

## FACTORS INFLUENCING THE SELECTION OF RETAIL CHAINS WITH LARGE PURCHASING IN BOSNIA AND HERZEGOVINA

Nikola Gluhović

*University of East Sarajevo, Faculty of Economics,  
Republic of Srpska, Bosnia and Herzegovina*

✉ [nikola.gluhovic@yahoo.com](mailto:nikola.gluhovic@yahoo.com)

UDC  
658.87  
(497.6)

Original  
scientific  
paper

**Abstract:** The aim of the paper is to analyse the impact of factors that dominantly influence the choice of trade chains with large purchases in Bosnia and Herzegovina in retail trade, mainly food, beverages and household hygiene products. The survey was conducted using the survey questionnaire on a representative sample of 350 respondents in Sarajevo, Banja Luka and Mostar, with the aim of determining the prevailing buying behaviour of consumers during large purchases in Bosnia and Herzegovina, in retail outlets from large retail chains. For the purpose of analysing the collected data, the statistical package of SPSS was used, and in particular the methods: variance analysis (ANOVA) and multivariate variance analysis (MANOVA). On the basis of the obtained results, factors that have the greatest influence on the selection of retail chains in large purchases in Bosnia and Herzegovina at the level of Sarajevo, Banja Luka and Mostar can be determined. The contribution of this research is reflected in the recognition and understanding of the behaviour of consumers in the selection of retail chains in Bosnia and Herzegovina. The correct understanding of the factors that lead consumers in making large purchases is of essential importance for the business of retail chains in Bosnia and Herzegovina.

Received:  
6.10.2017  
Accepted:  
28.12.2017

**Keywords:** consumer behaviour, retail, large purchasing, trade chains.

**JEL classification:** M31

### 1. Introduction

An analysis of retail development leads to the realisation that new retail forms are constantly appearing and threaten the existing forms of retail. In addition, the

lifetime of retail is shortened, so new retailing forms need less time to reach maturity and become challenge to old, existing forms. The fact is that the appearance of a retail form did not disappear from the previous form, but many forms are developing in parallel. As consequence, there is a polarisation in retail, which has received great attention in recent decades and, is reflected in increased competition among different types of retail (Goering, 2010). By adding new consumer needs, new lifestyles, investment in technology and computerisation, we come up with some of the key reasons why retailers are considered to be highly competitive. An analysis of the retail market in non-specialised stores mainly dealing with the sale of food, tobacco and beverages requires both an analysis of the offer (which includes the analysis of the number and economic-financial strength of the bidder, their market share, the degree of concentration of supply, the analysis of the bidder's behaviour towards suppliers, on one hand and the consumer, on the other hand) and an analysis of the demand. Holders of demand on the market of consumer products (including those groups of products - food, tobacco and beverages) are households, that is, household members who perform purchases for household purposes. When making purchasing decisions in a particular store, consumers are guided by a number of criteria such as: distance, price of products and services, breadth and depth of assortments, services, parking opportunities, *etc.*, unlike shopping outside the stores where they are attracted by advantages such as: ease of comparison of products on offer, ease of purchase, low prices, working hours, *etc.* (Brčić-Stipčević, Renko, 2007).

Considering that the subject of research in this paper is limited to retail sales realised in non-specialised stores that mainly deal with food, tobacco and beverage trade in Sarajevo, Banja Luka and Mostar, with a special emphasis on traffic that is performed in sales facilities from the composition of large retail chains, the demand analysis - as an integral part of the market analysis, which is so objectively and territorially defined - is primarily limited to consumer behaviour research in Sarajevo and other big cities of Bosnia and Herzegovina (BiH), where the majority of retail outlets are large trade chains.

The aim of this paper is to compare the criteria for large purchases<sup>1</sup>, which consumers consider most important when shopping in stores in Sarajevo and other big cities in BiH.

## 2. Literature Review

Large retail companies are becoming more important today because they are increasingly taking over the leading role in the supply chains management. This means that the retailers have gained their leading position through concentration. In

---

<sup>1</sup>Large purchases include the purchase of a large number of products within the weekly, monthly purchases of consumer goods.

the USA, for example, large retailers stand out as holders of supply chains. In the times when retailers were mostly small or family businesses, larger manufacturers and distributors dictated when, where and how the goods were going to be delivered. Now, however, larger national retail chains play an active role in coordinating activities of supply chain management (Lewy & Weitz, 2012).

The importance of large international chains is evident in their entrance into particular countries (outside of their country of origin) where they appear as brands and build logistic-distributive centres, and where they (usually) bypass local production because of the large quantities of goods they procure at low prices (Bormann & Siegel, 2007). This means that smaller bidders cannot participate in their supply chains and that concentration processes further amplify concentration in the production. However, spreading of international retail chains from highly developed countries into less developed ones creates dangerous competition that has the capacity to push domicile manufacturers and retailers from the market, because they are unable to adapt to the new competition in a very short time.

Special importance of large, internationally spreading retail chains is also reflected in the fact that they are able to also integrate all stages prior to them (manufacturers and market agents) and thus direct and develop the production itself (Lewy & Weitz, 2007). In addition to that, advantages of international retail chains lie in the fact that they have concentrated their functions so that they are, in fact, much larger than the domicile retail chains in particular countries in which they appear. Retailing is the integrator of various value creation chains, i.e., supply chains, because retail trade has an assortment consisting of various products and services, and also because, by using outsourcing, it can integrate various services (services of logistic companies, banking services, Internet services, etc.). The importance of retailing supply chains for the analysed European countries can be observed in the fact that in the early 1990s the stage of stagnation or reduced growth, and the following trends were observed (Magnus, 2007): (a) retailing formats with the conception of low prices are booming (first of all discounters offering a modest assortment but with a high share of products with their own brands); (b) the largest retailers continue raising their market shares (concentration is still developing); (c) trends point towards globalisation. Globalisation could be understood as a company's strategy by which state borders are crossed, and in which global competitive advantages must be developed by exploiting location advantages and achieving economics of scale. This is, of course, connected with the processes of concentration, i.e. internationalisation in particular economic activities.

Levy and Weitz (2012) gave their assessment of the impact of specific factors on the forming of supply chains in the USA, European Union, India and China. They have taken the following factors into consideration: (a) retail concentration (largest retailers), (b) retail density, (c) average store sizes, (d) the role of wholesale, (e) infrastructure supporting the supply chain, (f) restrictions of retail locations, of store size, and ownership.

The contemporary role of marketing channels in the system of exchange of goods and services on the market is multifaceted. From the purely sales market brokers, marketing channels have evolved into active creators of new value to consumers. With such a role, marketing channels must not just serve markets, but must also create markets. Distribution channels, or marketing channels, are developed in contemporary conditions in terms of further concentration, internationalisation and globalisation processes. This creates new structures of vertical marketing systems. For now, large retail chains from market-developed countries are expanding strongly to economically weaker developed countries, and the process is backed by the exchange-rate development of information technology, as well as the marked trends in the global geopolitical scene.

