

Understanding of Chinese Consumer Behavior at Community Stores: The Case of Wal-Mart

ZHANG Chan^[a]; ZHOU Yuerong^{[b],*}

^[a] School of Vocational and Technical Education, South China Normal University, Shanwei, China.

^[b] Business English Department, School of Foreign Languages and Business, Shenzhen Polytechnic University, Shenzhen, China.

*Corresponding author.

Supported by:

- 1) The Study on System Construction of Digital Transformation of Foreign Language Majors in Vocational Education (No. GD22WZX02-10), Guangdong Province Philosophy and Social Sciences 2022 Foreign Language Special Project, 2022 Guangdong University Industry-Education Integration Platform "Intelligent Translation Industry-Education Integration Innovation Platform";
- 2) 2022 Guangdong University Industry-Education Integration Platform "Intelligent Translation Industry-Education Integration Innovation Platform" (No. 2022CJPT018);
- 3) 2023 Shenzhen Polytechnic Research Fund (No. 6023310004S);
- 4) 2023 Shenzhen Polytechnic Research Fund: CSR Programs to Enhance Consumer Purchase Intension in Post Covid-19 Period.

Received 15 July 2023; accepted 23 September 2023

Published online 26 October 2023

Abstract

As living standards and consumption power increase, consumers' purchasing power grows, becomes more diverse and complex, causing the community stores to react creating value for communities facing massive challenges. This paper is based on quantitative and qualitative methods, using both questionnaires and grounded theory. The objective of the research was to discover the rationale of Chinese consumers consumption patterns at Wal-Mart, and to map the influencing factors conditioning consumer behavior at Wal-Mart. Our study identifies five influencing factors, including pragmatic awareness, personalization, online store, word of mouth as well as engagement and experience. The study also targets the problems existing in consumer behavior (such as low engagement for its membership and fraud issues) to offer managerial recommendations for community stores to enhance consumer engagement, enhance customer's satisfaction and consolidate their loyalty.

Key words: Wal-Mart; Consumer purchasing behavior; Membership system improvement; Community store

Zhang, C., & Zhou, Y. R. (2023). Understanding of Chinese Consumer Behavior at Community Stores: The Case of Wal-Mart. *Canadian Social Science*, 19(5), 111-122. Available from: <http://www.cscanada.net/index.php/css/article/view/13229>
DOI: <http://dx.doi.org/10.3968/13229>

INTRODUCTION

Community stores are best suited to be located directly in residents' apartment buildings. This growing trend, which developers see as the inevitable development of the "corner store," opens the door to communities centered on having everything people need in one place. Wal-Mart, the world's retail business behemoth, is also the leader among foreign-funded community stores in China. Gu Jianzhang, a Senior Vice President of Wal-Mart China Real Estate Development, in 2019 predicted that community stores should be one of the key points of new stores in the future. In the next 5-7 years, Wal-Mart is about to establish 500 stores and cloud-based data warehouses in China, including Wal-Mart shopping plazas, Sam's Club, and Wal-Mart community stores.¹

In the field of theory and practice of consumption research, significant focus is placed on 'consumer behavior' and its determinants. Consumer behavior is comprised of three phases: pre-consumption, consumption, and post-consumption. Determinants such as time, price, or product might be a pivotal contributor to the behavioral differences. (Affram & Darkwa, 2015; Liu et al., 2015a; Sun et al., 2015). In other words, consumers assume multiple roles when it comes to selecting, purchasing,

¹ <http://www.eeo.com.cn/2019/1122/370135.shtml>

utilizing, and experiencing good and services (Solomon, 2013). For instance, community stores in Hohhot, China can be divided into five types: main community in urban area (MCs), historical community in the urban area (HCs), high-grade community in the outskirts of the city (HGCs), mid-grade community in the urban periphery (MGCs) and mid-grade community in the urban villages (UVs).

Significant differences are shown between different types of consumers in both their online and offline shopping. For example, residents in HGCs have the lowest proportion of daily necessities, while the proportion of jewelry in offline shopping is highest out of all the types of communities. And for consumers in MCs and HCs, offline shopping is the major activity while they mainly shop for daily necessities.

The behaviors in UVs are mostly comprised of buying vegetables in the surrounding vegetable markets and supermarkets. Consumers occasionally go to nearby commercial centers for dining and entertainment. In Hohhot, China, it reveals that consumers' choice of community and where to live is directly affected by their characteristics, and different types of community cannot directly affect by their consumer shopping behaviors, but they directly influence consumption attitude (Niu & Wang, 2021).

However, nowadays, with the advance of technology such as big data, and artificial intelligence, traditional physical stores can't meet the needs of the new era of consumers, so many stores have taken seriously to establish their online stores relying on social platforms, such as WeChat, TikTok, Weibo, etc. Thus, online communities are blooming in terms of this trend (Xu & Hu, 2022). Retailers aim to provide more personalized products and services in a targeted manner for online and offline community stores since the consumers greatly focus on quality of life and self-development. Thus, their demands for products and services are shifting from pure substance functional satisfaction to individualized and spiritual satisfaction (Yang et al., 2021; Lim et al., 2021).

In the USA, people began shopping online in droves at the start of the COVID-19, even when physical stores reopened. Spending in online stores continued climbing to 27% year-on-year growth in e-commerce by March 2022. It illustrated that the US consumers enjoyed the convenience of e-commerce (McKinsey, 2022)². Social commerce is a part of e-commerce and has a positive relationship with customer engagement and community member trust (Algharabat & Rana, 2020). Nonetheless, according to McKinsey (2022), social commerce, already a widespread phenomenon in China, is still nascent in the USA market. If the stores fail to get better at participating and responding well to consumers in the online

community, they will miss out the powerful opportunity to reach and engage the consumers.

