

## **If not location, then what? An investigation of store choice reasons.**

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### **Extended abstract**

Past research shows that while consumers have one store they are most loyal to, over time they have a repertoire of stores they shop at (e.g. Uncles & Kwok, 2009). The question arises, what drives the choice of the store? It makes sense for people to shop at a store closest to them, which has been found to be the most important factor driving the main store choice (e.g. East et al., 2000). However, why do some people choose to shop at locations further away? This research seeks to find out what is the difference in perceptions towards stores between those who choose most convenient stores and those who do not. Studies into store choice have explored numerous reasons for consumers' store choice. Reasons given for store choice included location, convenience, price, positive attitudes, habits, service quality (Woodside & Trappey, 2001), assortment of products (i.e. East et al., 2000), inter-personnel relationships (East et al., 2000). These different factors have been found to have varying levels of impact on store choice, with location being the most important. However, with the latest changes in the retailing and economic environment the reasons for store choice might have changed. First, the economic downturn had an impact on many people's budgets, hence at their price sensitivity. Therefore, we may expect that price or value would be more important than it used to be in the past. Further, while the majority of consumers still do their shopping offline, the major retailers introduced online channels, which take away the location factor. Finally, retailers around the world invested heavily in their private labels offerings, hoping that the selective distribution of those brands will increase store loyalty and drive people to the store (Dawes & Nenycz-Thiel, 2011). Given the above changes, the authors study the store choice behavior and the perceptions of stores in Atlanta, Georgia in February 2011. The results show that 60% of shoppers still shop in the closest store. Logistic regression was applied to discover differences in perceptions of stores between those who shop at the most convenient store and those who travel further to do their purchases. The results show that the main drivers of choosing a further store are the perceptions of *convenient location* (in negative) and *low prices* (in positive). The implications of the findings for retailers and manufacturers are discussed.

### **References**

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