Trade literature back in the late 1970s first discussed cross shopping which forms basis for this literature review as explained by Cort and Dominguez, 1977 and recognised now as the “incidence of consumers shopping at different types of retailer formats for products also commonly referred to intra-type competition (i.e. two different retail formats that sell substitutable products or services)” (Carpenter and Moore, 2006). Further studies based on grocery as well as other sectors evolved issues dealing with, within chain choice (Cort and Dominguez, 1977; Sharifi and Esfidani, 2014), within product sector choice (Cassill & Williamson, 1994) and choices based upon marketing and store attributes (Gehrt & Yan, 2004; Martinez-Ruiz, Jimenez -Zarc and Izquierdo-Yusta, 2015).

With the new formats being introduced retail offering of stores in the evolving markets has been studied across different product categories (Sinha and Banerjee, 2004; Juel-Jacobson 2015). The choice of retail formats is richer in studies with consumer attributes as explanatory variables with emphasis on consumer demographics. The study of Crash and Reynolds (1978) dealt with frequent and nonfrequent shoppers to the departmental stores, and found frequent customers were likely to be younger, more educated, and had higher incomes. Similarly, Arnold (1997) reasoned noteworthy differences between the demographic profiles (e.g. age, education, household size) of large-format department store shoppers and non-shoppers. Carpenter and Moore (2006) in one of their study examined store attributes (e.g. price competitiveness, product selection, and atmosphere) as drivers of format choice.

The consumer behaviour for store selection has been found very much similar to the consumer behaviour for brand choice. The store selection is very much affected by factors like its location, variety, prices offered etc. each being a source of competitive advantage for retailers (Gaski, 1996). Many studies have also pointed out that the store location along with price, assortment and store environment are most dominant factors in store selection (Marques, Trinidad and Santos 2015; Sharifi and Esfidani 2014; Beck, Champan andPalmatier 2015).

One view in store choice literature features store location playing important role in store choice specifically due to traveling cost (Craig, Ghosh & McLafferty, 1984). Another view focuses on the store attributes like Price being one of the easily noticeable attributes (Bell, Ho & Tang, 1998). The role of store atmospherics, store ambience, store image and store environment has also been studied as a part of store attributes (Martineau, 1958; Marques, Trinidad & Santos 2015). It has also been found to be dependent on the timing of shopping trips, with consumers visiting smaller local store for short *fill-in* trips and larger store for regular shopping trips (Kahn & Schmittlein, 1989). A logical relationship is also analysed by Bell and Lattin (1998) between a household's shopping behaviour and store preference. Where as a narrower segment has been devoted to studying individual difference variables, such as demographic, socio-economic, or psychological variables, as the key predictors of store choice (Bellenger, Robertson & Hirschman, 1978).

Income level of families is also been considered a factor of store choice where high family income levels are expected to lead to higher consumption levels, which would imply larger aggregate shopping. Literature from Prais and Houthakker 1971; Houthakker and Taylor 1970 supports the view that a household's income has a major effect on its consumption. Moreover, higher income will result in better quality of shopping baskets (Bawa & Ghosh, 1999) and wider variety of assortment in the consumption. Thus the aggregate shopping is expected to grow and diversify with the income levels. High-income households also have a higher opportunity cost for time and are less willing in utilitarian consumption shopping trips, making frequency of shopping trips negatively related to household income (Bawa & Ghosh, 1999) resulting in the shopping trips becoming multi-purpose one-stop convenience.

### **3. Research methodology**

The research for this study was conducted in Bosnia and Herzegovina in the period from June 27 to July 12, 2017. The survey was conducted using the survey questionnaire on a representative sample of 350 respondents in Sarajevo, Banja Luka and Mostar. Consumers were tested by personal contact, or using the face-to-face interview technique. For the purpose of analysing the collected data, the statistical package of Statistical Package for the Social Sciences (SPSS) was used, and in particular the methods: variance analysis (ANOVA) and multivariate variance analysis (MANOVA).

The target of our research is to determine the factors that have a dominant influence on the choice of trade chains in large purchases in Bosnia and Herzegovina. Consumer has many choices in selecting the store. Many researchers conduct research on the consumer's store choice with their own perspective but the

author are conducting this study with a new perspective. The research hypotheses for this study are as follows:

H1: Price is the factor that mostly influences the consumer's choice of trade chains in large purchases in Bosnia and Herzegovina.

H2: Gender and consumer education do not represent significant variables of consumer buying behaviour.

H3: Consumer differences regarding the affiliation to certain cities of Bosnia and Herzegovina represent the determinant of their purchasing behaviour.

Considering the goal of the research, the research was conducted on the basis of a direct, structural questionnaire. The questionnaire for consumers (buyers) is composed of two parts.

The first, central part of the questionnaire is thus designed to collect data on the behaviour of consumers whose processing would result in relevant information previously mentioned within the objectives of the research, or in the context of the question to which this (*mini*) research should provide an answer.

The second part of the questionnaire is designed to obtain data on those characteristics of consumer respondents (such as: sex, age, number of household members, monthly income, education, working status, *etc.*) that determine their behaviour when purchasing products of daily consumption, and where possible, to test hypotheses on the impact of selected demographic and socio-economic variables of consumers on their purchasing behaviour. Table 1 shows the distribution of respondents to selected cities in BiH.

**Table 1. Territorial distribution of respondents**

City	Number of respondents	%
Sarajevo	180	51.43
Banja Luka	95	27.14
Mostar	75	21.43
<b>Total</b>	<b>350</b>	<b>100.00</b>

*Source:* Prepared by the author (SPSS Statistics 19)

The testing was carried out in retail facilities located in the territory of selected cities of Bosnia and Herzegovina. Considering that the research is focused on BiH as a whole and Sarajevo as a particularly relevant geographic market, the sample covered 51.43% of respondents from Sarajevo. Distribution of respondents in other major cities has been determined by their size and territorial distribution of the stores of the leading retail chains that are mainly engaged in the sale of food, tobacco and beverages.

The structure of the sample of respondents according to gender approximately maintains the empirical fact that women more often than men go shopping for consumer goods (see Table 2), which is not the case in Banja Luka where there are more than half of male respondents.

