included to draw respondents’ attention and force them to read each statement very carefully. Thus, some non-loyal statements are also listed in this part. For example, “I am easy to shop at different supermarket when someone persuade me.” and “I am likely to switch to different supermarket even my main supermarket is good.”

The last part are some questions related to assortment, price and service level of supermarkets. Participants are asked to answer whether they agree some statements. The statements deal with stock outs situation, product and brand assortment issues and general store atmosphere. A five point likert-style rating scale is again used in the matrix question. Questions are listed down on the left –hand side and the possible responses listed on the top. Similar to the questions in part four, the statements are formulated in negative or positive way to test the internal consistency in general. Please refer to the Appendix 2 for the complete survey questions.
4.3.2.3 Data analysis

Data analysis is followed after collecting all the questionnaires back. Statistical analyses will be carried out using SPSS Statistics 18.0 to study the main research questions.

- The importance of different success factors for the development of supermarkets.
- How different respondents evaluate their current chosen favorite supermarkets?
- Which factors should be primarily improved
- If the nationalities can make the different importance factors for the supermarket and satisfaction factor for their favorite supermarket.

SPSS software is using during the data analysis process. The internal consistency test is performed by Reliability analysis procedure for each critical factor. Frequency tests are employed to test the different factors importance from respondents and describe the demographic data. In the end, independent sample t test are conducted to compare the differences between Dutch and Non Dutch.

However, one point needs to be illustrated here is about the missing data in the questionnaire feedbacks. In total, I have received 56 questionnaires back. However, when analyzing the data by using SPSS, only 51 answers are completely valid. I know the” hotdeck function” out there can help with the missing data issues in SPSS. But the literatures state that the imputation of missing data should be based on large quantity of original data set (Scheffer, 2002, Field, 2009). In this current study, where only 56 questionnaires are received, therefore, the bias results are produced by dealing with the missing data by hotdeck function. Therefore, in this current research, only 51 valid questionnaires are used to analyze the data.
5 Results

5.1 Attribution of the survey subjects

The detail attribution of survey subjects are showed in Table 1. In brief, 58.2% female and 41.8% male join the current survey. Age distributions are broad. The largest portion is between 25—34 years old, which accounts for 58.2% of total participants. Age between 18-24 years old, 35-44 years old, 45-54 years old and 55-64 years old takes 8.9%, 18.2%, 7.3% and 7.3% respectively. There are two dominate groups attend the survey. Chinese (41.1%) and Dutch (41.1%). About 41.1% subjects receive master degree, and 28.6%, 21.4%, 5.4% received Ph.D. bachelor, professional degree respectively. Most of subjects stayed with others. 58.9% of the participants are married or cohabitant. Only about 37.5 % single subjects joined this survey. And most of participants (52.7%) spent less than 20% of their household income on grocery shopping, 41.8% participants spent 20-40% and 5.5% spent more than 40% of their household income on grocery shopping.

Table 1. Attributes of the analyzed subjects (n=51)

<table>
<thead>
<tr>
<th>Sex (%)</th>
<th>Age (%)</th>
<th>Nationality (%)</th>
<th>(grocery shopping/household income) (%)</th>
<th>Education (%)</th>
<th>Children (%)</th>
<th>Marital status (%)</th>
<th>Employment statuses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female 38.2 18-24 y</td>
<td>3.9 Chinese</td>
<td>lower than 20%</td>
<td>9.7 Professional diploma</td>
<td>5.4</td>
<td>0</td>
<td>Single</td>
<td>37.5 Student</td>
</tr>
<tr>
<td>Male 41.8 25-34 y</td>
<td>53.2 Netherlands</td>
<td>Between 20%-40%</td>
<td>41.8 Bachelor's degree</td>
<td>21.4</td>
<td>1.8</td>
<td>Cohabiting</td>
<td>29.2 Employed for salaries</td>
</tr>
<tr>
<td>35-44 y</td>
<td>13.2 Rest</td>
<td>Higher than 40%</td>
<td>5.5 Master degree</td>
<td>41.1</td>
<td>2.1</td>
<td>Married</td>
<td>35.7 Self-employed</td>
</tr>
<tr>
<td>45-54 y</td>
<td>7.8</td>
<td></td>
<td>Ph.D degree</td>
<td>28.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55-64 y</td>
<td>7.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2 General grocery shopping behavior
The general grocery shopping behavior has been summarized in Table 2. In general, about 17.9% participants usually visit one supermarket, 50% of the participants usually visit 2 supermarkets and 26.8% participants shop in more than 3 supermarkets. More than one third(41.1%) of the participants visit grocery supermarkets more than twice a week. 26.8% participants only visit once and a quarter of the participants visit supermarkets twice a week. 25.0%.

<table>
<thead>
<tr>
<th>Frequently visit supermarket %</th>
<th>Frequency of grocery shopping %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>17.9 less than once 1.8</td>
</tr>
<tr>
<td>2</td>
<td>50.0 once 26.8</td>
</tr>
<tr>
<td>More than 3</td>
<td>26.8 Twice 25.0</td>
</tr>
<tr>
<td></td>
<td>More than twice 41.1</td>
</tr>
</tbody>
</table>

5.3 Favorite supermarket

All the participants are asked to fill in their favorite supermarket. The largest amount of participant (46.4%) choose Albert Heijn as their favorite supermarket. C1000, Jumbo, Dirk van de Broek have equal share which is 10.7%. The budget supermarket Lidl and Aldi have 5.4% and 1.8% of share respectively.

5.4 Validation of the critical success factors: Reliability and validity test

The reliability and validity tests are performed for the validation process. In the case of reliability analysis, Cronbach’s alpha model, which measures internal consistency, has been preformed. The value of Cronbach’s alpha refers to the degree to which elements in a set are homogeneous (Field, 2009, Saunders et al., 2009). The results are summarized on Table 3. The alpha value of “Promotional activity”, “bicycle parking facility”, “product quality” and “loyalty programs” are relatively higher, The relatively good or acceptable internal
consistency means that different questions that suppose to measure the same success factors such as promotional activity generate similar results (Saunders, et al. 2009). However, unfortunately, the internal consistency is relatively poor for factors such as product variety, availability of my favorite products and availability of my favorite brands. These Cronbach’s alpha values are lower than common research level (De Vaus, 2002). According to the previous researches, the alpha value is good when it is between 0.8 -0.9, the alpha value is acceptable when it is between 0.7 -0.8. Alpha values is poor when it is smaller than 0.6.

