Food retail from the perspective of the young generation Z

Kristína Korytinová[1]

Abstract

Retail is currently undergoing changes. The aim of the article is to create an analysis, the results of which will form the basis of the prepared research focusing on the location of brick-and-mortar store with food assortment in the hinterland of Bratislava. Specifically, it is a comparison of the preferences of the young generation Z in terms of brick-and-mortar store and online shopping. In this work, we apply the online query method, followed by quantitative research. The result will be a comparison of the answers of young people. Respondents' preferences are in favor of brick-and-mortar food retailers. Replacing them with an online store is not optimal for the everyday life of citizens. The results can be used as a basis for future research.

Key words

retail, brick-and-mortar store, e-commerce, foodstuff

Introduction

The basic input in various analyzes in the field of current trends in retail is knowledge of the store itself, as well as retail and online shopping. Particular attention should be paid to the young generation, which feels at home in the online world. It would be difficult to conduct research on the older generation, which did not have the opportunity to grow up with the Internet. It does not have the ability to adapt to new changes as quickly as Generation Z. The fact that we practice the analysis for the needs of future knowledge of the interest of shopping in brick-and-mortar store also plays an important role in the selection of the target group.

In general, we characterize the concept of trade, which has several meanings. It can be understood as a sales room, as a certain activity, as a branch of the economy, or as a field of study. The most mentioned definition of the word trade, as an economic category, is following: Trade is the exchange of products (goods, products, goods and services) in the form of buying and selling using money (Viestová, 1995).

According to the territory of business companies, we divide the business into:

- domestic
- foreign
- international

---

[1] Ing. Kristína Korytinová, Ekonomická univerzita v Bratislave, Katedra marketingu, Dolnozemská cesta 1, 852 35 Bratislava, e-mail:kristina.korytinova@euba.sk

- global

Going deeper, trade is represented by companies specializing in retail and whole-sale activities as well as foreign trade. From the point of view of the focus of this publication, we will only deal with retail.

1   Current state of the problem

1.1 Retail

In the current situation, we are observing retail operations in the process of transformation. They are characterized by great diversity and their new forms are constantly evolving. There are many different classifications. Consider the following definition: Retail trade includes all activities connected with the sale of goods or services directly to the final consumer for their personal, non-commercial use. Any organization can be engaged in this type of sale, whether a manufacturer, wholesaler or retailer. It does not matter how and where the goods or services are sold (Kotler, 1995).

Customers or consumers today place very much emphasis on the retail experience compared to the past. They appreciate the personal and characteristic experience of the given retail. Before the purchase itself, the customer searches for various information about the product through available contact points, such as a sales associate in the store, friends, relatives, often through social networks, websites and so on.

On the contrary, retailers are providing better and better customer service in order to increase profits from purchasing, to create loyalty and to maintain a positive image of their products and brand itself. Customer experience is influenced by the different experiences that we define in the section below for each type of retail.

1.2 Retail as a brick-and-mortar store vs. Online shopping

Retail as a brick-and-mortar store

Brick-and-mortar store is a goods store that is located in physical premises, i.e. in a building or outdoors. The customer is served by the staff of the store / shop, he can try the goods directly and pay on the spot. Here, he can also file complaints or service related to the purchased goods in the future.

In order for retailers to attract customers, they need to find solutions that support shopping and loyalty. The most visible differences can be seen in groceries. The sale of snacks and food alone is not enough. The key to protecting traditional retail stores in the evolving online shopping environment is the shopping experience. Only a brick-and-mortar store can provide a sensory experience in the form of a rich offer of fresh products up to exclusive foods, counters with ready-made meals and delicacies. Clearly, brick-and-mortar retailers can increase customer interest by rapidly adapting to the changing needs of consumers.

As part of the modernization and innovation of brick-and-mortar store, let us mention some changes. In the long run, stores can save both time and money through automation. Up to 45% of the work of employees is related to actions related to the organization of shelves, such as replenishment of goods. It would be ideal to focus on the workforce and reduce costs in this area. However, there is an investment from a retail point of view in terms of purchasing various systems that, for example, automatically update prices, keep products in one position towards the customer and simplify the overall operation.