**Table 2. Distribution of respondents by gender and towns**

Gender	Sarajevo		Banja Luka		Mostar		Total	
	Broj	%	Broj	%	Broj	%	Broj	%
Male	61	33.89	60	63.16	27	36.0	148	42.29
Female	119	66.11	35	36.84	48	64.0	202	57.71
Total	180	100	95	100	75	100	350	100

Source: Prepared by the author (SPSS Statistics 19)

Consumer buying behaviour can be influenced by a number of factors, such as demographic, geographic, psychographic, socio-economic, consumer / household life cycle, where the customer is living, consumer lifestyle, and *etc* (Gundlach, Bolumole, Eltantawy, Frankel R. 428-438). The author wanted to analyse the impact of only a few factors, namely: sex, lifetime of respondents, number of household members in which the respondent lives, monthly household income, consumer education, their working status, etc. Therefore, the questionnaire includes the listed characteristics of the respondents as the so-called control variables. Table 3 shows the distribution of respondents according to education and cities.

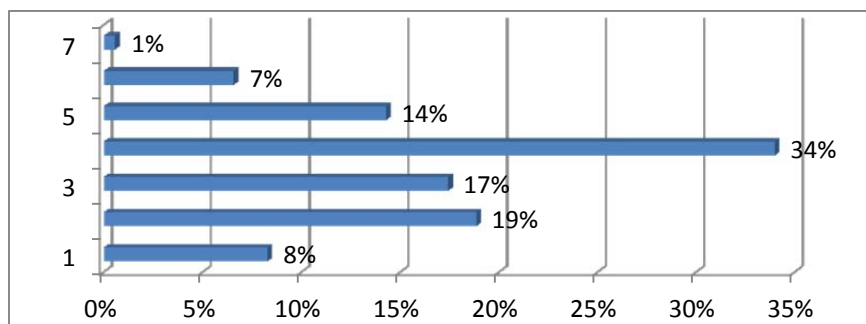
**Table 3. Distribution of respondents according to education and cities**

Education	Sarajevo		Banja Luka		Mostar		Total	
	Number	%	Number	%	Number	%	Number	%
Primary school	15	8,3	1	1,1	3	4,0	19	5,4
High school	96	53,3	34	35,8	44	58,7	174	49,7
College, faculty	69	38,3	60	63,2	28	37,3	157	44,9
Total	180	100,0	95	100,0	75	100,0	350	100,0

Source: Prepared by the author (SPSS Statistics 19)

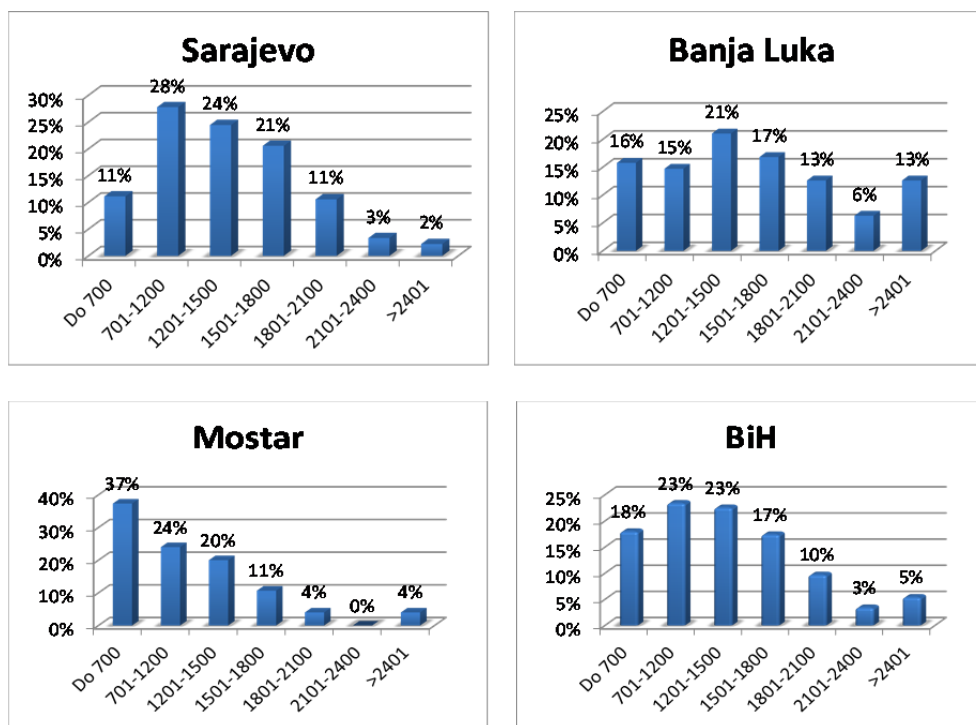
The largest number of respondents, (-53.7% of them) are between the ages of 21 and 40, and this applies to all three cities and, consequently, to the set of all respondents included in the sample. The dominant share of two age contingents (21-30 and 31-40) years in the total sample can be clearly seen in the next chart.

Tables 1 and 2 respectively show the distribution of sample of respondents in BiH (which includes Sarajevo, Banja Luka and Mostar) according to the number of household members and the amount of monthly household income, vocational training and working status, while Table 3 shows corresponding distribution according to the professional qualification.

**Graph 1. Distribution of respondents according to the number of household members**

Source: Prepared by the author (SPSS Statistics 19)

As it can be seen in Graph 1, the largest number of respondents (34% of them) live in 4-member households, while the share of consumers living in single and multi-member households is the smallest.

**Graph 2. Distribution of respondents with excessive household income in KM (convertible mark)**

Source: Prepared by the author (SPSS Statistics 19)



The four diagrams shown in Graph 2 depict the distribution of respondents according to monthly household income, separately for Sarajevo, Banja Luka, Mostar and for a unified sample consisting of the above three sub-samples. The modus as a measure of the central tendency is at the level of the total sample in the first interval, which is defined as the amount of monthly income from 700 to 1200 KM (convertible marks).

Distribution of respondents according to the level of monthly income observed by cities, however, differ in terms of the modal interval in which the typical values of the observed variable are found. In the City of Sarajevo, respondents (28%) whose monthly income ranges from KM 700 to 1200, i.e. at the sample level, are dominant in Banja Luka, a typical consumer - the respondent lives in a household that earns a monthly income of KM 1200-1500, while the surveyed respondents from Mostar mostly live in households (37% of them), who earn slightly less than KM 700 per month.

Table 3 shows that the largest number of respondents in the sample have a completed secondary school, about 50% of them. Together with the categories of respondents who have completed a college or university degree or have obtained the title of a master or a doctor of science, it makes 95% of the respondents, while 5% of the respondents surveyed at the level of the sample, including respondents from all three cities, have only basic or lower education.

Distribution of respondents according to the level of education varies from one city to another. While in Sarajevo and Mostar, respondents who have completed secondary education prevail with, 53% and 59%, respectively, in Banja Luka there are 35.8% of those respondents (about 63% of those surveyed in Banja Luka).

Distribution of respondents according to the working status indicates that over 60% of the respondents surveyed in the cities have the status of an employed person, about 17% of the respondents are students, followed by the number of unemployed persons (12%) and pensioners (about 9% ).