Table 3 The results of internal consistency

<table>
<thead>
<tr>
<th>Critical success factors</th>
<th>No. of items tested</th>
<th>Alpha value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand ranges</td>
<td>4</td>
<td>0.33</td>
</tr>
<tr>
<td>Product variety</td>
<td>4</td>
<td>0.11</td>
</tr>
<tr>
<td>Availability of my favorite brands</td>
<td>4</td>
<td>0.11</td>
</tr>
<tr>
<td>Availability of my favorite products</td>
<td>3</td>
<td>0.15</td>
</tr>
<tr>
<td>Location</td>
<td>2</td>
<td>0.40</td>
</tr>
<tr>
<td>Travel length</td>
<td>3</td>
<td>0.30</td>
</tr>
<tr>
<td><strong>Product Quality</strong></td>
<td><strong>2</strong></td>
<td><strong>0.62</strong></td>
</tr>
<tr>
<td>Price level</td>
<td>2</td>
<td>0.53</td>
</tr>
<tr>
<td>Service level</td>
<td>3</td>
<td>0.56</td>
</tr>
<tr>
<td>Fast checkout</td>
<td>2</td>
<td>0.47</td>
</tr>
<tr>
<td>Car parking facility</td>
<td>2</td>
<td>0.58</td>
</tr>
<tr>
<td><strong>Bicycle parking facility</strong></td>
<td><strong>2</strong></td>
<td><strong>0.63</strong></td>
</tr>
<tr>
<td>Store cleanliness</td>
<td>5</td>
<td>0.53</td>
</tr>
<tr>
<td>Store layout and atomosphere</td>
<td>5</td>
<td>0.53</td>
</tr>
<tr>
<td><strong>Loyalty programs</strong></td>
<td><strong>7</strong></td>
<td><strong>0.60</strong></td>
</tr>
<tr>
<td>Promotional activity</td>
<td>2</td>
<td>0.78</td>
</tr>
<tr>
<td>Opening hours</td>
<td>2</td>
<td>0.47</td>
</tr>
</tbody>
</table>

5.5 Importance of key success factors for supermarket

In the questionnaire, I assess 17 success factors (variables) based on the results of literature review and semi-structured interview.

Table 4 shows the importance of all the variables in terms of “very important” and “important”.

Table 4
For the choice of “very important” success factor, the top three success factors which can facilitate the respondents to decide which supermarket to choose is the product quality, availability of my favorite product and the travel length variable.

Regarding the choice of “important” success factor, the top three success factors which mean a lot to respondents are product variety, price level and availability of my favorite products.

In the end we average the importance of success factors in both very important and important percentage. And list top six most important factors: availability of my favorite products, product quality, opening hours, product variety, Travel length, Price level. In addition to the location issues, it can be concluded that the supermarkets need to consider both product and service quality. The supermarkets are better to maximize the opening hours and carry the large assortments with wide product choices etc. More details will be discussed in the next chapter.

**Table 4. Importance of success factors**

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Very Important %</th>
<th>Important %</th>
<th>Mean %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Availability of my favorite products</td>
<td>35.70</td>
<td>39.30</td>
<td>37.5</td>
</tr>
<tr>
<td>2</td>
<td>Product Quality</td>
<td>48.20</td>
<td>23.20</td>
<td>35.7</td>
</tr>
<tr>
<td>3</td>
<td>Opening hours</td>
<td>30.40</td>
<td>35.70</td>
<td>33.05</td>
</tr>
<tr>
<td>4</td>
<td>Product variety</td>
<td>19.60</td>
<td>44.60</td>
<td>32.1</td>
</tr>
<tr>
<td>5</td>
<td>Travel length</td>
<td>32.10</td>
<td>32.10</td>
<td>32.1</td>
</tr>
<tr>
<td>6</td>
<td>Price level</td>
<td>19.60</td>
<td>41.10</td>
<td>30.35</td>
</tr>
<tr>
<td>7</td>
<td>Availability of my favorite brands</td>
<td>19.60</td>
<td>37.50</td>
<td>28.55</td>
</tr>
<tr>
<td>8</td>
<td>Location</td>
<td>28.60</td>
<td>26.80</td>
<td>27.7</td>
</tr>
<tr>
<td>9</td>
<td>Store cleanliness</td>
<td>21.40</td>
<td>23.20</td>
<td>22.3</td>
</tr>
<tr>
<td>10</td>
<td>Store layout and atomosphere</td>
<td>8.90</td>
<td>33.90</td>
<td>21.4</td>
</tr>
<tr>
<td>11</td>
<td>Car parking facility</td>
<td>17.90</td>
<td>21.40</td>
<td>19.65</td>
</tr>
<tr>
<td>12</td>
<td>Brand ranges</td>
<td>10.70</td>
<td>26.80</td>
<td>18.75</td>
</tr>
<tr>
<td>13</td>
<td>Service level</td>
<td>7.10</td>
<td>30.40</td>
<td>18.75</td>
</tr>
<tr>
<td>14</td>
<td>Promotional activity</td>
<td>7.10</td>
<td>26.80</td>
<td>16.95</td>
</tr>
<tr>
<td>15</td>
<td>Fast checkout</td>
<td>7.10</td>
<td>25.00</td>
<td>16.05</td>
</tr>
<tr>
<td>16</td>
<td>Loyalty programs</td>
<td>5.40</td>
<td>17.90</td>
<td>11.65</td>
</tr>
<tr>
<td>17</td>
<td>Bicycle parking facility</td>
<td>7.10</td>
<td>12.50</td>
<td>9.8</td>
</tr>
</tbody>
</table>
5.6 Satisfaction level on the success factors of respondent’s favorite supermarket

Question 12 asks respondents what their favorite supermarket is. Respondents choose from the choice of Albert Heijn, C1000, Jumbo, Lidl, Aldi, Dirk van de Broek or others. From the pie chart below (Figure 1), it can be seen that 51% of respondents choose Albert Heijn as their favorite supermarket.

**Figure 1.** Respondents’ favorite supermarket.

Question 13 in the questionnaire is formulated in order to investigate the respondents’ satisfaction level on the important success factors for their current favorite supermarkets. The scale is presented ranging from 0% to 100%, 0% stand for completely unsatisfied and 100% means completely satisfied. Respondents are asked to indicate their levels of satisfaction on the scale by dragging the percentage scales.

The results of satisfaction level on the success factors of respondent’s favorite supermarket are summarized in Table 5 (1-5) by using Mean percentage and standard deviation percentage. It can be seen from the result that the most satisfied factors for the respondents are “opening hours”, “travel length”, “location” and the “availability of my favorite products”.

Whereas the least satisfied factor is the loyalty programs, fast checkout, bicycle parking facility and the car parking facility.

The table 5 (a-d) summarized the demographic variables of respondents who visit the supermarket Albert Heijn, Dirk van Broek, Jumbo and C1000. Only 3 respondents have
chosen Lidl as their favorite supermarkets. Therefore, no table has been concluded from this small group. In accordance with the previous literatures as discussed in previous chapters, people tend to visit different types of supermarkets based on their demographical variables such as income and family compositions etc. It can be concluded from the tables that higher incomes respondents tend to visit Albert Heijn more often than lower income respondents, which account for almost 60%. Single individuals would like to choose C1000 as their favorite supermarkets. Whereas working people with families tend to visit Jumbo and Dirk van de Broek more often.

