

Sweet news for specialty stores: You don't need to lower prices to compete, study shows

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(Phys.org)—Specialty stores do not have to compete with supermarket prices to increase sales, according to a recent study from the University at Buffalo School of Management.

Researchers found that [consumers](#) are not concerned about higher prices when [shopping](#) at specialty stores, and that they are more likely to buy items related to their main purchase than at a supermarket.

In addition, specialty stores' customers are more apt to respond to holiday promotions than to sale prices.

Specialty retailers can benefit from the study by adjusting their [sales](#) strategy to focus on premium selection, cross-category items and holiday promotions, rather than price cuts, to increase sales, the researchers say.

The researchers analyzed data from 225 [households](#), comparing candy sales in supermarkets to sales in specialized confectionary stores. They found that consumers preferred buying premium items, like boxed chocolates, from the specialty stores and were not averse to paying higher prices for them in comparison to similar items at supermarkets.

The results showed also that consumers were more likely to buy additional premium candies when at confectionary stores than they were to buy such related items at supermarkets.

Finally, the researchers found that promotions featuring sale prices at the

specialty stores did not have as great an effect on increasing sales as similar lower-price promotions at the larger markets. Instead, consumers responded more favorably to [promotions](#) featuring seasonal or holiday themes, such as Valentine's Day or Easter items.

Provided by University at Buffalo

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