**Table 4. Examination of respondents according to whether they own cars or not  
(view according to the observed cities)**

Car ownership	Sarajevo		Banja Luka		Mostar		Total	
	Number	%	Number	%	Number	%	Number	%
Yes	126	70,0	69	72,6	48	64,0	243	69,4
No	54	30,0	26	27,4	27	36,0	107	30,6
<b>Total</b>	180	100,0	95	100,0	75	100,0	350	100,0

Source: Prepared by the author (SPSS Statistics 19)

Of the total number of surveyed consumers, over two thirds own a car. The situation is almost the same in all three observed cities of Bosnia and Herzegovina. Respondents' answers to the question of having a car are shown in Table 4.

#### 4. Analysis of the results

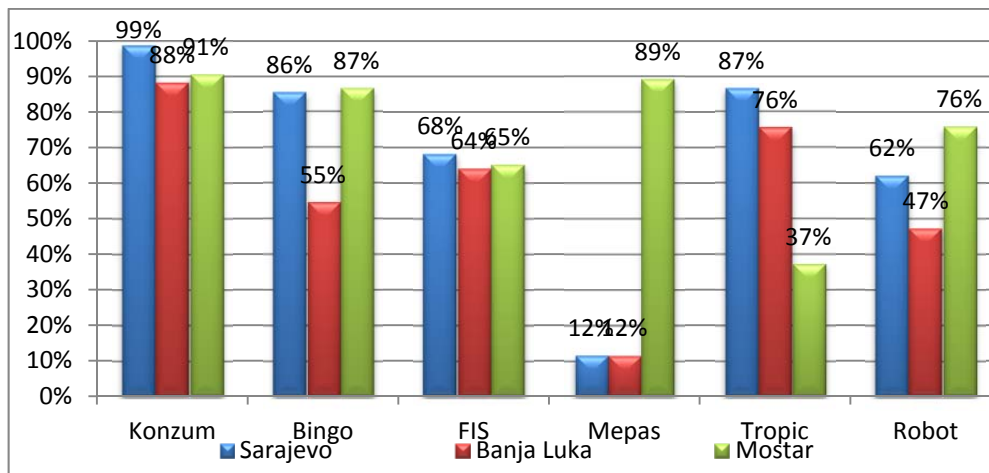
The text below shows the results of consumer surveys. In most cases, the results are shown separately in the cities and for BiH as a whole, represented by Sarajevo (51.43% of respondents), Banja Luka (27.14% of respondents) and Mostar (21.43%).

The first issue of the survey questionnaire, listed the names of six major retail chains in Bosnia and Herzegovina (Konzum, Bingo, FIS, Mepas, Tropic and Robot). The obtained data, which represent the answers to this question, are an indicator of familiarity and a certain measure of the market power of individual participants on the market are shown in Graph 3.

Based on the graphic representation it can be seen that Konzum is the most famous trade chain, in total, in every observed city: almost every respondent answered that he knows that this trade chain realises its trading activities on the BiH market.

According to the degree of popularity, Bingo follows with 77.43% for all three cities viewed together, then Tropic (73.14%), FIS with (66.57%), Robot (61.14%), and Mepas with 28% of the celebrity is in the last place. It can be noticed that the Mepas retail chain is mostly recognised by consumers in Mostar (89.33%), especially compared to its reputation in Sarajevo and Banja Luka, where it is recognised by only 12% of consumers - respondents.

**Graph 3. The familiarity with trade chains in B & H - city view**



Source: Prepared by the author (SPSS Statistics 19)

In addition to the above-mentioned large chain stores, the respondents were given the space to list other retail chains, stores and brands they knew and which were not on the list of offered modalities of the answer to the first question in the Questionnaire or on our list. By dealing with *open* response modalities, interesting results were obtained.

In Sarajevo, one fifth of the respondents, in addition to the pre-ordered trade chain lists, indicated N market; in Banja Luka, every fourth respondent listed Moj Market; in Mostar there is not such a high concentration of retail objects, so Slavica's as the first-ranked trade is mentioned by only 7% of respondents from this town.

**Table 5. Other known retail chains and stores: an overview of selected cities**

Sarajevo			Banja Luka			Mostar		
Store	Number	%	Store	Number	%	Store	Number	%
N market	98	20,59	Mojmarket	36	25,17	Slavica	8	6,90
Onogost	82	17,23	Zokikomerc	28	19,58	Anci	6	5,17
Arizona	68	14,29	As	27	18,88	Tiro	5	4,31
<b>Other</b>	<b>228</b>	<b>47,90</b>	<b>Other</b>	<b>52</b>	<b>36,36</b>	Trend	5	4,31
						Dana	5	4,31
						Orangina	5	4,31
						<b>Other</b>	<b>82</b>	<b>70,69</b>
<b>Total</b>	<b>476</b>	<b>100,00</b>		<b>143</b>	<b>100,00</b>		<b>116</b>	<b>100,00</b>

Source: Prepared by the author (SPSS Statistics 19)

In addition to six retail chains listed above and N markets, Sarajevo and East Sarajevo have frequently reported the names of Onogost and Arizona (East Sarajevo). In the set of 476 stores, which does not include the top six largest chain stores, three of these stores together account for 52% in the heads of the participants, while all the others identified, whose names are not mentioned due to their large number, account for 48% in this set.

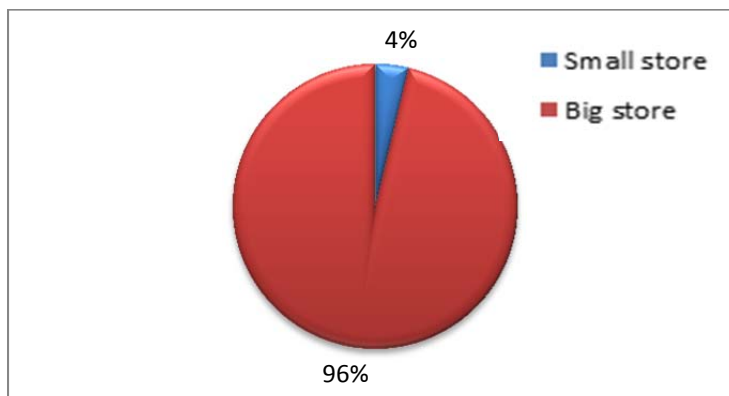
In Banja Luka, three of the most commonly mentioned *other stores* are Moj market, Zokikomerc and As, which account for 63% of this set, and the number of other names that are not mentioned, account for 37%. In Mostar, the answers of the respondents are scattered so that those who occupy the first three places (4 out of 6 share the same place) take up about 30% of them in the *residual* store set. The names of the most frequently mentioned stores that occupy first, second and third place in Sarajevo, Banja Luka and Mostar are listed in the appropriate columns in Table 5.