Table 5-1  The results of satisfaction level on the success factors of respondent’s favorite supermarket (Albert Heijn (n=26))

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean %</th>
<th>standard deviation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening hours</td>
<td>84.8</td>
<td>16.1</td>
</tr>
<tr>
<td>Product Quality</td>
<td>82.1</td>
<td>13.7</td>
</tr>
<tr>
<td>Location</td>
<td>76.8</td>
<td>20.6</td>
</tr>
<tr>
<td>Product variety</td>
<td>75.1</td>
<td>17.6</td>
</tr>
<tr>
<td>Availability of my favorite products</td>
<td>75.0</td>
<td>13.4</td>
</tr>
<tr>
<td>Travel length</td>
<td>75.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Service level</td>
<td>73.8</td>
<td>22.0</td>
</tr>
<tr>
<td>Brand ranges</td>
<td>72.8</td>
<td>12.3</td>
</tr>
<tr>
<td>Availability of my favorite brands</td>
<td>72.1</td>
<td>16.9</td>
</tr>
<tr>
<td>Store layout and atmosphere</td>
<td>70.0</td>
<td>25.9</td>
</tr>
<tr>
<td>Store cleanliness</td>
<td>69.9</td>
<td>27.1</td>
</tr>
<tr>
<td>Car parking facility</td>
<td>63.2</td>
<td>28.6</td>
</tr>
<tr>
<td>Promotional activity</td>
<td>62.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Bicycle parking facility</td>
<td>61.3</td>
<td>27.4</td>
</tr>
<tr>
<td>Price level</td>
<td>60.2</td>
<td>25.1</td>
</tr>
<tr>
<td>Fast checkout</td>
<td>59.1</td>
<td>28.0</td>
</tr>
<tr>
<td>Loyalty programs the</td>
<td>53.2</td>
<td>32.2</td>
</tr>
</tbody>
</table>

Table 5-2: Attributes of the analyzed subjects whose favorite supermarket is Albert Heijn (n=26)

<table>
<thead>
<tr>
<th>Sex (%)</th>
<th>Age (%)</th>
<th>Nationality (%)</th>
<th>(grocery shopping/household income)</th>
<th>Education</th>
<th>Children</th>
<th>Marital status</th>
<th>Employment status</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>61.5</td>
<td>25-34</td>
<td>Dutch</td>
<td>57.7</td>
<td>0.0</td>
<td>Single</td>
<td>38.3 Student</td>
<td>30.8</td>
</tr>
<tr>
<td>Male</td>
<td>57.5</td>
<td>25-34</td>
<td>Non-Dutch</td>
<td>57.7</td>
<td>1.0</td>
<td>Married</td>
<td>38.3 Self-employed</td>
<td>3.0</td>
</tr>
<tr>
<td>18-24</td>
<td>15.4</td>
<td>Higher than 40%</td>
<td>Bachelor's degree</td>
<td>38.5</td>
<td>2.0</td>
<td>Married</td>
<td>Out of work/looking for job</td>
<td>7.7</td>
</tr>
<tr>
<td>25-34</td>
<td>15.4</td>
<td>Higher than 40%</td>
<td>Master's degree</td>
<td>38.5</td>
<td>2.0</td>
<td>Married</td>
<td>Out of work/looking for job</td>
<td>7.7</td>
</tr>
<tr>
<td>45-54</td>
<td>3.0</td>
<td>Ph.D. degree</td>
<td>38.5</td>
<td>2.0</td>
<td>1.0</td>
<td>Married</td>
<td>Out of work/looking for job</td>
<td>7.7</td>
</tr>
<tr>
<td>55-64</td>
<td>11.3</td>
<td></td>
<td>38.5</td>
<td>2.0</td>
<td>1.0</td>
<td>Married</td>
<td>Out of work/looking for job</td>
<td>7.7</td>
</tr>
</tbody>
</table>
**Table 5-2** The results of satisfaction level on the success factors of respondent’s favorite supermarket (c1000 (n=6))

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean %</th>
<th>standard deviation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotional activities</td>
<td>81.7</td>
<td>17.7</td>
</tr>
<tr>
<td>Product variety</td>
<td>80.5</td>
<td>18.8</td>
</tr>
<tr>
<td>Location</td>
<td>79.5</td>
<td>19.4</td>
</tr>
<tr>
<td>Opening hours</td>
<td>78.8</td>
<td>25.7</td>
</tr>
<tr>
<td>Store layout and atmosphere</td>
<td>77.3</td>
<td>16.5</td>
</tr>
<tr>
<td>Bicycle parking facility</td>
<td>77.2</td>
<td>14.1</td>
</tr>
<tr>
<td>Travel length</td>
<td>75.8</td>
<td>27.4</td>
</tr>
<tr>
<td>Product Quality</td>
<td>75.7</td>
<td>20.2</td>
</tr>
<tr>
<td>Service level</td>
<td>75.5</td>
<td>16.0</td>
</tr>
<tr>
<td>Price level</td>
<td>74.8</td>
<td>15.8</td>
</tr>
<tr>
<td>Availability of my favorite brands</td>
<td>73.3</td>
<td>15.5</td>
</tr>
<tr>
<td>Store cleanliness</td>
<td>71.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Fast checkout</td>
<td>70.8</td>
<td>17.0</td>
</tr>
<tr>
<td>Car parking facility</td>
<td>69.0</td>
<td>18.9</td>
</tr>
<tr>
<td>Loyalty programs</td>
<td>66.7</td>
<td>27.8</td>
</tr>
<tr>
<td>Availability of my favorite products</td>
<td>66.2</td>
<td>26.5</td>
</tr>
<tr>
<td>Brand ranges</td>
<td>56.5</td>
<td>14.0</td>
</tr>
</tbody>
</table>

**Table 5-3** The results of satisfaction level on the success factors of respondent’s favorite supermarket (Jumbo (n=6))

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean %</th>
<th>standard deviation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel length</td>
<td>92.5</td>
<td>8.8</td>
</tr>
<tr>
<td>Location</td>
<td>89.3</td>
<td>9.1</td>
</tr>
<tr>
<td>Opening hours</td>
<td>81.3</td>
<td>13.9</td>
</tr>
<tr>
<td>Product Quality</td>
<td>81.0</td>
<td>26.1</td>
</tr>
<tr>
<td>Store cleanliness</td>
<td>80.3</td>
<td>13.5</td>
</tr>
<tr>
<td>Store layout and atmosphere</td>
<td>79.3</td>
<td>15.2</td>
</tr>
<tr>
<td>Price level</td>
<td>79.0</td>
<td>24.9</td>
</tr>
</tbody>
</table>
Table 5-4  The results of satisfaction level on the success factors of respondent’s favorite supermarket (Lidl (n=3))