Factors that influence the customer's opinion about brick-and-mortar store:

- Offered goods
- Shop equipment and arrangement of goods
- Distance to the nearest store
- Availability of parking spaces
- Surrounding equipment e.g. cafes, playground, relaxation area

Online shopping

Called as an internet store, e-commerce and online store is well-known concept everywhere in the world. In recent years, it has become a very developed and popular form of shopping used mainly by the young generation Z. Interestingly, the history of online sales, as we know it today, began in August 1994. The subject of the first known online transaction using a payment card was Sting's solo album: Ten Summoner's Tales (SystemOnline, 2019).

One of the main advantages of online shopping is the non-restricted opening hours for shopping. Furthermore, online sales allow retailers to sell their goods anywhere in the world. The same applies to consumers who have the opportunity to order goods from every part of the world. From a marketing perspective, digital advertising costs less and is highly effective combined with the use of social media.

On the contrary, one of the biggest issues of online shopping is digital security. With each purchase, it is necessary to enter personal information as well as payment card details, which are unfortunately often misused. It is more difficult for retailers to find regular customers, as competition in cyberspace is high and personal interaction with consumers is limited (Hudson, 2018).

The main differences between brick-and-mortar store and online shopping

- Internet (online) store is virtual = on the Internet, the brick-and-mortar store is located in real space = building, exterior
- In the online store, the customer does not have a real opportunity to see or try the goods, which is associated with the risk
- An online store saves customers time, but customers have physical access to the goods in a brick-and-mortar store available in stock
- Operating an online store is cheaper, because the cost of premises and staff is reduced compared to the brick-and-mortar store, many times the price of goods depends on it.

- The brick-and-mortar store often times provides simpler and more reliable service

2 Methodology

The main goal of the article is to draw attention to retail. Characterize retail in general, further define retail as a brick-and-mortar store and online shopping. Inform the consumer and his shopping preferences. Specifically, we are interested in food goods in a stone shop to summarize the facts for the upcoming research with a focus on the location of the stone shop in the hinterland of Bratislava. The partial goal is to answer the following hypotheses (Pavlu, 2018):

We assume that the type of goods is a determining factor in choosing the form of purchase.

We assume that the most popular form of grocery shopping is in brick-and-mortar stores.

To achieve the above goal, we use the online query method, which requires quantitative data collection. These data include statistics, percentages, etc., which are obtained from various surveys, questionnaires or by processing existing statistics. Effective implementation of quantitative research consists in the systematic collection of data through questionnaires (Fennetteau, 2015). The elaboration of the questionnaire consists in the formulation of a set of questions and the diversity of answers and their arrangement so that the provided answers allow to introduce the relevant results into the study problem after the analysis of the data (Boulan, 2015). There are currently more and more studies based on online questionnaires. The current pandemic situation in the world also contributes to this. We distinguish two types of online questionnaires: electronic questionnaire and WEB questionnaire (Gavora, 2010). In the article we use the form of a WEB questionnaire, which contains quantitative research, followed by an analysis and comparison of answers.

Description of the questionnaire

The author of Ortolang defines a questionnaire as a set of written or oral questions to which a person is subjected or to which he must answer, a handwritten or printed document on which a list of questions is given (Ortolang, 2018). The respondents of the questionnaire are generation Z (1996 and newer), specifically a selected sample of 100 people. The questionnaire was sent via the website to university students within the subject of business operation. The research lasted two months, from October to November in 2020. Generation Z was chosen as a relevant sample precisely because it is the first online generation that has not experienced a world without the Internet. It is described in words like multitasking and technology. This target group is chosen deliberately because they know how to work with the Internet, the online world is their playground and at the same time they are able to compare online shopping and shopping in a brick-and-mortar store.

Question 1: Which of the following forms of shopping do you prefer?