The next ten questions in the Questionnaire refer to large purchases involving the purchase of a large number of products within the weekly or monthly purchases of consumer goods. The distribution of the answer to the question “In which stores of trading companies do you usually perform large purchases of consumer goods during the month?” is presented for each city in particular and for the total sample.

In the stores of Konzum and Tropic retailers, consumers usually spend large purchases of consumer goods during the month. In Sarajevo, 37% of the total number of respondents from the town carries out large purchases during the month in the stores of Tropic. In Banja Luka, this trading company shares the first place with Konzum (individual stores of these commercial companies account for 18.90%). In Mostar, the largest number of large purchasers during the month is usually performed in the stores belonging to the Mepas trade chain. This result coincides with the graphic representation of sample respondents' distribution (Graph 3) showing that this trade chain is best known in Mostar (the rate of recognition is about 90%).

Graph 4 shows the distribution of the respondents' responses from all three cities viewed together. All large sample retailers (including supermarkets, hypermarkets and discount stores) are covered by all (about 96%) sample, while only 4% of all major purchases made during the month are done in small shops (made up of classic small shops and mini markets). Distribution of answers to this question by cities is almost identical, so they are not mentioned here.

**Graph 4. The size of the store where large purchases are performed**

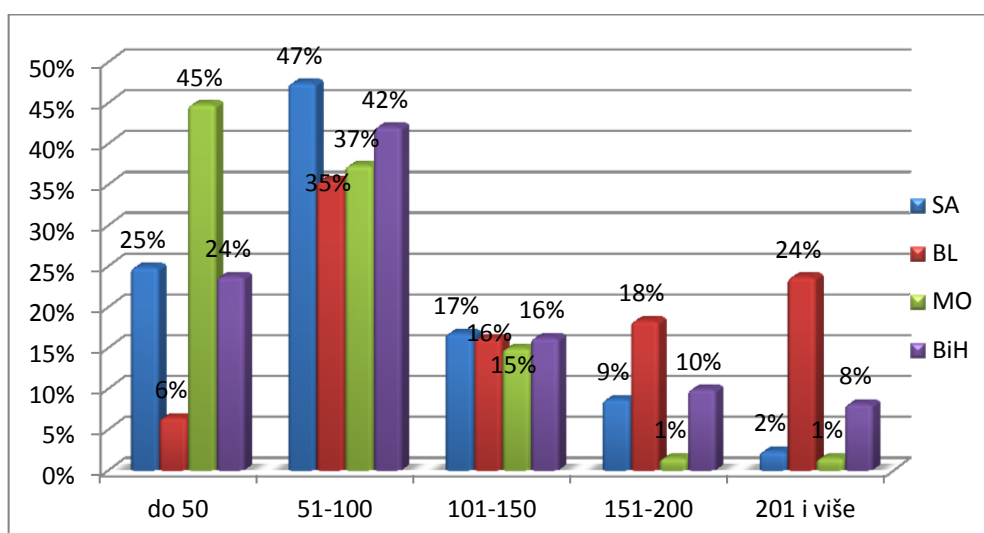


Source: Prepared by the author (SPSS Statistics 19)

One of the major buying parameters is the number of large shopping visits over one week. The vast majority of consumers go to large shopping once a week (in Sarajevo the percentage of such consumers is 72%, in Banja Luka 62% and in Mostar 82%). On average, every fifth consumer buys twice a week. Based on the graphical presentation of processed data from the sample, it is clear that the value

of the weekly large consumer purchases in all selected cities, except Mostar, ranges in the majority of cases from KM 50 to 100.

**Graph 5. Weekly expenses in KM for large shopping - city overview**



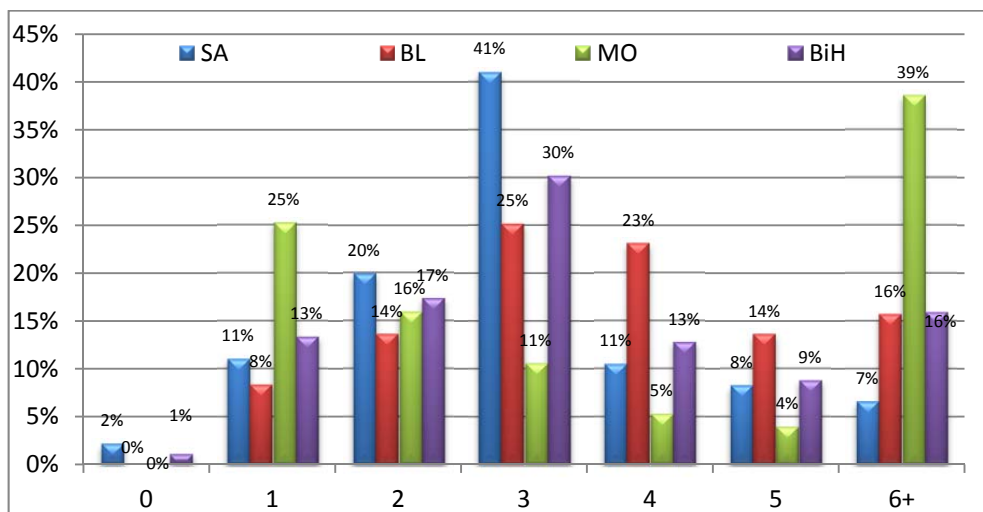
Source: Prepared by the author (SPSS Statistics 19)

The distribution of the answer to the question "How do you usually come to the store where you usually make large purchases of consumer goods?", with the modalities offered: on foot, by car, by public transport or in some other way is the following: The largest number of respondents about 65% said they would use the car as a means of transport for large purchases (66% of such consumers in Sarajevo, 64% in Banja Luka and 65% in Mostar). Approximately, 30% of total respondents go to the store where they usually make large shopping, and only in a relatively small number of cases (4.86%) consumers come to such stores by public transport.

One third of the respondents spend ten minutes on their arrival at the store where they shop, the fifth takes more than ten minutes and a quarter of them five minutes. Every eighth respondent (13.4%) need between 1 and 4 minutes, while every tenth takes six to eight minutes to reach the store where they do their large shopping.

Information about the trading environment of the respondents was provided by, data processing of answers to the question of how many other stores the respondents knows in the vicinity of their *favourite* store where they make their large shopping. The distribution of respondents' responses to the question asked for selected cities of BiH is shown in Graph 6.