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean %</th>
<th>standard deviation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality</td>
<td>88.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Price level</td>
<td>87.3</td>
<td>5.5</td>
</tr>
<tr>
<td>Availability of my favorite products</td>
<td>84.3</td>
<td>11.5</td>
</tr>
<tr>
<td>Opening hours</td>
<td>81.3</td>
<td>17.6</td>
</tr>
<tr>
<td>Car parking facility</td>
<td>78.0</td>
<td>14.7</td>
</tr>
<tr>
<td>Product variety</td>
<td>77.3</td>
<td>6.4</td>
</tr>
<tr>
<td>Store layout and atomosphere</td>
<td>71.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Store cleanliness</td>
<td>70.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Bicycle parking faci</td>
<td>64.7</td>
<td>15.8</td>
</tr>
<tr>
<td>Availability of my favorite brands</td>
<td>60.7</td>
<td>9.5</td>
</tr>
<tr>
<td>Service level</td>
<td>53.7</td>
<td>31.0</td>
</tr>
<tr>
<td>Promotional activiti</td>
<td>50.7</td>
<td>41.0</td>
</tr>
<tr>
<td>Travel length</td>
<td>47.0</td>
<td>35.6</td>
</tr>
<tr>
<td>Brand ranges</td>
<td>40.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Fast checkout</td>
<td>33.7</td>
<td>21.2</td>
</tr>
<tr>
<td>Location</td>
<td>26.7</td>
<td>20.8</td>
</tr>
<tr>
<td>Loyalty programs the</td>
<td>13.7</td>
<td>10.1</td>
</tr>
</tbody>
</table>
Table 5-4  The results of satisfaction level on the success factors of respondent’s favorite supermarket (Dirk van de Broek (n=6))

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean %</th>
<th>standard deviation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of my favorite products</td>
<td>79.7</td>
<td>9.5</td>
</tr>
<tr>
<td>Product variety</td>
<td>75.7</td>
<td>14.2</td>
</tr>
<tr>
<td>Price level</td>
<td>75.5</td>
<td>16.5</td>
</tr>
<tr>
<td>Availability of my favorite brands</td>
<td>73.7</td>
<td>8.5</td>
</tr>
<tr>
<td>Location</td>
<td>73.3</td>
<td>13.8</td>
</tr>
<tr>
<td>Brand ranges</td>
<td>71.7</td>
<td>10.4</td>
</tr>
<tr>
<td>Promotional activities</td>
<td>69.3</td>
<td>20.7</td>
</tr>
<tr>
<td>Store layout and atmosphere</td>
<td>69.2</td>
<td>16.8</td>
</tr>
<tr>
<td>Product Quality</td>
<td>69.0</td>
<td>16.8</td>
</tr>
<tr>
<td>Store cleanliness</td>
<td>68.7</td>
<td>17.9</td>
</tr>
<tr>
<td>Opening hours</td>
<td>67.2</td>
<td>25.4</td>
</tr>
<tr>
<td>Service level</td>
<td>65.3</td>
<td>21.3</td>
</tr>
<tr>
<td>Travel length</td>
<td>63.7</td>
<td>14.3</td>
</tr>
<tr>
<td>Fast checkout</td>
<td>62.5</td>
<td>30.1</td>
</tr>
<tr>
<td>Loyalty programs the</td>
<td>56.5</td>
<td>29.4</td>
</tr>
<tr>
<td>Car parking facility</td>
<td>52.0</td>
<td>35.4</td>
</tr>
<tr>
<td>Bicycle parking facility</td>
<td>50.7</td>
<td>32.3</td>
</tr>
</tbody>
</table>

5.7  Factors that respondents think should be primarily optimized for your favorite supermarkets

As can be seen from the Table 6, for Albert Heijn, in general, among all the respondents, there are 23.1% of people indicate that the price level should be primarily optimized following with Location, product variety, availability of my favorite products, travel length,
product quality. The rest supermarkets have to primarily increase their product varieties. More details will be illustrated in the next chapter.

Table 6: Factors needed to be primarily optimized for respondents’ current favorite supermarkets.

<table>
<thead>
<tr>
<th>No.</th>
<th>Supermarket</th>
<th>Variable to be improved</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Albert Heijn (n=26)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Price level</td>
<td></td>
<td>23.1%</td>
</tr>
<tr>
<td>2</td>
<td>Location</td>
<td></td>
<td>11.5%</td>
</tr>
<tr>
<td>3</td>
<td>Product variety</td>
<td></td>
<td>7.7%</td>
</tr>
<tr>
<td></td>
<td>Availability of my favorite products</td>
<td></td>
<td>7.7%</td>
</tr>
<tr>
<td>3</td>
<td>Travel length</td>
<td></td>
<td>7.7%</td>
</tr>
<tr>
<td>3</td>
<td>Product Quality</td>
<td></td>
<td>7.7%</td>
</tr>
<tr>
<td></td>
<td>C1000 (n=6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Availability of my favorite products</td>
<td></td>
<td>33.3%</td>
</tr>
<tr>
<td>2</td>
<td>Product variety</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>2</td>
<td>Price level</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>2</td>
<td>Travel length</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>2</td>
<td>Car parking facility</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td></td>
<td>Jumbo (n=6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Availability of my favorite brands</td>
<td></td>
<td>33.3%</td>
</tr>
<tr>
<td>2</td>
<td>Product variety</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td></td>
<td>Availability of my favorite products</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>2</td>
<td>Opening hours</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td></td>
<td>Lidl (n=3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Travel length</td>
<td></td>
<td>66.7%</td>
</tr>
<tr>
<td>2</td>
<td>Service level</td>
<td></td>
<td>33.3%</td>
</tr>
<tr>
<td></td>
<td>Drik van de Broek (n=6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Availability of my favorite products</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>1</td>
<td>Location</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>1</td>
<td>Product Quality</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>1</td>
<td>Price level</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>1</td>
<td>Store cleanliness</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>1</td>
<td>Opening hours</td>
<td></td>
<td>16.7%</td>
</tr>
</tbody>
</table>
5.8 Promotion and loyalty issues

Question 16 in the questionnaire asks the respondents what kind of store programs they prefer. It can be seen from the figure 2 below that almost half of the respondents prefer the advertising booklet. The question 15 asks whether respondents always go to the same store or not. The results shows that about 46.4% of respondents (n=26) always go to the same supermarket. Question 18 in the questionnaire asks the influence of loyalty program, whether participants can really spend more if they have a preference store. However, the results show that the respondents have not been influenced a lot by the so-called loyalty. Respondents are more likely to shop at other different stores if someone persuades them.

Figure 2: Favorite promotional programs

5.9 Significance test on nationality influence for different success factors

People who have different culture backgrounds will perceive the success factors of supermarkets differently according to the results shown in the previous semi-structured interviews. Therefore, in this part, tests are carried out to validate if culture backgrounds can significantly influence the perceived success factors of supermarkets.
Hypothesis 1: To test for a significant difference between Dutch and Non-Dutch on perceived importance of success factors.

H$_0$: $\mu_1-\mu_2=0$, i.e. there is no significant difference between Dutch and Non-Dutch participants on the perceived importance of success factors;

H$_1$: $\mu_1-\mu_2 \neq 0$, i.e. there is a significant difference between Dutch and Non-Dutch participants on the perceived importance of success factors;

Hypothesis 2: To test for a significant difference between Dutch and Non-Dutch on the perceived satisfaction level of the success factors for the respondents’ favorite supermarket

H$_0$: $\mu_1-\mu_2=0$, i.e. there is no significant difference between Dutch and Non-Dutch participants on the perceived satisfaction level of the success factors for the respondents’ favorite supermarket.