Question 2: What kind of goods do you prefer when shopping online?

Question 3: What kind of goods do you prefer when shopping in a brick-and-mortar store?

Question 4: Do you think online shopping will replace brick-and-mortar store in the future?

Question 5: Would you prefer to completely replace brick-and-mortar stores with online shopping?
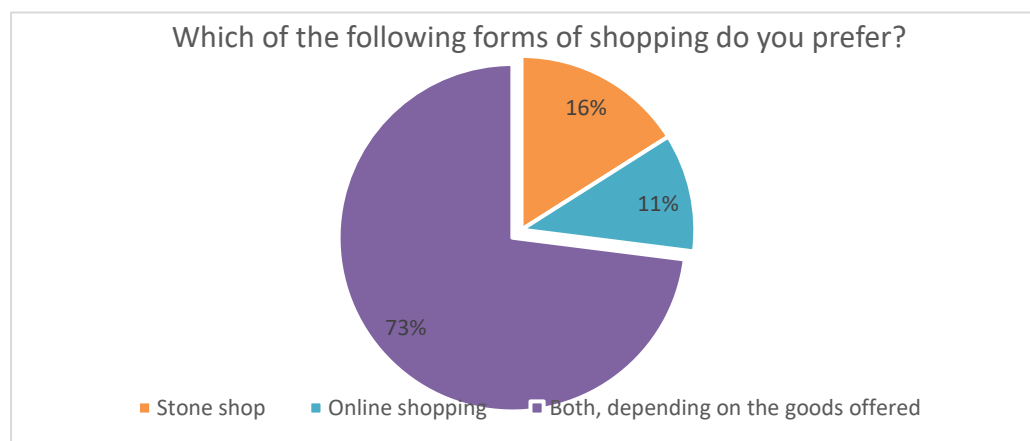
3   Results and discussion

Hypothesis validation involves a deductive approach (Blanchet, 2005). The questionnaire becomes a tool to confirm or refuse hypotheses. It is composed of questions that are answered.

As a reminder, we will present the selected hypotheses:

We assume that the type of goods is a determining factor in choosing the form of shopping.

We assume that the most popular form of grocery shopping is brick-and-mortar stores.

Graph 1 Form of shopping

Which of the following forms of shopping do you prefer?

16%

11%

73%

■ Stone shop   ■ Online shopping   ■ Both, depending on the goods offered

Source: Own processing

We got a clear result from the first question. Our first hypothesis is confirmed. Of all respondents, up to 73% take into account the goods offered when deciding to shop either in a brick-and-mortar store or online. Each of us has certain personal preferences that guide us. These affect our consumer behavior, which every retailer should be aware of in their target group.

Graph 2 Online shopping

What kind of goods do you prefer when shopping online?
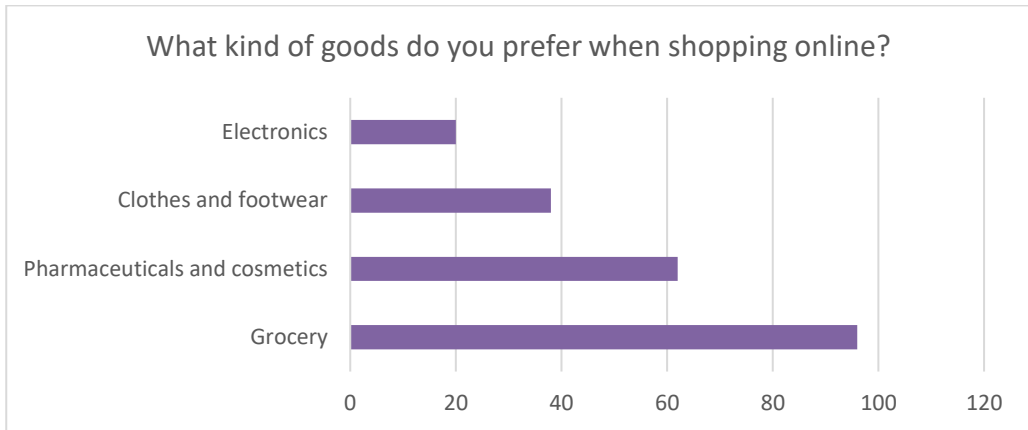
Source: Own processing