**Graph 6. Number of stores close to the store where the respondent performs large shopping: city survey**



Source: Prepared by the author (SPSS Statistics 19)

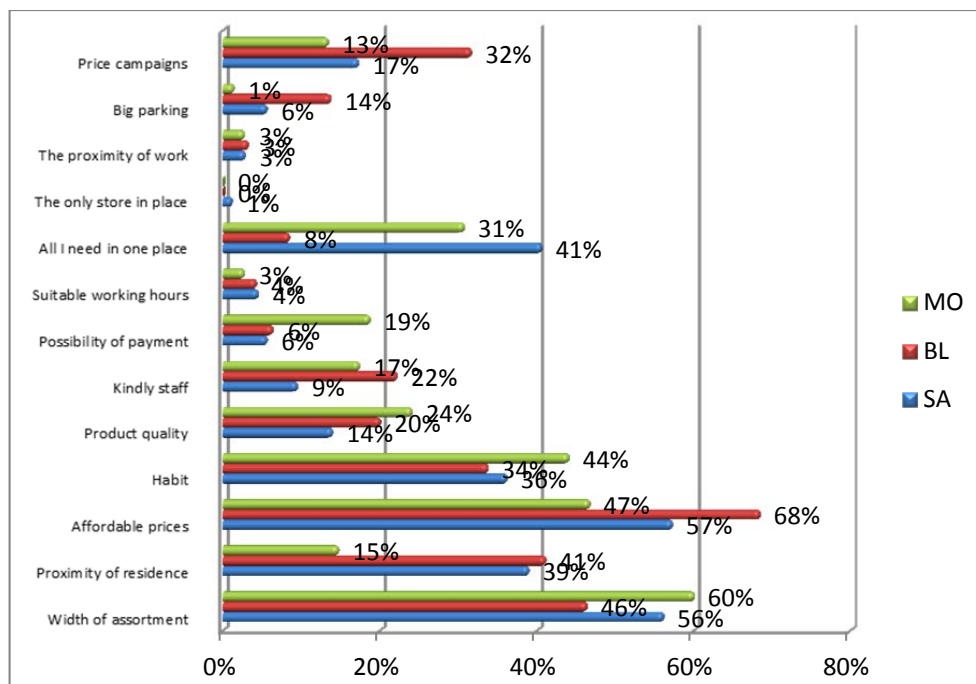
A relatively small number of respondents in Sarajevo replied that they no longer knew any of the stores close to the ones where they did large shopping while in Banja Luka and Mostar there were no such consumers. Approximately every third respondent knows three more stores besides the one where they do their large shopping. In Sarajevo, the largest number of respondents (41%) answered that they know three outlets nearby, Mostar is dominated by consumer-respondents (39%) who know six or more stores, while in Banja Luka approximately half of respondents answered that they know 3 or 4 stores more (25% and 23%, respectively).

If there were a chance to get a 5% discount when making large purchases, every fifth respondent who goes on foot to a grocery store in which he/she does his/her large shopping would be willing to spend five to ten minutes more on coming to the store. Almost half of the respondents are not ready to spend more time to get a 5% discount, 15% say they are willing to spend an additional 15 minutes, and about 6% of respondents are ready to spend as much as 20 minutes more to get a 5% discount.

If they were offered the opportunity to receive a 10% discount, then a third of the respondents would be willing to spend 10 minutes walking more on arrival at the store and the fifth would even be ready to walk for an additional 20 minutes to achieve such a discount. Only 8% of respondents expressed their readiness to walk 5 minutes longer, while approximately 14% of respondents wanted to walk 15 minutes longer to achieve a 10% discount. Every third respondent, approximately, did not express the willingness to spend more time to earn a 10% discount.

Sampling results showed that over 40% of respondents who go by car to a facility in which they perform large purchases are not ready to drive a car longer to get a discount of 5% of the purchase price. A third of the respondents (about 32%) of consumers are ready to drive five minutes longer, about 15% of them drive 10 minutes longer, about 3% are ready to drive even 15 minutes longer, and only a few would be willing to travel by car and 20 minutes longer for a 5% discount.

**Graph 7. The main reasons for choosing a store where a respondent carries out large shopping: city survey**



Source: Prepared by the author (SPSS Statistics 19)

In order to make a discount of 10%, about a third of respondents are not ready to drive at all in order to achieve a 10% discount. About 30% of consumers are willing to drive 10 minutes longer to earn such a discount. Five minutes longer drive accounts about 17% of respondents, 12% of them would drive 15 minutes longer, and every tenth respondent expressed his willingness to drive even 20 minutes longer to achieve a 10% discount.

Graph 7 shows the distribution of the answer to the question that relates to the main reasons that induce the consumer to choose the given store in which he performs large purchases. In Sarajevo, the main reason for choosing a store is a favourable price (57%). This factor was also stated as the main factor by consumers from Banja Luka (68%), while the respondents in Mostar identified the

breadth of the product range (60%) as the main reason for choosing a specific store. In addition to the favorable prices and width of the assortment, the respondents usually stated shopping habits, closeness of the store, "complete offer in one place" and pricing actions as the main reasons. Table 6 lists the ranking of reasons why the respondents perform large purchases in the selected store.

**Table 6. The main reasons for the choice of a shop where the respondents do large shopping**

Rank	The main reason	Number of answers	%
1	Affordable prices	203	58,00
2	Width of assortment	190	54,29
3	Habit	130	37,14
4	Proximity to residence	120	34,29
5	All I need in one place	104	29,71
6	Price campaigns	71	20,29
7	Product quality	62	17,71
8	Kind staff	51	14,57
9	Possibility of payment in different ways	30	8,57
10	Big parking	24	6,86
11	Suitable working hours	14	4,00
12	Proximity to work	10	2,86
13	The only store in place	2	0,57

*Source:* Prepared by the author (SPSS Statistics 19)

When giving the main reason, the respondent had the opportunity to choose three of the 13 offered reasons that we assumed could determine their choice. At the level of the whole, comprised of the respondents from selected cities in BiH, the first three factors that influence the respondents' choice are "Affordable prices" (58%), "Width assortment" (54%) and "Habit" (37%). Then, according to the frequency of the guidance the "Proximity to Residency" (34%), "All I Need in One Place" (29%), "Price Campaigns" (20%), "Product Quality" (18% ) and "Kindly staff" follow (15%). The sequence of other reasons that the respondents indicated as significant for the selection of the store in which they do large shopping is listed in Table 6.

Table 7 shows the results showing the shops that consumers in some BiH cities would choose in case of closing stores where they are currently doing their large shopping. In all selected cities, respondents listed the shops of the Konzum trade company as the first alternative. As alternative, consumers from Sarajevo, Banja



Luka and Mostar, respectively, listed Bingo, Zokikomerc and Mepas, while Tropic, My Market and Bingo took third place in the list of alternative stores. Here it should be born in mind that the respondents' answers to the given question are very scattered so that the rest of the list is made up of a large number of other stores, which can be seen from the data listed in the last row of Table 7.