H$_1$: $\mu_1-\mu_2 \neq 0$, i.e. there is a significant difference between Dutch and Non-Dutch participants on the perceived satisfaction level of the success factors for the respondents’ favorite supermarket.

Because most of our results are normally distributed, therefore, I compare the differences by the independent sample T test.

After commanding the group statistic and independent sample T test, the results can be shown in Table 7

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean importance</th>
<th>Mean satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dutch</td>
<td>Non-Dutch</td>
</tr>
<tr>
<td>Brand ranges</td>
<td>60.0</td>
<td>66.5</td>
</tr>
<tr>
<td>Product variety</td>
<td>73.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Availability of my favorite brands</td>
<td>73.0</td>
<td>69.7</td>
</tr>
<tr>
<td>Availability of my favorite products</td>
<td>85.0</td>
<td>82.6</td>
</tr>
<tr>
<td>Location</td>
<td>69.0</td>
<td>79.4</td>
</tr>
<tr>
<td>Travel length</td>
<td>76.0</td>
<td>81.9</td>
</tr>
<tr>
<td>Product Quality</td>
<td>80.0</td>
<td>89.7</td>
</tr>
<tr>
<td>Price level</td>
<td>73.0</td>
<td>76.8</td>
</tr>
<tr>
<td>Service level</td>
<td>61.0</td>
<td>66.5</td>
</tr>
<tr>
<td>Fast checkout</td>
<td>40.0</td>
<td>66.5</td>
</tr>
<tr>
<td>Car parking facility</td>
<td>55.0</td>
<td>58.7</td>
</tr>
<tr>
<td>Bicycle parking facility</td>
<td>51.0</td>
<td>49.7</td>
</tr>
<tr>
<td>Store cleanliness</td>
<td>69.0</td>
<td>74.8</td>
</tr>
<tr>
<td>Store layout and atomosphere</td>
<td>66.0</td>
<td>70.3</td>
</tr>
</tbody>
</table>
Loyalty programs 44.0 59.4 0.03* 50.2 55.4 0.51
Promotional activities 52.0 64.5 0.07* 60.1 64.5 0.61
Opening hours 76.00 83.23 0.15 80.4 80.5 0.98

Note: Sig.: significance by two tailed, Independent sample t-test
*sig.<0.05  ** sig.<0.001  reject H0, There is difference on their perception based on nationality.

These two tests have been conducted by two tailed independent sample t-test. The first conclusion is that Fast check out, product quality and loyalty programs are significantly influenced by the nationalities. And the promotional activities are also showed a trend. Non-Dutch believe that fast check out, loyalty program, product quality and promotional activities are more important than Dutch think. And Non-Dutch show satisfaction with the fast check out in their favorite supermarket than Dutch do.

Furthermore, in order to exclude the significant differences which may be influenced by other factors, such as income, educational level, marital status and employment statue, an independent sample t-test has been conducted again. It can be seen from the table 8 below that there are no significant difference between them. In conclusion, the differences between Dutch and Non-Dutch on the evaluations of important success factors and supermarket satisfaction levels are only caused by nationality difference.

Table 8. Potential influence factors for Dutch and Non-Dutch comparison.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Significance (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(grocery shopping/house hold income)</td>
<td>0.62</td>
</tr>
<tr>
<td>Education level</td>
<td>0.05</td>
</tr>
<tr>
<td>Employ statue</td>
<td>0.37</td>
</tr>
<tr>
<td>Marital status</td>
<td>0.67</td>
</tr>
<tr>
<td>Children No.</td>
<td>0.40</td>
</tr>
</tbody>
</table>
6 Discussions

The current study is trying to reveal what the most important success factors for the development of Albert Heijn are. Together with the analysis of performance for other supermarkets in Netherlands such as C1000, Jumbo, Lidl and demographic characteristic of respondents, the results have been presented in the previous chapter. The current chapter is going to combine the results and further discuss them in details in order to make final conclusions for the current research.

From the demographic point of view, as can be seen from the results part. All the distributions of the answers were broad, including the age, nationality, educational levels, civil status. This may be contributed by the sample collection method used in this survey. As discussed in the methodology part, in order to make the samples more representative, the samples were collected from my Facebook contacts and employees who work in the Netherlands Institute of Neuroscience and University of Nijmegen.

In regards to the shopping behavior of respondents, the results showed that only less than 20% of respondents usually visit one supermarket, most of them would choose to visit two or more supermarkets. The previous research from Bloemer et al. (1998) indicated that the customers would prefer to visit a certain store or supermarket chain when they were fully satisfied with the shopping experience which may be moderated by products offered, store image and service level and loyalty programs offered by the stores. The result provided us an indication that customers may not be loyal to one store or one supermarket chain at this moment, which may be related to the store images or loyalty programs etc.

About the shopping frequency test, the results showed that almost 50% of respondents chose to shop groceries more than twice a week, which can be classified as random shoppers. The research from Kim et al. (1998) indicated that random shoppers have time to shop around so they preferred large stores where large various purchasing opportunities can be offered. Besides, they were not very price-sensitive since they had time to compare with others and waited for promotional activities. Unlike the routine shoppers whose shopping frequency was
fixed, they preferred to shop in smaller stores or everyday low price stores (Kim and Park, 1998).

According to the definition, validity means the degree to which it measures what it supposed to measure (Peter, 1981). In order to increase the validity of the current study, the results presented have been through two stages. Firstly, the most related success factors had been carefully discussed and selected via semi-structured interviews. These factors were used to formulate the questions in the questionnaire. Thus, it was clear that the variables selected were most relevant which can ensure the high validity measurement results.

The Cronbach’s alpha coefficient had been calculated to test the reliability of the survey results. The alpha value of “Promotional activity” “bicycle parking facility” “the product quality” and “loyalty programs” were relatively higher and more acceptable than others. The product ranges and availability of my favorite products had the poorest internal consistency. The alpha values were lower than common research level (Saunders et al., 2009). The possible reasons for the low internal consistencies in these factors can be attributed as follows: 1) The sample size was relatively small comparing other researches. 2) The questionnaire was fully voluntary. Therefore, I cannot guarantee the respondents would pay close attention to each question. 3) I did not divide the respondents into groups. Such as based on their ages, educational levels etc.. Therefore, the answers were rather heterogeneous.

Several steps had been taken in order to explore what the key success factors for the future developments of Albert Heijn are. Firstly, the importance of 17 different success factors in the mind of respondents had been tested. The results showed that on average people tend to care more about the following attributes among the total factors: availability of my favorite products, product quality, opening hours, product variety and the price level. The results were consistent with the previous researches. Studies from Wan et al. (2012) verified the importance of product ranges for grocery shoppers ((Wan et al. ). Thus, from the point of retailers, careful decisions have to be made when deciding which products to carry, especially when considering which one to be deleted from the shelf. It was not unusual that the opening hours did draw people’s attention. Corstjens et al. (1995) mentioned that the prolonged opening time would increase patronage rates and had positive evaluations among shoppers (Corstjens et al, 1995). However, it was surprising that the bicycle biking facilities and loyalty programs were considered least importance among the 17 factors. The previous researches
had stated the benefits of loyalty programs to retain and attract customers to the stores (Fullerton, 2005, Bloemer and De Ruyter, 1998). In regards to the bicycle parking facilities, on average only less than 10% of respondents perceived bicycle parking facilities as important factor to be considered when selecting supermarkets, which may be because more and more people tend to shop nearby. Therefore, the parking facilities were less important than usual. As can be seen from the above Table 4, travel length had been placed in number 5 among the 17 important factors, which was even more important than the price level.