In the European market³, research was conducted by Aarhus University, University of Helsinki and KU Leuven, with its data collected from 10 European countries. Given the inflation and conflict of Russia-Ukraine, European consumers are cutting back on certain categories to save money while shopping at stores. Over half (52%) admit they are now checking prices more than they did before the COVID, an increase from 31% in 2020. In other words, there are fewer unplanned purchases but more deliberation about purchases in the society. Apart from financial consideration, sustainability has drawn Europeans' serious attention, such as sustainable food-related habits and sustainable opinions. Consumers as the contributors have the duty to build a climate-neutral continent by 2050 (Strambu-Dima, 2022). The public's demands for food have changed, and the demands for food quality increase today.

It is essential to develop and implement contemporary technologies and e-commerce in the short food chain for EU consumers to easily, conveniently, and promptly buy home producer products, thereby increasing the demand for and supply of such products. This is due to external environmental factors (such as the COVID) as well as changing consumer habits when shopping at a distance (Szwacka-Mokrzycka et al., 2021). As such, the society has already entered the new consumption era, consumer behavior and lifestyles have undergone noticeable changes. There is the coexistence of traditional consumption patterns and emerging consumption patterns in one community store. What changes have taken place in the consumer behavior? How do the community stores embrace the challenge in such cases? Therefore, the study of consumer behavior at community stores is a significant topic deserving of in-depth investigation.

This study has three main objectives: (1) summarize the status quo of Wal-Mart consumer consumption actions, (2) identify the factors influencing consumer behavior, and (3) offer managerial suggestions for community stores to solve the problems existing in consumer behavior. The main significance of this research lies in: (1) This study fills the gap of quantitative research on discovering the factors influencing consumer behavior at Wal-Mart. (2) It provides managerial recommendations for community stores in line with Chinese consumer's characteristics.

1. LITERATURE REVIEW

With the new era of international economies and foreign trade, consumers have access to the broader international community. Through relatively wide media coverage and

² <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/how-us-consumers-are-feeling-shopping-and-spending-and-what-it-means-for-companies>

³ <https://eit.europa.eu/news-events/news/european-consumers-cut-back-food-costs-cope-shortages-and-rising-prices>

loose financial credit, consumers' disposable income has gone up, along with their willingness to try new things. In other words, consumer desires and consumption patterns have changed to a certain extent. This has caused consumer purchasing behavior to become increasingly diversified.

1.1 Consumer behavior

Consumer behavior is comprised of three phases: pre-consumption, consumption, and post-consumption. It extends beyond commercial matters and encompasses interactions with non-profit organizations and government institutions. Consumers assume multiple roles when it comes to selecting, purchasing, and utilizing goods, services, and experiences (Solomon, 2013). Purchase behavior is a distinct and unique action that represents people's needs, desires, and pursuit of material and spiritual interests (Braithwaite & Scott, 1990). Factors that evoke changes in purchasing patterns include social factors, cultural factors, demographic factors, and situational factors (Cici & Bilginer Özsaatçı, 2021).

1.2 Community stores

Community stores are owned and run democratically by members of the community since it is ideally designed directly in residents' apartment buildings. This expanding trend, which developers regard as the inevitable evolution of the "corner store," opens the door to communities focused on having everything we need in one place.⁴

Community stores succeed for a number of reasons. They are much more than stores, but effective mechanisms for safeguarding essential retail outlets in rural areas with certain social, economic most importantly they engage the community and stimulate social activity and community cohesion (Plunkett Foundation Report, 2022)⁵.

According to⁶Starbucks (2022), the coffee shop chain aims to launch and dedicate 1000 Starbucks community stores by 2030. These stores will bolster economic growth and have a huge social effect by including environments for their partners to connect with and engage the communities they serve. And reported by⁷Forbes (2014), neurological connectivity is identified when customers approach the store visit as they would a visit to the home of good friends. In other words, if a customer feels connected to a brand or store, they subconsciously want to shop there. When the stores are able to connect with customers on this level, the store will reap the rewards in the form of more visits, more sales, and even better quality

⁴ <https://www.pdicstoreessentials.com/blog/the-benefits-of-becoming-a-community-store>

⁵ [Better-Form-of-Business-Community-Shops-Report-2022.pdf](https://www.plunkett.co.uk/Better-Form-of-Business-Community-Shops-Report-2022.pdf) (plunkett.co.uk)

⁶ <https://stories.starbucks.com/press/2022/starbucks-paves-way-for-more-inclusive-and-accessible-experiences-in-stores-around-the-world/>

⁷ <https://www.forbes.com/sites/robinlewis/2014/09/02/how-apple-neurologically-hooked-its-customers/?sh=6d4c73ff00>

of sales. Hence, it is pivotal for stores to implement tailored customer relationship management strategies, such as designing multi-layered and community-based relationship as well as creating agglomerative experiences (Woo & Nam, 2020).

1.3 Consumer behavior and customer engagement

There is still a lack of theoretical support regarding the concept of consumer engagement. Although practitioners frequently attempt to incorporate it as one of the key layers of marketing strategies, the academic community appears to be in the process of developing serious reflections and empirical investigations on the subject. But one thing is certain, that customer engagement and consumer purchasing behavior have a positive correlation. The engagement, which is mostly based on an emotional attachment, leads to improved customer purchasing behavior (Barhemmati & Ahmad, 2015). At this point, it becomes useful to acknowledge that the eventual models can focus on at least two primary perspectives: the consumer and the firm.

