

St John's Gate Retail

St John's Gate Retail (SJGR) is a retailer, incorporated as a limited liability partnership, which operates department stores and grocery supermarkets. It was established eighty years ago, with a department store in central London. It subsequently acquired more department stores in the south of England, and later extended its operations into food retailing, also in the South of England. In its most recent development, over the past twenty years, SJGR has been expanding geographically, partly by organic growth, establishing new department stores and grocery supermarkets in out-of-town shopping centres, and partly by acquiring less successful small grocery chains or by purchases in special situations, for example when other retailers have merged and disposed of shops. It is now well represented throughout most of England, though its main focus of operations is still in London and the South East of England. This is partly as a result of its history, as described above, but partly also because its market positioning is based on above-average quality, in terms of products, shop environment and service, combined with good value. This combination has proved particularly successful in areas where consumer incomes are above the national average.

SJGR is concerned to keep in touch with economic, demographic and trade developments, and as part of this goes to some trouble to make sure that it has an up-to-date picture of its customers, how they view SJGR and its operations, and what they expect from SJGR.

You are working for a consultancy that has been commissioned to do research on SJGR's grocery retail customers and how they view SJGR's grocery supermarkets. As part of this research, you have conducted a survey to find out how its customers perceive SJGR. The information from this survey, which was carried out on a random sample of 100 SJGR grocery retail customers, is given in the attached data file. It provides observations on ten variables described below:

Information collected:

- Perceptions of SJGR by the customers surveyed, with measures of seven attributes that your colleagues with specialist retail marketing experience consider to be the crucial factors in determining the attitudes and shopping behaviour of retail customers. Each of these perceptions has been expressed as a rating on a scale of zero to ten (ten being the most favourable).
- Outcomes directly related to respondents' shopping behaviour: the degree of each respondent's satisfaction with SJGR or the percentage of his or her household's grocery purchases that are made at SJGR.
- General characteristics of the survey respondents that are thought likely to be relevant to their shopping habits (income level – a subjective judgment made by the people carrying out the survey on the basis of the respondent's appearance; and gender)

Definitions of the variables and explanations of their coding are given below.

Perceptions of SJGR

The seven SJGR attributes rated by each respondent (respondents are asked to rate the attributes bearing in mind how SJGR compares with other retailers that they know) are:

- X1: Product quality and freshness
- X2: Product range and variety
- X3: Price level - level of SJGR prices as compared with other retailers
- X4: Value for money - quality of products in relation to prices
- X5: Service - quality of service provided by retail staff
- X6: Environment – attractiveness and convenience of the retail premises
- X7: SJGR's image – measuring how favourably the respondent believes SJGR is viewed by shoppers in general

Shopping-related Outcomes

A measure was obtained of the outcome of the respondent's assessment of SJGR in terms of shopping behaviour:

- X8: Purchasing behaviour: the percentage of the respondent's household grocery purchases that are made at SJGR.

Purchaser Characteristics

The characteristics of respondents collected in the study are as follows:

- X9: Income level: 1 for lowest, 2 for middle, 3 for highest.
- X10: Gender: 0 for male, 1 for female

Required

1. Prepare a report exploring the data your team collected for the management of SJGR. This report should contain the results of the various data exploratory data analyses tools such as scatter charts, histograms, correlation coefficients, etc. and the interpretation of these.
2. The management of SJGR is interested in finding out about the average perceptions of SJGR (X1 – X7) by all of its customers. On the basis of your sample of 100 customers, tell the management what you can about the average perceptions of SJGR by all its customers.
3. The management of SJGR believes that different kinds of customers (defined in terms of income level X9 and gender X10) have different purchasing behaviour. Managers believe that, on average, higher income customers tend to buy a different percentage of their groceries at SJGR from the percentage bought by all other customers, and men buy a different percentage of their groceries at SJGR on

average from the percentage bought by women. Test statistically whether these particular beliefs about the effects of income and gender are justified by the evidence, and report on your tests and findings.

4. SJGR's management would like to be able to predict purchasing behaviour, as measured by X8, on the basis of customers' ratings of SJGR's attributes (variables X1 to X7). Develop a regression model using variables X1 to X7 as independent variables and report on your findings.
5. Based on the results from questions 1, 2, 3 and 4, prepare recommendations (of maximum length 2 pages) for the managers of SJGR on how they can improve the purchasing behaviour of SJGR customers.

Your total report (excluding appendices) should be not more than 12 pages. You may attach an appendix to show details of your working. If you do attach an appendix, the total report on parts 1 to 5 above – excluding the appendix – should provide everything that management needs in order to understand what you have done, what you have found out, and what you are recommending, with your reasons.

Submit your full report, including any appendix, on paper to the course office, and on CassLearn, not later than 4pm on Monday 6 April 2009.

Criteria for Assessment

Use of appropriate statistical tools and methods

Focus on what is interesting and important

Accuracy of presentation, calculation and reasoning

Relevant comments that are to the point and not too wordy

Clarity of presentation using words, diagrams and numbers

Transparency of method and working

Justification of method, working and conclusions

Organisation, layout and length of report (including: is it easy to find things? Is it easy to follow what is being said? Is it easy to see what supporting evidence is provided?)

Achieving business insights on the basis of statistical analysis

Reporting in a form that would meet the needs of managers who are intelligent and know their business well, but may not have statistical training

Approximate Allocation of Marks

1. 20%
2. 15%
3. 15%
4. 30%
5. 20%