In order to make suggestions for the future development of Albert Heijn based on the success factors proposed above, the performance of its competitors had also be studied. In general, Albert Heijn was the most favorite supermarket of respondents. The results showed that 26 people chose Albert Heijn as their favorite supermarket, which accounted for 52% among the respondents.

When asking the satisfaction level on the proposed success factors, people rated differently for the various supermarkets. As for the current performance of Albert Heijn, the results revealed that customers are less satisfied on the loyalty programs, check out waiting time and the price level. Although none of the competitors can perform significantly better than Albert Heijn on the factors of loyalty program and check out waiting time, improvements still need to be made in order to ensure the general satisfaction level. As stated in the previous literature review part, different loyalty programs can be adopted, such as points accumulation (Dorotic et al.). As can be seen from the result of question 15, less than 50% of people were loyal to one supermarket. Question 18 indicated that actually this loyalty did not lead customers to spend more. Therefore, serious improvements needed to be done in the loyalty program areas.

It is suggested that AH can develop a personal loyalty card which can be used to collect points when spending at the supermarket and later the points collected can be converted into vouchers. For instance, 200 points can be transferred into a voucher worth 2 Euros. The more points they collect, the more vouchers they can get. Besides they can use the collected points to get other rewards, such as exchange for products in Etos and V&D etc.

Currently, the Bonus card is anonymous and only used for Albert Heijn itself to make future segmentation and managerial issues. The air miles card is a loyalty card for several alliance shops. But only Albert Heijn’s home brand products are eligible for point accumulation. The
personal loyalty card is different from Air miles card and Bonus card in the following points: Firstly, the personal loyalty card is for supermarket Albert Heijn only. Secondly, it is suggested that customers can collect points on everything they buy in the Albert Heijn supermarket. Not only for AH home brand products. Thirdly it is better that the card can use real-name registration system so later on the customers can get the rewards easily.

Check out waiting time also needed to be paid attention to. As analyzed in the research of Van Riel et al. (2012), the long waiting time will make the customers feel irritate and the satisfaction level will be reduced. Besides taking some techniques such as play music or television programs to make the customers perceive the waiting time has been shorten, it seems it is worth for Albert Heijn to introduce more automatic check-out counter in its stores.

When comparing with the performance of competitors, C1000 scored highest (81.7%) at the promotional activities whereas Albert Heijn only scored (62%) on this factor. It seems more promotional activities should be introduced by Albert Heijn. The results concluded that people were more willing to receive discount information. But in fact, Albert Heijn had already got weekly discount booklet. However, in order to make the discount information more attractive to customers, it is suggested that Albert Heijn needs to investigate what kind of promotional information will be most attractive and easily recognized by customers. For examples, although the actual discount is the same, people may perceive differently when seeing direct price discount (e.g. 25%) and more quantities offerings (e.g. buy one get the second one for half price). More customer research needs to be done to evaluate which one is more attractive and can lead to higher perceived discount values.

The results also showed that the price level of Albert Heijn also needed to be optimized comparing with its competitors. The techniques to optimize the price level can actually be incorporated with the development of promotional activities as described above. Since if the promotional activities can be improved, the perceived price level will be decreased consequently.

As stated earlier, there were two main groups of respondents in the current research----Dutch and Non-Dutch. To study if the culture background could influence the key importance factors for the development of supermarkets perceived by shoppers and if the nationality could influence respondents’ satisfaction levels on the performance of their favorite
supermarkets, an independent sample t test was performed. Interestingly, there was a significantly higher importance for Non-Dutch than Dutch for Fast check out, product quality and loyalty programs. And the promotional activities were also showed a trend. Non-Dutch believed that fast check out, loyalty program, product quality and promotional activities were more important than Dutch think. It should be noted that this preliminary results provide interesting implication for further strategy of Albert Heijn, for instance, in the locations where there are a lot of foreigners, it is suggested that the number of checkout counters should be higher than other stores or more self-checkout systems should be used.
7 Conclusions

As stated in the earlier parts, the main research question is to conclude the most success factors for the development of the supermarket—Albert Heijn. Both the qualitative and quantitative research methods have been applied to the current research.

The qualitative research has been conducted because there is not a solid previous literature seriously talking about the key success factors in the Netherlands supermarket. Therefore, the semi-structured interview needed to be conducted to figure out what factors are really related to the success performance of supermarkets in Netherlands. The semi-structured interview is also a valuation process for the previous literature reviews. Two people, one Chinese, one Dutch have been interviewed in order to know their views and preferences on grocery shopping and their evaluations of current supermarkets performance etc. Several main success factors have been concluded from the semi-structured interviews. Then, a questionnaire has been developed by using the success factors resulted from both the semi-structured interviews and literature reviews. In total, 56 questionnaires have been collected with a response rate of 48.6%.

Several success factors have been found out for the development of supermarkets. In general, people care more about the following attributes when shopping groceries: availability of my favorite products, product quality, opening hours, product variety and the price level. Therefore, besides for the general service level such as opening hours, retailers have to pay special attention to analyze and make final decisions about their product assortment and brand variety offered. As for the current performance of Albert Heijn, customers are less satisfied on the factors such as loyalty programs, check out waiting time and price level. The current performance of other competitor supermarkets has been studied as well in order to make critical further suggestions for Albert Heijn. All in all, several suggestions for Albert Heijn are summarized based on the following points. Firstly, the investigated important key success factors for supermarkets. Secondly, the comparison results with the performance of other supermarkets in Netherlands. Last but not the least, the demographic characters of respondents has also been taken into account.
In conclusion, the suggestions for the future development of Albert Heijn are listed as follows. Firstly, it is suggested that Albert Heijn can develop its own personal reward card. As stated before, unlike the Bonus card which mainly benefit for the research aim of Albert Heijn itself and the Air miles card which is not specify for Albert Heijn and only the home brand products are eligible for point accumulations. A personal reward card can be developed for point collection on any purchase in the supermarket Albert Heijn. And consequent vouchers or product rewards will be followed up.

Secondly, music or television programs can be played in the stores, which can help to reduce perceive waiting time at checkout counters. Or in order to reduce the waiting time, the number of checkout counter should be increased or fully functioned.

Thirdly, after comparing with the performance of other competitors, it is suggested that Albert Heijn needs to increase or perfect the promotional activities it currently adopted. The results show that people are more willing to receive the discount information booklets. Based on previous literatures, the perception when customers seeing purely price discount for instance 25% off maybe different from the perception of buy one get the second one half price. Therefore, more studies need to be conducted to test which wording is more preferred and attractive by customers. In regards to the general price issues, if the promotional activities can improve a lot, the price level may be optimized automatically.