The first goal is to understand the consumer's perspective, based on the psychological, socio-psychological, and behavioral forces behind engaging (active and collaborative) activities, to research different forms of engaging behaviors, and to identify potential repercussions. These collaborative behaviors can be included in studies of the new shifting consumer cultures from a broader modern perspective. Dobre and Milovan-Ciuta (2015) point out that personality is often linked to instances where consumers are influenced to product purchase and product usage, which is also closely related to individual life patterns.

The goal of the firm's perspective is to focus on customer engagement tactics, studying the value of engaged customers for a business, improving customer acquisition, loyalty, and retention, as well as concentrating on strategic implications of customer engagement. Mittal and Jhamb (2016) suggest that consumers would focus more on the design of supermarkets, the inside and outside ambiance, and other pleasant stimuli. For example, refreshments, the shopping mall environment, promotional activities, videos played in the mall. These can greatly affect the consumer shopping experience

Undoubtedly, customer engagement is helpful to businesses and is thus promoted by many chief marketing officers in order to form a relationship between the company and its customers.

1.4 Consumer behavior and online shopping

Purchasing via the Internet is one of the most rapidly evolving kinds of commerce (Ramus & Nielsen, 2005). Technology driven shopping patterns and consumption behaviors continue to evolve. Consumers in industrialized countries, such as the United States and several European

countries, use the Internet for everyday shopping, and the popularity of ordering groceries online is growing annually in both the United States and Western Europe (Bianchi & Andrews, 2012). Managers of Internet grocery stores seek responses to a variety of consumer behavior questions because this information aids in the development of an effective design and marketing strategy in the online shopping environment and provides a competitive advantage (Andrews & Currim, 2004; Rohm & Swaminathan, 2004).

Electronic food distribution networks have a huge impact on customer purchase decisions. Customers can buy anything, at any time, and from any location in supermarket e-commerce; there are no geographical or operating hours restrictions. The checkout process is quicker than in traditional supermarkets. Consumers have some familiarity with traditional shops. Therefore, they do not need to spend as much time 'getting to know' the range as they would on their first visit (Hanus, 2016). However, a review of the literature on the interaction between online and offline retail channels, including competition, reveals they can be complementary, and a broad sketch of their progression into multichannel forms. It is vital to remember that offline formats benefit from personal inspection and fast delivery, but internet channels reduce travel time and geographic limits (Ratchford et al., 2022).

Based on previous literature, consumer purchasing behavior is the outcome of an integration of individuals and society. The conclusions of different researchers are not entirely consistent, due to the fact that different literatures explore purchasing behavior from different perspectives. Thus, it suggests that more explorations regarding consumer buying behavior are needed. Behavior analysis is critical, to identify the principles guiding consumer behavior through experimentation and more precisely proposing managerial recommendations for improvement.

2. METHODOLOGY

2.1 Research Design

In this paper, the researcher uses both qualitative and quantitative methods that aim to highlight the main factors influencing consumer purchasing behavior in Wal-Mart. The study consisted of 210 people, of whom 60.48% were women and 39.52% were men. Most respondents (82.86%) were between 15 and 34 years old (7.62% were over 45 years old and 2% are under 18 years old). The data were collected through a questionnaire containing 17 questions, using the Wen Juan Xing technique, where it can be completed directly by respondents. Data analysis was performed using the SPSS (Statistical Package for Social Sciences) program. And the data analyzed to confirm the reliability and validity.

Online questionnaires can be surveyed on a large scale quickly and efficiently. The qualitative research method, (by interview) was adopted when the COVID regulations were lifted and used to further enhance the authenticity and flexibility of the data. A total of 30 informants were split into two groups (15 for female and 15 for male). 30 users' s feedback was used to further explore the material from the previous quantitative research in order to gain deeper knowledge and understanding of the research.

Table 1
Overview of 30 informants' profile

	Number of people	
Gender	Male	15
	Female	15
Age	16-25 years old	18
	26-35 years old	12
Education background	College	18
	Undergraduate	6
	Graduate Students	6

The interview time for each respondent was approximately 20-30 minutes. 20 respondents were interviewed by telephone, and the remaining were accomplished by face-to-face communication. All the content was recorded by phone and, if necessary, supported by pencil and paper. The interview process lasted for approximately 15 hours, and 200,000 words of transcript were collected. The outline of the interview was divided into four main sections:

- (1) Basic information about the informants.
- (2) Describe of their consumption action at Wal-Mart.
- (3) What makes in-location experiences more appealing/less appealing than online alternatives?
- (4) Have you ever been a member at Wal-Mart? How did you describe this experience?

2.2 Data Analysis

The validity is done to determine whether the research item is logical and meaningful. In order to confirm the level of data validity, the KMO, commonality, variance rate figure, factor loadings, and other indicators are thoroughly examined. The KMO is used to assess the appropriateness of information extraction, the common degree value is used to reject inappropriate research items, the variance rate figure is used to describe the level of information extraction, and the factor loadings are used to measure the correspondence between factors (dimensions) and items.

If the KMO value is greater than 0.8, the research data is extremely suitable for information extraction; if it is between 0.7 and 0.8, the data is good for information extraction; and if it is between 0.6 and 0.7, the data is more suitable for information extraction. If this number is less than 0.6, the data cannot be used to extract information. The associated p value is lower than 0.05.

