

ABSTRACT

SHOPPER PERCEPTION OF SUPERMARKET PROMOTIONS

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The purpose of this study was to (1) determine consumer preference for supermarket games as opposed to double coupon promotions and (2) determine impressions of supermarket promotional games as perceived by supermarket managers and customers.

A survey of the literature showed that discount couponing was ranked as the most important promotion device by 74% of the non-supermarket companies. Support for this is evident from the fact that manufacturers spent \$582 million for properly redeemed coupons in 1978. In recent years, supermarkets have begun to utilize manufacturers' cents-off coupons as a store promotion device by offering to redeem them at double or triple face value.

Supermarket games may come in the form of BINGO or a modification of BINGO or a race format, among others. In 1981 shoppers won about \$20 million playing 27 forms of the supermarket games across the U.S. Supermarkets also spent an additional \$9 million on administration costs associated with running the game.

The study consisted of (1) a questionnaire to determine consumer preference for double coupons vs. supermarket games, (2) a questionnaire to obtain consumer views of supermarket games and (3) interviews of store managers to obtain their attitudes toward supermarket games. The surveys were conducted in a small community (12,000 population) with a larger trading area (approx. 35,000 population). It was done in the summer of 1982 at a time when unemployment was approaching 40% in the county. There were five major supermarkets in the area and some were playing a game and others were offering double coupons.

The results were as follows for the consumer opinions of supermarket games: 85% of the respondents would not go to a store solely because it offered a game 55% thought it was

a good idea to offer games; 55% felt that supermarket games added to the price of goods; and 41% thought supermarket games resulted in higher prices "sometimes". Interestingly enough, 45% of those surveyed had won something playing a promotional game.

Consumer preference for double coupons was overwhelming. Eighty-four percent of the respondents preferred double coupons to supermarket games. It appears that the immediate and guaranteed "payoff" of the double coupons was more appealing than the "chance winner" prospects of the games.

The store managers were unanimous in their agreement that the games would generate sales. They held firm on the notion that the games did not result in higher prices. The managers felt that games at other stores would not attract their loyal customers.

Although these studies cannot be generalized, they do offer some interesting points. The obvious consumer preference for the double coupons is in contrast to the supermarket managers who feel the games are the better promotional item designed to attract customers. The double coupon program is substantially more expensive than supermarket games. The games have been in the same general form for 17 years and it appears that consumers may prefer (1) the sure winner (double coupons) or (2) new formats for supermarket games.

There is a great deal of promise for further research in this area. One of the unique prospects for this area of research is that it is something students can do very readily. There's a literature base available and opportunities to provide valuable information in a local market. The research level is one with which students can readily identify.