Last but definitely not the least, in order to see whether the judgments of critical success factors and the evaluations of supermarkets performance are related to the cultural background differences, the independent sample T test has been conducted to see the significance between Dutch and Non-Dutch groups. It shows that there is a significantly higher importance for Non-Dutch than Dutch for factors such as fast check out, product quality and loyalty programs. In the mean time, another sample T test has also been conducted in order to exclude the influences of other factors between two groups such as age, gender, educational levels etc. The result shows that the culture background differences are related to people’s perceptions on key success factors. Therefore, when formulating strategies, Albert Heijn should be more localized and considered the demographic backgrounds of surrounding shoppers. For example, the store which is closed to the China Town should try to open more checkout counters to reduce the waiting time or more self-checkout machines should be installed in that store.
8 Study limitations

Due to time constrains, it is a pity that the current research is not perfect. Firstly, as I previously explained, the sample size in this current study is not big enough. I have tried my best to contact all the people I can to participate in this survey but unfortunately after almost 3 weeks waiting I only got 56 questionnaires back and among them only 51 questionnaires are valid.

Secondly, the value of internal consistency (Cronbach Alpha) is not high enough as suggested in previous literatures. Maybe because this questionnaire is purely voluntary and not all the respondents are pay great attention to every question.

Thirdly, Instead of simply written “advertising booklet” I regret when asking favorite promotional program I should specify various promotional information such as direct price discount (e.g. 40 percent off), more products offered (buy one get one free) or a combinations for both price and quantity offerings . In this way, no bias will be caused due to different interpretations of advertising booklet.

Last but not least, this current study is only focus on the physical supermarket store format. In fact, nowadays, there is an increasing interest in E-shopping. It is suggested that the future research can be made to analyze the critical success factors for on-line supermarkets.
9 Reference:


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10 Appendix

10.1 Appendix 1

Question outlines for the Semi-structured interviews

Main questions:

- Generally speaking, what is your favorite supermarket in the Netherlands? Please tell me 6 most important facts that you think is very important for this supermarket to be your favorite one.

- Can you name some factors that make you dislike a certain supermarket?

- Please tell me the top 3 supermarkets you usually visit. Why?

Additional questions:

- If respondents don’t talk about the loyalty issues, ask what their opinions on the loyalty programs offered by supermarkets? How satisfied are they? Anything needs to be improved? What the consequences do they think a successful loyalty program can lead to? etc.

- What kind of promotional activities do they like most? Please name 2 favorite promotional activities. Why?

Clarifying questions

- In order to maximum the information received from respondents, after each question, I am going to at some probing questions such as: Can you expand a little more on this? What anything else can you think? Do you have examples?

Closing of the semi-structured interviews
Do you want to add anything about the topic: what factors do you think are most important to the success of a supermarket in Netherlands? Do you have any other concerns?
10.2 Appendix 2

Summaries of the qualitative research

Main questions:

- Generally speaking, what is your favorite supermarket in the Netherlands? Please tell me 6 most important facts that you think is very important for this supermarket to be your favorite one.

My favorite supermarket is Albert Heijn.

1. Nice shopping environment  
2. Full product ranges (Basically, I can get whatever I need for daily life).  
3. Good quality,  
4. I have wide selection of different brands  
5. Acceptable price level  
6. Discount products varied from each week

I like Dirk

1. Not far away from my home and the store has special bicycle parking lots.  
2. Price  
3. Product quality  
4. Wide variety of fresh vegetables.  
5. Comparing with Lidl, Aldl. The Dirk store is clean.—shopping environment  
6. Promotional activities. Sometimes they have “super deal” Especially for home appliance such as glasses, bowls etc. Even cheaper than Blokker.—low price

- Can you name some factors that make you dislike a certain supermarket?

Poor bicycle parking facilities  
Wait too long to check out  
Do not frequently introduce new products.  
The products on sale are always out-of-stock.  
Limited selection of products in one category. (small brand variety)
Do not have loyalty programs or the loyalty program is not very “special” and relate to me closely

- Please tell me the top 3 supermarkets you usually visit. Why?

Albert Heijn: very close to my home and I can get whatever I need for daily life; good quality; long opening time
Jumbo: I like the homemade pie from Jumbo; close to my home
Dirk van Broek: I can get some oriental vegetables from there; cheap products;
C1000: Parking lots, quick check out; free canton figures
Lidl: cheap; close to my home; quick check out.

Additional questions:

- If respondents don’t talk about the loyalty issues, ask what their opinions on the loyalty programs offered by supermarkets? How satisfied are they? Anything needs to be improved? What the consequences do they think a successful loyalty program can lead to? etc.

1. Dirk van de Broek doesn’t have any loyalty programs. But I don’t really care because the price is relatively cheaper than some other stores (e.g. Albert Heijn, Jumbo). Besides I can find some special Chinese vegetables there----------The general price level is low and have some special product variety but do not have any loyalty programs.

2. I have the AH bonus card. But I am not sure whether it is really a loyalty program. (For me, it is more like an advertising program. Since almost everybody has the blue card in their key chains.) Since I don’t get any benefits from it except discounts. And I realized even if I forgot the Bonus card, I can also purchase the items at the discount price by borrowing others’ cards.
   Maybe it is better that the Bonus card can have a function to accumulate the points. Just like the customer card from ICI Paris. I can get points every time I spend money there. In the end, the points can be redeemed as vouchers which I can spend in stores again. In this way, I have more passion to shop there. I guess the supermarkets should
have similar actions as well; especially nowadays the product offerings from supermarkets are very similar. The supermarket can use the customer card to differentiate themselves and attract more customers.-----Have loyalty programs but not actually make me choose to do grocery there everytime.

- What kind of promotional activities do they like most? Please name 2 favorite promotional activities. Why?

I prefer free goods offered if I spend a certain amount of money. For example some small toys like the cartoon figures. In this way, I feel like the store try to compliment me and build up a relationship with me.

Besides, I can always sampled new biscuits or yogurts in Dirk. Very pleasant experience and sometimes I do make purchase after trying the new products.---free goods/samples

I prefer to receive weekly advertising booklet with the latest discount information from different stores. I can easily compare and decide where I should go shopping. Even if most of the time, I will still visit Albert Heijn, the advertising information make me feel the price of products there are acceptable.----advertising booklets

I also like the vouchers provided by the supermarket. I received a voucher from new AH XL stating that I can get 1 euro off when I spend 10 euros in store. I can see the immediate benefits. I like the activity.---vouchers

I have got the Air mile card from Etos. It says that every time I purchase AH own brand products. I can get one air mile. That’s very interesting. But it is really a pity that only AH’s own brand products can participant in this activity. -----accumulate points

Clarifying questions

- In order to maximum the information received from respondents, after each question, I am going to at some probing questions such as : Can you expand a little more on this? What anything else can you think? Do you have examples?

Closing of the semi-structured interviews
Do you want to add anything about the topic: what factors do you think are most important to the succeed of a supermarket in Netherlands? Do you have any other concerns?

1. In general, I prefer supermarkets with large product varieties where I can always find new products. Maybe it is better for them to have a demo counter where new products can be presented and sampled.