Table 2
Validity test

Items	Factor loadings				Communalities
Eigenvalues (Initial)	0.82	0.108	0.076	0.202	0.73
% of Variance (Initial)	12.585	2.398	1.186	1.058	-
% of Cum. Variance (Initial)	52.439%	9.990%	4.943%	4.409%	-
Eigenvalues (Rotated)	52.439%	62.429%	67.373%	71.782%	-
% of Variance (Rotated)	8.661	3.664	2.531	2.372	-
% of Cum. Variance (Rotated)	36.086%	15.268%	10.546%	9.882%	-
KMO	0.905				-
Bartlett's Test of Sphericity (Chi-Square)	2069.826				-
df	276				-
p value	0				-

All the survey's research items' commonality values are higher than 0.4, the p value is 0.00, and the KMO value is 0.905, which is higher than 0.8. The research data reflects the validity from all sides and is excellent for information extraction. The total variance explanation rate following rotation is 71.782% > 50%, while the variance explanation rates of the four factors are 36.086%, 15.268%, 10.546%, and 9.882%. Thus, it indicates that the research item's information can be effectively extracted in its entirety.

In Table 3, reliability is used to study the reliability and accuracy of quantitative data. If the coefficient is greater than 0.8, the reliability is high; if it is between 0.7 and 0.8, the reliability is good; if it is between 0.6 and 0.7, the reliability is acceptable; and if it is less than 0.6, the dependability is poor.

The CITC value is the correlation coefficient between the analysis items that is greater than 0.4. The survey data's reliability coefficient is 0.953, which is higher than 0.9, and all of the item's CITC values are higher than 0.4, showing that the data's reliability quality is excellent and the correlation is strong, both of which can be used for further analysis.

Table 3
Reliability test

Items	Corrected Item-Total Correlation (CITC)	Cronbach α
1. I will plan what I need to buy in advance.	0.58	
2. I will hesitate when I choose to buy similar goods	0.298	
3. Some goods I buy are based on habits rather than likes.	0.536	
4. I buy different brands of similar products is based on the choice of diversity	0.548	
5. I tend to buy goods immediately rather than to plan	0.736	
6. Word of mouth of goods	0.421	
7. Quality of goods	0.752	
8. Price of goods	0.716	
9. Commodity performance	0.737	
10. Likelihood of commodity	0.724	
11. Audience breadth of commodity	0.758	
12. Innovation of commodity	0.795	0.953
13. Variety of goods	0.725	
14. Reputation of goods	0.698	
15. Professional skills of salesperson	0.779	
16. Service attitude of the salesperson	0.807	
17. Marketing campaigns	0.801	
18. After-sales service	0.684	
19. The views from friends, classmates and family members	0.776	
20. Preference for commodity spokespersons	0.679	
21. Distance from supermarket to home	0.523	
22. Supermarket facilities	0.717	
23. Convenient transportation	0.772	

3. FINDINGS

3.1 Gender and generation differences prevail

Women became the main force of supermarket consumption. Among the 210 respondents, 127 were women, accounting for 60.48 %; there were 83 males, accounting for 39.52 %. The proportion of women was 1.5 times that of men, which indicated that women were more likely to shop in supermarkets than men and become the main force responsible for shopping out of the family. In addition, the occupations with the largest number of people were students and enterprise personnel. Students not only have part-time salary and scholarships, but also have plenty of time after school. Wal-Mart, residential areas, and schools, these three parties constitute a small ‘satellite’ layout, which is convenient for them to go out.

Young adults were the major group of supermarket shopping. For the respondents, the age was mainly between 15-44 years old, accounting for 90 % of the total, and most of them were young and middle-aged. On the whole, the young new generation of 15-24 years old accounted for 62.86 %, the youth of 25-34 years old accounted for 20 %, and the group of 35-44 years old consumers accounted for 7.14 %, which proved that the X, Y and Z generations were the main groups of market consumption.

Women were generally more frugal than men. For the monthly living expenses (excluding rent, local transportation and tuition fees), the vast majority of women in terms of expenditure, lay between 500-1500 yuan (accounts for more than 65 %), while only 24.1 % of men. This indicated that men were higher spenders

3.3 Options, price and shopping experience are the key



Figure 1
Factors Affect Consumer Buying Decision

For Wal-Mart customers, plentiful commodities for options (69.52%) were the most important criteria, with price coming in second. This phenomenon differs from the

than women mainly because women in the supermarket preferred to wander around, compare with the price tags, and aim to get cheaper products.

3.2 Saving money still trumps all

There were many different commodities available in Wal-Mart, and respondents have multiple choices for a wide variety of goods there. Snacks (74.29%), fresh food (61.43%), cleaning and toiletries (38.57%), and daily necessities (31.57%) were the four product categories that they chose the most. These four categories matched the nature of supermarkets for people’s lives and satisfied their demands, substantially improving peoples’ daily lives.

The group that spent between 100 and 300 yuan each time in supermarkets came second with 30.95%, which was in line with the student-centered community. There was a noticeable increase between 900-1100 yuan and above 1100 yuan. They chose to buy bulk goods and electronics at Wal-Mart, this segment of the population was nevertheless conscious of the value of “saving money” even though they may enjoy big discounts, free shipping, package installation, and other perks.

The percentages of “I will regret the things I got” and “I tend to decide what to buy without planning” were 3.41 and 3.79 respectively. The highest score for “I will plan in advance what I need to buy” was 5.16 points, proving that respondents have a clear goal and won’t spend too much time making a decision on the spot, which significantly lowered the likelihood of consuming additional things. Shopping with a plan made purchasing more logical, reflecting the pragmatic awareness of the customer.

old idea that “money is the king,” suggesting a change in consumer attitudes. However, this does not imply that the value of the price is unimportant. Price is still a concern

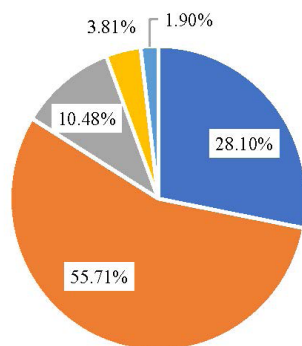
for consumers, continuing to having a significant impact on customers' purchase intentions. The study demonstrates that consumers now have more subjective criteria to consider and evaluate.