**Table 7. Alternative store in case of closing the selected store**

Sarajevo			Banja Luka		
Name	Number	%	Name	Number	%
Konzum	63	37,95	Konzum	13	13,83
Bingo	22	13,25	Zokikomerc	13	13,83
Tropic	21	12,65	Moj market	13	13,83
<b>Other</b>	<b>60</b>	<b>36,14</b>	<b>Other</b>	<b>55</b>	<b>58,51</b>
Mostar			BiH		
Name	Number	%	Name	Number	%
Konzum	27	37,95	Konzum	103	32,00
Mepas	16	13,25	Bingo	42	13,00
Bingo	15	12,65	Tropic	32	10,00
<b>Other</b>	<b>6</b>	<b>36,14</b>	<b>Other</b>	<b>147</b>	<b>45,00</b>

Source: Prepared by the author (SPSS Statistics 19)

If there would be a closure of the store where the respondents would do large shopping, the alternative store size would be a large store (hyper or super market) for 89% of consumers, and for every tenth of the respondents, this would be a small store in terms of size.

In the analysis of data describing consumer buying behaviour in BiH, variance analysis (ANOVA) and multivariate variance analysis (MANOVA) were used. The first technique was used to examine the impact of categorical variables on consumer behaviour variables, observed in isolation, while in the second case the influence of these variables on the set of studied dependent variables was examined. In case of more separate analyses, it is recommended to remember that a lower alpha level is desired in order to reduce the likelihood (risk) of making a type I error (to make the score significant when it is not). This is done using the so-called. Bonferon's adaptation, which in its simplest form implies that the original alpha level (in the standard case 0.05) is divided by the number of analyses we have performed (Sahai&Ageel, 2000). In our case, we investigate 12 dependent variables, so the number 0.05 should be divided by 12, giving a new alpha value of 0.004. The results are –consequently- considered relevant only when the probability of the first type error (Sig.) is less than 0.004.

**Table 8. Results of the analysis of the influence of control variables using the MANOVA technique**

Dependent variable	Independent variable				
	City	Gender	Education	Working status	Auto
Store type (large shopping)	.094	.122	.048	.066	.297
Number of visits (large shopping)	.065	.891	.197	.394	.348
Total weekly amount of consumption when doing large shopping	.000	.041	.939	.975	.955
The way to go the shop where most large shopping is usually done (on foot, car, bike, public transport, etc.)	.006	.443	.008	.665	.000
Time required to arrive at the store where large shopping is done	.067	.551	.025	.829	.261
The number of shops near the shop most large shopping is usually done (up to 10 minutes on foot)	.012	.933	.585	.895	.490

Source: Prepared by the author (SPSS Statistics 19)

**Table 9. Results of the analysis using the statistical technique ANOVA**

	City	Gender	Education	Working status	Auto
Store type (large shopping)	,039	,091	,009	,252	,736
Number of visits (large shopping)	,006	,153	,930	,386	,356
Total weekly amount of consumption when doing large shopping	,000	,192	,624	,927	,805
The way to go the shop where most large shopping is usually done (on foot, car, bike, public transport, etc.)	,424	,291	,847	,041	,000
Time required to arrive at the store where large shopping is done	,048	,442	,691	,003	,066
The number of shops near the shop most large shopping is usually done (up to 10 minutes on foot)	,003	,237	,365	,684	,812

Source: Prepared by the author (SPSS Statistics 19)

Based on the realised p-values, it can be concluded that the independent variable that signifies the belonging of the respondents to a certain city has a statistically

significant impact on the following dependent variables: the total weekly amount of consumption when doing large shopping and the way to go to the shop where most large shopping is usually done.

Gender and consumer education do not represent a significant consumer buying behaviour variant, the working status has not been shown to be significant in the case of large-scale purchases, while the dichotomous car-related variable has been shown to be a significant variable only in terms of how to arrive at the store in which large shopping is done most often.

When the isolated effects of control variables on the consumer behaviour variables are observed as dependent variables, then it is shown that each control (independent) variable affects a lower or a greater number of dimensions of consumer purchasing behaviour. In Table 9, the effects of the previous analysis technique are not marked as significant by the cursive. Now it can be seen that the differences of consumers in terms of belonging to certain cities are the key determinant of their buying behaviour, and that, by their influence, they also have significant variables of Working Status and Owning a Car, while the Education and Gender variables have the least explicative power.

## **5. Conclusion**

At the time of the recession, changes in consumer behaviour were noted. Consumers become more rational, optimise their purchases, and dominantly purchase products of daily consumption, delaying the purchase of less-needed products. It was exactly these changes in consumer behaviour caused by the crisis that led retailers to adapt to new market conditions. The results of the conducted primary research indicate that the factors that dominantly influence the choice of trade chains in large purchases in Bosnia and Herzegovina are recognised as follows: favourable prices, breadth of assortment, habit, proximity to residence, all I need in one place, price actions, product quality, friendly staff, possibility of paying in different ways, big parking, etc. The unexpectedly low rate of return of the response by consumers of everyday consumption in Bosnia and Herzegovina can be identified as the main constraint on the conducted research. The above can be explained by the fear of consumers when bringing out such information to the public.

It is evident in the paper that consumers in Bosnia and Herzegovina recognised the key advantages of each of these retail chains since they responded accordingly to the criteria used to manage purchases in some of the retail forms. The three cities in Bosnia and Herzegovina that were selected to compare the issue of choosing retail forms to perform large purchases precisely because of their diversity, however, do not significantly differ in terms of consumer attitudes (in this case, respondents in the area of the city of Mostar) about certain retail forms. Namely,

following the results of the research on certain issues, it is obvious that the same position is in relation to certain factors that influence the choice of retail forms in performing large purchases in Bosnia and Herzegovina and their advantages. It is the same with the ranking of criteria in all three selected cities. However, the paper pointed to large discrepancies in the development of retail sales between the listed cities, as the number of enterprises and the level of retail concentration vary. Although the aim of the author of this paper was to compile a comparison with the findings of a survey on ranking key criteria for selecting a store to conduct large purchases with consumers in Bosnia and Herzegovina, this proved to be unachievable in terms of the quality of the obtained results.

In the institutions of the European Union, they emphasise the role of trade, especially the retail sector, for the efficient functioning of a single market and for overall economic growth and development. The official documents of the European Commission point out that the retail sector is the driver of growth, competitiveness and employment, and plays a key role in achieving the goals of the EU strategy by 2020.

Radical changes in the philosophy of running a business on the domestic and global market are necessary in Bosnia and Herzegovina. Classic sales relationships should become a past, and long-term marketing relates to reality. Every isolated approach in the era of global market competition is ruinous. Linking and clustering of the economy as well as the construction of vertically integrated or contractually regulated systems is necessary. The implementation of new concepts and technologies in the work of retail chains such as marketing channel management, supply chain management, product category management, and the like are insufficient.