2. The shopping environment is also very important. I seldom choose to shop at Dirk. I need to stand very long in a queue, especially on Sunday afternoon. Maybe because the shop only opens half day on Sundays. There are always so many customers and only few counters are open for check out. I feel irritation for that.

3. I need to work almost every day from 9AM till 7 PM. For me, the opening time is really important. I like the AH in my neighborhood. It opens till 10 PM everyday. Besides, it is really very convenient for me to park my bike outside the store.

4. I like the supermarket where I can select products with various price ranges. For example in AH, I can not only purchase the Euroshopper kitchen paper but also the Lipton tea.

5. I don’t have too much doing my grocery. I prefer supermarket where I can easily allocate what I want. Or the staffs in the store should be very helpful to assist me find the products efficiently.
10.3 Appendix 3

Questionnaire for the quantitative research

In general, the survey is conducted by using an on-line survey tool. Respondents are contacted by email first. A cover email is as follows:

Dear friends

I am conducting my master thesis research regarding the key success factors of supermarkets in the Netherlands. Your participation will help me acquire a Ms degree in Business Studies at the University of Amsterdam.

For your convenience, the survey has both English and Dutch version. It is held completely anonymously and your information will be treated with confidentiality. It will take you approximately 8 minutes to fill in.

Your participation would be highly appreciated. Please click on the link below and you will be directed to the survey or paste the link into your Internet browser.  https://qtrial.qualtrics.com/SE/?SID=SV_2lXpKAgYNcc2Qw5

Thank you very much for your time and help. If you have any other questions please do not hesitate to email me at jingxu313@gmail.com

With Best regards

Jing

• Following are the survey questions
Part 5. The last question regards to the assortment, price, and service level in a supermarket. Please answer to what extent would you agree with the following statements?

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would not purchase the product at all when my preferred brand is not available.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would simply purchase another brand product when my preferred brand is not available.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will directly go to another store for my preferred brand product.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will continue using the store where out-of-stock situations happen more than twice a week.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don't mind spend more time and energy to get my preferred brand.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The store atmosphere is not important to me as long as I can find my preferred product.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendliness &amp; helpfulness of the staff make me stay longer in the supermarket.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part 1 Demographic questions:
What is your gender?
- Male
- Female

Please indicate which range includes your age.
- Younger than 18
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- Above 65
- Prefer not to answer

What is your nationality?

3. How much percent of your household income will be spent on grocery shopping?
- Below 20%
- Between 20%-40%
- Higher than 40%

What is your highest level of education?
- Below high school
- High School
- Professional diploma
- Bachelor's degree
- Master's degree
- PhD's degree
- Other
**Q6** Employment Status

- A student
- Employed for salaries
- Self-employed
- Out of work and looking for a job
- Out of work but not looking for a job
- Retired

**Q7** What is your marital status?

- Single
- Cohabiting
- Married
- Divorced
- Widowed

**Q8** How many children do you have?

- 0
- 1
- 2
- More than 3

**Q9** How many supermarkets do you usually visit?

- 1
- 2
- More than 3

**Q10** How often do you usually do your grocery per week?

- Less than once
- Once
- Twice
- More than twice

**Q11** Part 2. The selection of supermarket.

How important do you think each of the following attributes when you choose which supermarket to visit?

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Degree of importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Brand ranges</td>
<td>Very Important</td>
</tr>
<tr>
<td>b) Product variety (type of different products)</td>
<td>Quite Important</td>
</tr>
<tr>
<td>c) Availability of my favorite brands</td>
<td>Fairly Important</td>
</tr>
<tr>
<td>d) Availability of my favorite products</td>
<td>Slightly Important</td>
</tr>
<tr>
<td>e) Location (e.g. close to other shops)</td>
<td>Not Important at all</td>
</tr>
<tr>
<td>f) Travel length</td>
<td></td>
</tr>
<tr>
<td>g) Product quality</td>
<td></td>
</tr>
<tr>
<td>h) Price level</td>
<td></td>
</tr>
<tr>
<td>i) Service level (e.g. helpfulness of the staff)</td>
<td></td>
</tr>
<tr>
<td>j) Fast checkout</td>
<td></td>
</tr>
<tr>
<td>k) Car parking facility</td>
<td></td>
</tr>
</tbody>
</table>
What is your favorite supermarket?
- Albert Heijn
- C1000
- Jumbo
- Lidl
- Aldi
- Dirk van de Broek
- Others

How are you satisfied with the following attributes of your favorite supermarket indicated above?

<table>
<thead>
<tr>
<th>0</th>
<th>10</th>
<th>20</th>
<th>30</th>
<th>40</th>
<th>50</th>
<th>60</th>
<th>70</th>
<th>80</th>
<th>90</th>
<th>100</th>
</tr>
</thead>
</table>

- a) Brand ranges
- b) Product variety (type of different products)
- c) Availability of your favorite brands
- d) Availability of your favorite products
- e) Location (e.g. Close to other shops)
- f) Travel length
- g) Product quality
- h) Price level
<table>
<thead>
<tr>
<th>Service level (e.g., helpfulness of the staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Fast checkout</td>
</tr>
<tr>
<td>2) Car parking facility</td>
</tr>
<tr>
<td>3) Bicycle parking facility</td>
</tr>
<tr>
<td>4) Store cleanliness &amp; atmosphere</td>
</tr>
<tr>
<td>5) Store layout</td>
</tr>
<tr>
<td>6) Loyalty programs The store offered</td>
</tr>
<tr>
<td>7) Promotional activities</td>
</tr>
<tr>
<td>8) Opening hours</td>
</tr>
</tbody>
</table>

Q14 From your point of view, which of the following factors should be primarily optimized regarding your favorite supermarket indicated above?

- [ ] a) Brand ranges
- [ ] b) Product variety (type of different products)
- [ ] c) Availability of your favorite brands
- [ ] d) Availability of your favorite products
- [ ] e) Location (e.g., close to other shops)
- [ ] f) Travel length
- [ ] g) Product quality
- [ ] h) Price level
- [ ] i) Service level (e.g., helpfulness of the staff)
- [ ] j) Fast checkout
- [ ] k) Car parking facility
- [ ] l) Bicycle parking facility
- [ ] m) Store cleanliness
- [ ] n) Store layout & atmosphere
- [ ] o) Loyalty programs the store offers
- [ ] p) Promotional activities
- [ ] q) Opening hours
- [ ] r) Others:
Part 4: Loyalty issues.
Do you always go to the same supermarket store chain?

- Always the same supermarket store chain
- Always different supermarket store chain
- Fairly equal

Q16
Which program is your favorite?

- Membership card
- Voucher
- Discount information booklet
- Free goods

Q17
Does the loyalty program affect your purchase activities and will you spend more in general?

- Yes
- No
- Don't know

Q18
To what extent do you agree with the following statements:

- I am easy to shop at different supermarkets when someone persuades me
- I am likely to switch to a different supermarket even my main supermarket is good
- I am likely to recommend my main supermarket to my friends and relatives
- I am always looking for my main supermarket (chains) when I am in a new place