Moreover, customers are more likely to pursue personalization and diversification within the acceptable price range. Their strong individualistic inclination toward money and society is reflected in this consuming trait. They frequently dislike traditional things but favor those that reflect their own distinctive qualities.

"The supermarket is spacious" "The atmosphere in the store is pleasant and friendly" These two factors are related to the environmental atmosphere at the supermarket, accounting for 63.81 %, because the supermarket environment is a physical attribute that can attract customers through establishing its own image. A positive shopping environment can be fostered in a well-designed supermarket. This characteristic directly influences how consumers view a brand and the product itself. Personal emotions, ambiance, and shopping behavior are all intimately intertwined. Customers will therefore pay more attention to their own requirements and experiences, as well as spend more money on their own enjoyable supermarket commodities.

3.4 Offline and Online shopping are supplemented

55.71% of all respondents said they visited a Wal-Mart supermarket between 1 and 3 times in the previous month. They usually had two options. The first was impacted by the epidemic and had the practice of buying things at "few times but in more quantities".



- A. Do not go offline store only online shopping
- B. One to three times a month
- C. Four to six times a month
- D. Seven to ten times a month
- E. Over Eleven times a month

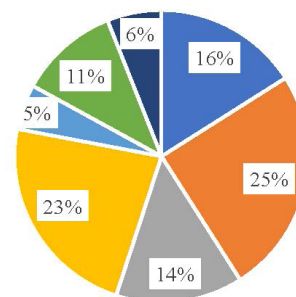
Figure 2
Frequency of Visits to Supermarkets Per Month

Wal-Mart is attractive for customers who have the propensity of "hoarding" because it is close to residential structures and has large parking lots. The second was online shopping, a choice supplemented by the offline store. Although this group of consumers would take into account both physical stores and online shopping, but to a large extent, they were more inclined to online shopping,

Of the respondents, 28.1 % rely solely on online shopping. With the rapid development of technology, consumers can skillfully master the ability of online information search and thus online purchasing is becoming more and more popular and active. Wal-Mart should therefore focus on the online industry in addition to expanding, improving, and strengthening its offline supermarket to suit the demands of various customer segments.

3.5 Good reputation has been difficult to establish for Wal-Mart membership

Only 30% of respondents have a positive attitude to membership at Wal-Mart or agree that it is something worth trying. Nearly 70% of respondents do not have the desire to apply for a Wal-Mart Supermarket membership card. Consumers have lost interest in becoming members as a result of restricted access to membership information. Even if they were member, the absence of professional service would contribute to leaving. Besides, fraud issues have occurred at Wal-Mart. Some customers found that the price discrimination occurs in some regions. Consumers failed to enjoy the same price. The luxury areas are higher almost 40 yuan than the average. Although Wal-Mart claimed that it was caused by technical system problems. For pricing variance, the majority of customers reckon that this issue is a scam. Many members have expressed disappointment after airing they all had the similar experience. Unquestionably, this severe phenomenon would damage its reputations and contribute to loss of trust amongst the public.



- A. Have low awareness of Walmart membership system and lack enthusiasm
- B. Prefer to shopping card / membership card offers many
- C. Do not take the initiative to be a member for complicated procedures
- D. Do not care whether get this membership card
- E. Intent to recommend Wal-Mart membership system to others
- F. Do not have much benefits than other supermarkets
- G. Less favorable in membership service quality and experience

Figure 3
Consumer Attitude for Wal-Mart Membership System

Peer organization's memberships benefits are even less generous than those offered by Wal-Mart. But purely offering discount benefits in the short term may indeed be able to retain a sizable number of price-sensitive

consumers. In the long run, a monotonous membership system will induce members to shift to other brands due to better welfare conditions. If there is no innovation, Wal-Mart will find difficulty in winning a greater share of consumers.

3.6 Personalized consumption and customer engagement are significant at community stores

In the qualitative research section, we employ the grounded theory to study the data and find that personalized consumption and customer engagement, are significant influences conditioning consumer behavior at community stores. The grounded theory was adopted and supposed to generate a theory based on empirical data that is collected from interviews. It is constituted by 3 steps, which are open coding, axial coding and selective coding. In open coding, the researcher encodes the key phrases that are highlighted in the original interview materials.

And then, key phrases are categorized into different parts, based on their respective features. In axial coding, the relationship between each category should be identified and strengthened naturally to form a more theoretical category. In selective coding, the core category will be identified and have a more systematic connection with other categories.

3.6.1 Open Coding

Open coding is the first step of the grounded theory that mainly encodes the original information collected from interview word by word. The key word is conceptualized and categorized throughout time, and by making frequent comparisons, it encourages the creation of new concepts and categories. Considering the limited space, we only extracted the initial concepts that appeared at least three times. This process generated 11 initial concepts whose results are shown below.

