

# Grocery Retailers Need Not Fear 'Cherry Pickers'

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Sale shoppers don't hurt grocery stores' bottom lines, according to a study conducted by marketing professor Debabrata Talukdar.

"Extreme cherry pickers," grocery shoppers who buy only sale items and nothing else, do not harm retailer profits significantly as generally is believed, according to a forthcoming study in the *Journal of Marketing Research*.

The study by Debabrata (Debu) Talukdar, associate professor of marketing in the University at Buffalo School of Management, K.

Sudhir, professor of marketing at the Yale School of Management, and Dinesh K. Gauri, assistant professor of marketing in Syracuse University's Whitman School of Business, explored several variations of cherry picking to determine how retailer profits and consumer savings were impacted.

Extreme cherry pickers barely affected profits, the study found.

"Grocery retailers' fear of extreme cherry pickers is overblown," says UB's Talukdar. "Extreme cherry pickers make up only 1.2 percent of grocery store customers and they only reduce profits less than one percent."

It is a common practice for grocery stores to put certain items on sale in order to entice customers to shop at their stores, with the assumption that customers will buy others items once they are there.

Some cherry-picking shoppers buy sale items at only one store over a period of time, while others visit different stores across an area to buy sales items.

The researchers found that cherry pickers indeed saved more money than shoppers who were not actively searching for promotions. Store-loyal cherry pickers obtained 68 percent of potential savings in the marketplace. Cross-store cherry pickers over time obtained 66 percent of potential savings. Extreme cherry pickers obtained 76 percent of potential savings.

Even shoppers who were not searching for promotions were able to capture 54 percent of potential savings by sheer chance, the study found.

An expert on product marketing and shopping behaviors, Talukdar's next study will focus on supermarket retailers' product assortment.

Source: University at Buffalo

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