## References

- Beck J. T. Chapman K. Palmatier R. W. (2015). Understanding Relationship Marketing and Loyalty Program Effectiveness in Global Markets. *Journal of International Marketing*, 23(3), 1-21.
- Bell D.R. & Lattin J.M., (1998). Shopping Behavior and Consumer Preference for Store Price Format: Why „Large Basket“ Shoppers Prefer EDLP. *Marketing Science*, 17 (1), 66-88.
- Bell D.R. Ho T. Tang C. S. (1998). Determining Where to Shop: Fixed and Variable Costs of Shopping. *Journal of Marketing Research*, 35 (3), 352-369.
- Bellenger D.E. Robertson D.H. Hirschman E.C. (1978). Impulse Buying Varies by Product, *Journal of Advertising Research*, 18, 15-18.
- Bormann S. & Siegel G. (2007). Konzentrationsprozeß im Einzelhandel - Auswirkungen auf Handel, Verbraucher, Beschäftigte und Zulieferindustrie, *WEED*, Berlin
- Brčić-Stipčević V. & Renko S. (2007). Factors influencing the choice of retail forms. *Zbornik Ekonomskog fakulteta u Zagrebu*, 5 (1), 387-401.

- Carpenter J.M. Moore M. (2006). Consumer demographics, store, attributes, and retail format choice in the US grocery market. *International Journal of Retail & Distribution Management*, 34 (6), 434-452.
- Cassil N.L. Williamson N.C. McEnally M. Thomas J. (1994). Department Store Cross-Shoppers. *Journal of Applied Business Research*, 10 (4), 88-96.
- Craig C.S. Ghosh A. McLafferty, S. (1984). Models of the retail location process: A review. *Journal of Retailing*, 60, 1, 5-36.
- Crash, M.R., & Reynolds, F.D. (1978). An indepth profile of the department store shopper. *Journal of Retailing*, 54 (2), 23-32.
- Gaski J. F. (1996). Distribution channels: a validation study. *International Journal of Physical Distribution & Logistics Management*, 26 (5), 64-93.
- Gehrt K.C. & Yan K.C. (2004). Situational, consumer, and retailer factors affecting Internet, catalog, and store shopping. *International Journal of Retail & Distribution Management*, Vol.32(1): 5-18.
- Goering G. E. (2010). Distribution channel decentralization and strategic durability choice. *International Journal of the Economics of Business*, 7 (2), 167-186.
- Gundlach G. T. Bolumole Y. A. Eltantawy R. A. Frankel R. (2006). The changing landscape of supply chain management, marketing channels of distribution, logistics and purchasing. *Journal of Business & Industrial Marketing*, 21 (7), 428-438.
- Juel-Jacobsen, L.G. (2015). Aisles of life: outline of a customer-centric approach to retail space management. *International Review of Retail, Distribution and Consumer Research*, 25 (2), 162-180.
- Kahn, B. & Schmittlein D.C. (1989). Shopping trip behavior: An empirical investigation. *Marketing Letters*, 1 (1), 55-69.
- Ley M., & Weitz B. A. (2007). *Retailing Management*. New York, Mc Graw Hill, Irwin.
- Lewy, M.L. & Weitz, B. A. (2012). *Retailing Management*, New York, McGraw Hill, Irwin.
- Magnus, K. H. (2007). *Erfolgreiche Supply Chain Kooperation zwischen Einzelhandel und Konsumgüterherstellern*, Wiesbaden: Deutscher Universitätsverlag Gabler Edition Wissenschaft.
- Marques S. H. Trindade G. Santos M. (2015). The importance of atmospherics in the choice of hypermarkets and supermarkets. *The International Review of Retail, Distribution and Consumer Research*, 25(5), 1-18.
- Martineau, P. (1958). The personality of the retail store. *Harvard Business Review*. 36(1), 47-55.
- Martínez-Ruiz M. P. Jiménez-Zarco A. I. Izquierdo-Yusta, A. (2010). Customer satisfaction's key factors in Spanish grocery stores: Evidence from hypermarkets and supermarkets. *Journal of Retailing and Consumer Services*, 17(4), 278-285.
- Reed A. Forehand M. R. Puntoni S. Warlop S. (2012). Identity – byed consumer behavior. *International Journal of Research Marketing*, (29), 310-321.
- Sahai, H & Ageel M. I. (2000). *The Analysis of Variance*. Boston, Birkhauser, MA.
- Sharifi S. S. & Esfidani M. R. (2014). The impacts of relationship marketing on cognitive dissonance, satisfaction, and loyalty. *International Journal of Retail & Distribution Management*, 42(6), 553-575.
- Sinha P.K. & Banerjee A. (2004). Store choice behavior in an evolving market. *International Journal of Retail & Distribution Management*, 32 (10), 482-494.

## FAKTORI UTICAJA NA IZBOR TRGOVINSKIH LANACA KOD VELIKIH KUPOVINA U BOSNI I HERCEGOVINI

**Apstrakt:** Cilj rada je analiziranje uticaja faktora koji dominantno utiču na izbor trgovinskih lanaca kod velikih kupovina u Bosni i Hercegovini u djelatnosti trgovine na malo robom široke potrošnje, pretežno hranom, pićima i higijenskim proizvodima za domaćinstvo. Istraživanje je sprovedeno korišćenjem anketnog upitnika na reprezentativnom uzorku od 350 ispitanika na području Sarajeva, Banja Luke i Mostara s ciljem utvrđivanja preovladavajućeg kupovnog ponašanja potrošača tokom obavljanja velikih kupovina u Bosni i Hercegovini, u prodajnim objektima iz sastava velikih trgovinskih lanaca. Za potrebe analize prikupljenih podataka korišćen je statistički paket SPSS, te osobito metode: analize varijanse (ANOVA) i multivarijantna analiza varijanse (MANOVA). Na temelju dobijenih rezultata mogu se odrediti faktori koji imaju najveći uticaj na izbor maloprodajnih lanaca kod velikih kupovina u Bosni i Hercegovini posmatrano na nivou Sarajeva, Banja Luke i Mostara. Doprinos ovog istraživanja ogleda se u prepoznavanju i razumijevanju ponašanja potrošača pri izboru maloprodajnih lanaca u Bosni i Hercegovini. Od suštinskog značaja za poslovanje maloprodajnih lanaca u Bosni i Hercegovini je pravilno razumijevanje faktora kojima se vode potrošači pri obavljanju velikih kupovina.

**Ključne reči:** ponašanje potrošača, maloprodaja, velike kupovine, trgovinski lanci.

### Author's biography

**Nikola Gluhović** is an Associate Professor at the Faculty of Economics, the University of East Sarajevo, where he teaches the undergraduate courses in Marketing, Research Marketing and International Marketing. He has authored numerous scientific and research articles in various kinds of publication and also published scientific and professional papers in domestic and international journals in the fields of marketing and brand management.