Table 4
Open coding process

Open Coding	Initial Concept (Original Information)
Store location	A1: I have the habit of go shopping at the supermarket in the evening and it is not far from my living area, very convenient.
	A2: The Walmart is closed to my residential community, only 10 mins walk.
	A3: I usually do not want to go out and prefer mini program (Online store) in WeChat.
Personal references	A4: I prefer the physical store because the product is tangible and I know the expiry date, the freshness of food, etc.
	A5: Go shopping is a kind of entertainment. And I enjoy selecting the product at Wal-Mart physical store.
Commodity offer	A6: Walmart has plenty of products with domestic and imported brand, so I have many choices.
	A7: A lot of choices and a variety of styles, not just a single one.
Flexibility of online store	A8: Online store has more coupons and are cheaper than brick and mortar supermarkets
	A9: Save time, I don't have to go to the grocery store to buy it by myself, it can be delivered and pick up when I am off duty
	A10: When you buy a lot of things, delivery to the door offered by online store is more convenient than physical store.
Peer Competition	A11: I used to shop at Walmart, but now there are some supermarkets around my living area, more choices for me, and other supermarkets are sometimes better than Wal-Mart.
	A12: Vanguard, Rainbow, and Freashhema are not bad. Walmart is not the first choice
Discount Offer	A13: The price is cheaper and the quality of product is better, on average.
	A14: Buying more affordable stuff with good quality is why I choose Walmart!
Personal selection habits	A15: I always shop around and compare their products to those of a competitor, especially when buying expensive items.
	A16: I often compare similar products to see which one meets my expectations better
Supermarket Service Experience	A17: I have had a membership service but then canceled it and the process of getting a refund was not a good one
	A18: I feel that the product categorization of physical supermarkets is not very clear, sometimes I can't find the products I want on the shelves
	A19: Sam Club has plentiful parking spaces for easy parking and for purchasing great number of commodities at one time. The stores offer carts
Membership Benefits	A20: Great discounts you can enjoy if you become a member, it is only for members. Very special I think.
	A21: Big family and high demand. The products are packed with large volume in Sam Club. Be a member is value for money.
Membership Information Circulation	A22: I don't know what the benefits of being a member are, but I guess it's similar to other supermarket memberships.
	A23: I don't know much about the membership, but might register it if there is a specific explanation.
Membership and Individual Demand	A24: The membership is not really suit for me, there's a mismatch between the system of the membership and my own consumption habits
	A25: You can ask the members to help you buy products at Sam Club, you don't need to sign up for membership

3.6.2 Axial Coding

Axial coding is the second important phase of grounded theory. This is in charge of the cluster analysis of the first stage's influencing factor codes. The possible logical and hierarchical relationships of the influencing factor codes of consumer action are also identified by this study. Additionally, it organizes the linkages and classifies them to provide a more theoretical and illuminating axial code. Thus, axial coding carried out the 12 initial concepts previously extracted and merged them into 6 main categories.

Table 5
Axial coding process

Main Category	Initial Category (Scope in Open Coding)
Personal Recognition	Personal selection habits
	Supermarket Service Experience
	Personal References
Benefits Offer	Discount Offer
	Commodity Offer
Peer Competition	Peer Competition
Alternative Option	Flexibility of Online Store
	Store Location
Membership and Demand Matching	Membership Benefits
Hindered Membership System	Membership Information Circulation
	Membership and Individual Demand
	Commodity Quantity Configuration

3.6.3 Selective Coding

The third stage is selective coding, which systematically analyzes the relationship between categories from axial coding. The core category should be dominant when compared to other categories and be able to include the majority of research findings in a reasonably wide range. From the two previous coding, we performed repeated analyses and comparisons of the relationships between the main categories and abstracted the 6 main categories into 2 core categories. The 2 major factors affecting consumer behavior at community stores were personalized consumption and customer engagement. They are summarized as below.

Table 6
Selective coding process

Core Category	Main Category
Personalized Consumption	Personal Recognition
	Benefits Offer
	Alternative Option
Customer Engagement	Peer Competition
	Membership and Demand Matching
	Hindered Membership System

From the categories constructed above, personalized consumption and customer engagement, are significant

influences conditioning consumer behavior at community stores. From the data analysis from the questionnaires, membership management and personalized behavior reveal the pivotal trend that influences consumers at community stores. Obviously, personalization is an unavoidable point that should be investigated further. A common concern expressed in studies of personalization in retailing from both consumer (Aguirre et al., 2015; Bleier & Eisenbeiss, 2015; Kramer, 2007) and firm (Kalaignanam, Kushwaha, & Rajavi, 2018) perspectives is that personalization is a double-edged sword, eliciting both favorable and unfavorable consumer outcomes (Tucker, 2012).

Personalization evokes consumer attention to the offering by forming self-associations, providing a good fit with customer preferences, and triggering improved elaboration of pertinent information. The effort may be more likely to work in terms of positively impacting purchase decisions by fostering delight, thankfulness, or customer satisfaction (Bock, Mangus, & Folse, 2016; Vesanen, 2007). Personalization efforts can irritate or alienate customers, resulting in negative effects on their purchase decisions and satisfaction (Aguirre et al., 2015; Bleier & Eisenbeiss, 2015).

Due to the low engagement with membership and fierce peer competition, Walmart needs to improve their operation and management in order to boost customer engagement and consolidate brand loyalty. According to several studies, a delighted customer experience can greatly enhance customer loyalty (Biedenbach & Marell, 2010; Morgan-Thomas & Veloutsou, 2013). For example, many consumers claimed that they prefer online shopping rather than traditional grocery because of the convenience. When customers shop online, they do not have to leave their places to physical visit stores, wait in lengthy queues or be stuck into heavy traffic (Jiang, Yang & Jun 2013). In some cases, it is uneasy to shop at a traditional grocery store, because of some reasons, such as lack of a car, time, or physical strength to carry heavy items (Huang & Oppewal, 2006). To fulfill customer needs, Wal-Mart's delivery services must be done efficiently, and attach great importance to consumers sensory experience for meeting the standard of fast, premium and convenient service.