It follows from the above that customers most often buy electronics or clothing and footwear over the Internet. A negligible number of consumers reach for groceries when shopping online. The explanation is relatively simple, customers lack the shopping experience. Nevertheless, it is necessary to take into account the fact, that online food shopping is also waking up in Slovakia. There are various companies on the market that make this possible. Their prices are higher compared to brick-and-mortar stores, which is why not everyone can afford it.

Graph 3 Brick-and-mortar retail

What kind of goods do you prefer when shopping in a brick-and-mortar store?
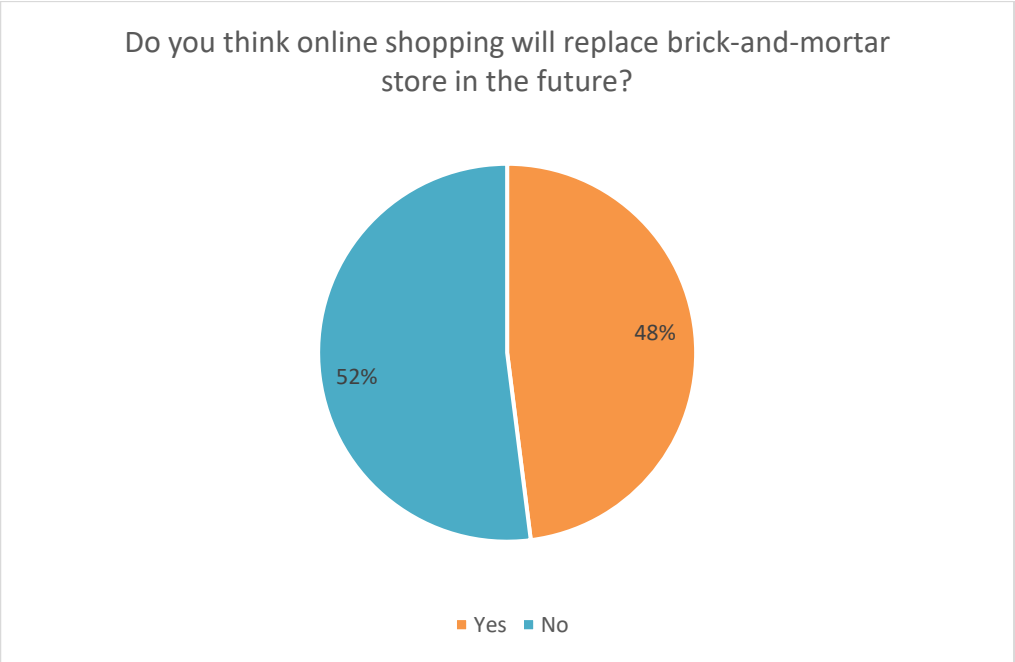
Source: Own processing

As we can see, almost every respondent prefers to buy food in a brick-and-mortar store. Our second hypothesis was also confirmed, assuring us that brick-and-mortar stores continue to make sense alongside the rapidly evolving online world and shopping.

Pharmaceuticals and cosmetic goods, which also belong to a popular purchase in a brick-and-mortar store, does not lag behind groceries. At the drugstore, we need to take into account the olfactory senses that attract us to goods offered.

Graph 4 Online shopping in the future

Do you think online shopping will replace brick-and-mortar store in the future?

48%

52%

■ Yes ■ No

Source: Own processing

Graph 5 Preferences of shopping in the future

Would you prefer to completely replace brick-and-mortar stores with online shopping?

6%

94%

■ Yes ■ No

Source: Own processing

The young generation of respondents did not react very clearly here, in contrast to the three questions mentioned above. If a brick-and-mortar store should be replaced by online shopping for a variety of goods, we are certainly talking about the very distant future, if at all. The whole society would have to go through a huge process of transformation, digitization and automation in almost every area. It is not easy to replace all brick-and-mortar retail stores, as it involves a large number of jobs and so on. We would like to state that this issue can be taken into account in the distant future.

An interesting finding is the fact that up to 94% of respondents do not want to forget about retail in brick-and-mortar stores and replace it with an online world. This fact gives us the motivation to improve retail in brick-and-mortar stores. Let us therefore pay attention to it and start to apply all the positive changes for the longest possible sustainability of physical stores.

Conclusion

The aim of the article was to create a summary of the partial analysis for the prepared research with a focus on the location of brick-and-mortar store in the hinterland of Bratislava. Specifically, it is about drawing attention to the consumer and his shopping preferences and choosing between brick-and-mortar retailing and online shopping. We are mainly interested in the grocery goods in brick-and-mortar store.

Retail is currently undergoing changes. Internet shopping is slowly, but surely coming to the fore. For many, still unattractive, but, on the contrary, for the young generation Z which grew up with the Internet, it is a part of daily life. However, there are still some kind of goods that will attract customers more live than over the internet. According to young people, groceries are among the most bought goods in brick-and-mortar stores. Pharmaceuticals and cosmetic goods do not lag behind. Contrary, preferences when shopping online are for goods such as electronics, or clothing and footwear.

In general, it can be stated that the brick-and-mortar grocery store is not a thing of the past. Online shopping will not replace it soon, which is of course positive in several aspects. A small store conveniently located still has a lot to offer. If we look at it from the customer's point of view, this form of shopping allows us to create from everyday food purchases an experience. The feeling that we can smell, touch or taste the goods by engaging all our senses is priceless. Unlike brick-and-mortar store shopping, online shopping is available to the customer 24/7 and can be made from the comfort of home. Negatives must also be taken into account - the protection of personal data and security issues certainly are one of those.

Based on the above, it follows that new technologies, and therefore also online shopping, are not attractive enough to completely replace the brick-and-mortar store in every type of goods offered. Therefore, the location of new stone grocery stores in Bratislava is important and will be processed in future research.

List of bibliographic references

Blanchet, 2005. *Les techniques d´enquête en science sociales: Observer, Interviewer, Questionner*. Paris: Dunod, 2005. 208 p. ISBN 978-2-10-059083-4.

Boulan, 2015. *Le questionnaire d´enquête: Les clés d´une étude marketing ou d´opinion réussie.* Paris: Dunod, 2015. 240 p. ISBN 978-2-10-073841-0.

Fennetteau, 2015. *Enquête: entretien et questionnaire*. Paris: Dunod, 2015. 128 p. ISBN 978-2-10-072234-1.

Gavora, P. (2010). *Elektronická učebnica pedagogického výskumu*. Bratislava: Univerzita Komenského, 2010. Available on: http://www.e-metodologia.fedu.uniba.sk/ ISBN 978–80–223–2951–4.

Hudson. (2018), *E-Commerce and Selling Online: Pros and Cons*. Available 26.12. 2018, on https://www.thebalancesmb.com/selling-online-retailing-storefront-alternatives-2890252

Kotler, 1995. *Marketing Management*. Prague: Victoria Publishing, 1995. 577 p. ISBN 978-80-247-4150-5.

Ortolang. (2018), *Outils et ressources pour un traitement optimisé de la langue*. Available 22.4. 2018, on https://cnrtl.fr/definition/questionnaire

Pavlu (2018), Štvrtina Slovákov nakupuje potraviny online. Available 16.4.2018, on http://targetnews.sk/clanky/item/525-stvrtina-slovakov-nakupuje-potraviny-online

SystemOnline (2019), *Historie a budoucnost elektronického obchodování*. Available 15.10. 2019, on https://www.systemonline.cz/zpravy/historie-a-budoucnost-elektronickeho-obchodovani-z.htm

Viestová, K. et al. (1997). *Theory of Trade*. Bratislava: Ekonóm, 1997. 7 p.