4. DISCUSSIONS AND IMPLICATIONS

Nowadays, consumers want to be a part of the co-creation process in order to create value through an easy purchasing transaction. This is because the consumer has already invested time, energy, and, in certain cases, money in purchasing the things and so tries to become more engaged in the co-creation process to ensure effective delivery (Yi & Gong, 2013). As a result, businesses should try to incorporate customers in the development of efficient shopping methods. For example, there is

an urgent need to ensure supply chains and delivery chains are constantly improved to best suit the customer experience, shorten the shopping procedure. Another important factor in merchant loyalty was efficient staff service. With the help of efficient and effective staff service, customer complaints can be converted into satisfaction and loyal customers (Miller et al., 2000). Weak recovery may disappoint customers for the second time, resulting in consumer movement to the competitors (Lewis and Mccann, 2004).

In the retail industry, the relationship between customer experience and customer satisfaction, incentives (including coupons, recommendation, drawing, etc.) and decent emotions please consumers and contribute to their delight. (Oliver et al, 1997). Similarly, a store's environment also has this function. Singh et al (2006) believe that geographical location for retailers has always been regarded as significant. A good ambience can generate a better consumer experience and have a certain role in determining the likelihood of shifting buying tendencies.

Product experience can increase consumer satisfaction, product attention, and brand reliability (Zarantonello & Schmitt, 2010). When consumers co-operate with a service provider to share fresh ideas, suggestions, and problems with the company, it makes them feel they belong as a result of their commitment (Cermak et al., 2011). Therefore, simplifying the shopping procedure, strengthening customer engagement and improving store management, significantly impacted customers' attitudes and behavioral intentions. Given the problems existing in consumer behavior at Wal-Mart, here are some practical recommendations for community stores to improve them.

4.1 Enhance the popularity and innovation index of membership system

Our research suggests that loyalty membership is likely to forge links with customer engagement for its personal identity and social community, to a great extent. Because consumers who are identified with a brand and its associated communities are more likely to engage through interacting and communicating with other members of the community (Prentice et al., 2019). And community experience can be spilt into three dimensions: (1) information acquisition experience, (2) recreational enjoyment experience, and, (3) social interaction experience (Xu & Hu, 2022). Hence, effectively engaging consumers requires a well-known and innovative membership system with these three features.

Community stores can take the initiative to lower the threshold and provide a one-week free membership trial for all consumers entering the stores, so that customers can realize the obvious difference between members and non-members. Offer proper guidance and introduce the rights and interests of members with the help of experienced members, thus to contribute to the introduction of new members.

Moreover, it is highly desirable to establish a membership database in line with modern science and technology to classify the existing membership groups. According to their consumption habits, characteristics, preferences of members, the database combined with the income, age and other elements of different members, further provides value-added and personalized services to attract and invite more customers.

4.2 Strengthen management to ensure staff building and customer empowerment

Our study has pointed out the significance of professional services offered by the store when it comes to the factors influencing the customer consumption. To improve staff management and customer service standards, community stores draw on multifaceted communication platforms for staff motivation and customer comprehension, to support and engage in the growth of stores operation and management.

Mohammad (2020) refers listening to their feedback and empowering their opportunity for co-development of services using their thoughts as pivotal resulting in increased loyalty. In such cases, the stores, relying on dedicated service, are able to meet different consumer's demands and increase their satisfaction (Papaioannou et al., 2018).

Regarding fraud issue and quality problems, in the study's findings community stores must establish a suitable supervision mechanism. Relevant departments need to establish a traceability supervision system, delegate relevant responsibility to individuals, and strengthen production and delivery supervision at the source. Moreover, stores are responsible for providing a reasonable and prompt justification to the general public, and giving consistent behavioral response to verbal approaches. These measures can establish a good reputation for the store.

5. LIMITATIONS AND FUTURE STUDIES

The study sheds light on the current attitudes of Wal-Mart consumers, identifying the factors influencing consumption and offers managerial recommendations to community stores for resolving the problems existing in the consumer behavior. The key findings have been mapped to four trends. (1) Rational and pragmatic awareness have become increasingly important among the public and word of mouth has remarked effect when consumers make a purchase. (2) Personalization is an evident feature for consumers, no matter they are shopping online or offline consumer. (3) Consumers seem to have been driven to online stores for greater convenience compared to physical stores. (4) Services offered (such as membership) at the community store triggered some problems and urgently need to be optimized for better consumer engagement.

For these changes, managerial suggestions are offered to counter threats to consumer behavior and leverage opportunities to enhance their benefits through a variety of strategies. The practical implications of this study can be discussed in two ways. Firstly, community stores are advised to utilize the results of this study to make adjustments to the factors that influence consumer purchasing behavior, for instance, enhance the popularity and innovation index of membership system, strengthen management to ensure staff building and customer empowerment.

These are conducive to help the stores resolve their management issues, enhance consumer engagement and consolidate customer loyalty. Secondly, Chinese supermarkets can make use of findings in this study to optimize their own operations, differentiate their management strategies, and better cater to the needs of Chinese consumers. Chinese stores are invited to transfer certain power of brand-related decisions from internal party (staff) to external party (customer). An empowered customer is encouraged to take part in the brand community to benefit the advantages from empowerment.

Customer preferences cause customers to pursue their satisfaction when participating in the brand community (Mohammad, 2019). Customer loyalty could be accomplished by the enhancement of customer engagement and satisfaction (Hollebeek, 2011). Apart from that, to fulfill diversified consumer demands, customized and personalized services and products should follow the changing market with the advance of technology.

Quantitative methods have commonly been used in the prior research. But an organic combination of quantitative and qualitative research is more effective than a single quantitative or qualitative study. Consequently, this paper adopted these two methods to discover deeper empirical insights related to consumer behavior.

However, the paper has several limitations, some of which can be addressed in future studies. First, the findings of this research should be interpreted meticulously owing to small sample size of Walmart consumers in Guangdong province. The further research must enlarge the sample number scope to ensure their generalizability. Second, consumer consumption is not an isolated subject, multidisciplinary perspectives are conducive to explore and discover the more thorough consumer purchasing behavior.

REFERENCES

Ahmad, F., Mustafa, K., Hamid, S. A. R., Khawaja, K. F., Zada, S., Jamil, S., ... & Anwer, N. (2022). Online customer experience leads to loyalty via customer engagement: Moderating role of value co-creation. *Frontiers in Psychology*, 13. <https://doi.org/10.3389/fpsyg.2022.897851>

- Algharabat, R. S., & Rana, N. P. (2020). Social commerce in emerging markets and its impact on online community engagement. *Information Systems Frontiers*. <https://doi.org/10.1007/s10796-020-10041-4>
- Barhemmati, N., & Ahmad, A. (2015). Effects of social network marketing (SNM) on consumer purchase behavior through customer engagement. *Journal of Advanced Management Science*, 3(4), 307-311. <https://doi.org/10.12720/joams.3.4.307-311>
- Dobre, C., & Milovan, A. (2015). Personality influences on online stores customers' behavior. *Ecoforum Journal*, 4, 69-76.
- Dudziak, A., Stoma, M., & Osmólska, E. (2023). Analysis of consumer behavior in the context of the place of purchasing food products with particular emphasis on local products. *International Journal of Environmental Research and Public Health*, 20(3), 2413. <https://doi.org/10.3390/ijerph20032413>
- Hanus, G. (2016). Consumer behavior during online grocery shopping. *CBU International Conference Proceedings*, 4, 010. <https://doi.org/10.12955/cbup.v4.737>
- Hawkins, D. I., Mothersbaugh, D. L., & Kleiser, S. B. (2020). *Consumer behavior: Building marketing strategy* (14th ed.). Dubuque: McGraw-Hill Education.
- Hongsuchon, T., & Li, J. (2022). Accessing the influence of consumer participation on purchase intention toward community group buying platform. *Frontiers in Psychology*, 13. <https://doi.org/10.3389/fpsyg.2022.887959>
- Javornik, A., & Mandelli, A. (2012). Behavioral perspectives of customer engagement: An exploratory study of customer engagement with three Swiss FMCG brands. *Journal of Database Marketing & Customer Strategy Management*, 19(4), 300-310. <https://doi.org/10.1057/dbm.2012.29>
- Kotler, P., & Armstrong, G. (2017). *Principles of marketing: An Asian perspective*. Singapore: Pearson/Prentice-Hall.
- Mittal, A., & Jhamb, D. (2016). Determinants of shopping mall attractiveness: The Indian context. *Procedia Economics and Finance*, 37, 386-390. [https://doi.org/10.1016/s2212-5671\(16\)30141-1](https://doi.org/10.1016/s2212-5671(16)30141-1)
- Niu, F., & Wang, F. (2021). How does China's new consumption era reshape residents' shopping behaviors from the perspective of community in Hohhot, China. *Sustainability*, 13(14), 7599. <https://doi.org/10.3390/su13147599>
- Ratchford, B., Soysal, G., Zentner, A., & Gauri, D. K. (2022). Online and offline retailing: What we know and directions for future research. *Journal of Retailing*, 98(1). <https://doi.org/10.1016/j.jretai.2022.02.007>
- Rieger, A.-S., Klein, J. F., Merfeld, K., & Henkel, S. (2021). Technology-enabled personalization in retail stores: Understanding drivers and barriers. *Journal of Business Research*, 123, 140-155. <https://doi.org/10.1016/j.jbusres.2020.09.039>
- Singh, V. P., Hansen, K. T., & Blattberg, R. C. (2006). Market entry and consumer behavior: An investigation of a Wal-Mart Supercenter. *Marketing Science*, 25(5), 457-476.

- Szwacka-Mokrzycka, J., Rivza, B., Lemanowicz, M., & Uljanova, E. (2021). *A study on consumer behaviour in the food market Eastern European countries case*. Poland: Warsaw University of Life Sciences Press.
- Tao, H., Sun, X., Liu, X., Tian, J., & Zhang, D. (2022). The impact of consumer purchase behavior changes on the business model design of consumer services companies over the course of COVID-19. *Frontiers in Psychology, 13*. <https://doi.org/10.3389/fpsyg.2022.818845>
- Vivek, S. D., Beatty, S. E., & Morgan, R. M. (2012). Customer engagement: Exploring customer relationships beyond purchase. *Journal of Marketing Theory and Practice, 20*(2), 127-145.
- Woo, E., & Nam, K. (2021). Designing community-based local shopping experiences. *Design Management Review, 32*(3), 38-43. <https://doi.org/10.1111/drev.12270>
- Xu, X., & Hu, Z. (2022). Effect of introducing virtual community and community group buying on customer's perceived value and loyalty behavior: A convenience store-based perspective. *Frontiers in Psychology, 13*. <https://doi.org/10.3389/fpsyg.2022.989463>
- Yi, Y., & Gong, T. (2013). Customer value co-creation behavior: Scale development and validation. *Journal of Business Research, 66*(9), 1279-1284. <https://doi.org/10.1016/j.jbusres.2012.02.026>