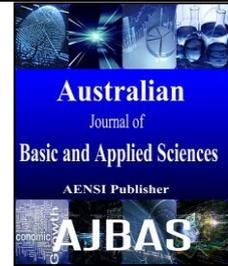




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## Supermarket's Executives and the Decision Process about Format, Location and Price Policy

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### ABSTRACT

**Background:** The advantages that the hypermarkets had with relation to the smaller size stores in Belo Horizonte, Brazil, especially during the inflationary period, were substituted by the convenience of the location, of a smaller selling point and of the shorter period of time for the consumer's shopping. The retailer's client became selective and with more purchasing options during the 2000 decade's years. The cultural and ethnic diversity of the Brazilian population reflected in their consuming habits and, by consequence, motivated the retailers to incorporate services and to improve the composition of the mix of products that were put for sale. **Objective:** This article has as its main objective to analyze the Brazilian supermarkets owners' decision process when choosing the format, the store's location and the price policy formulation. The proposition is to explain how other factors – the historical, economic-social, competition and client's factors – interact in these decisions. **Results:** No evidence was found that price was the fundamental factor to attract clients when the store's format is associated with the consumers with greater purchasing power, or when the store's location is far from the competitors. The supermarket executive, in a certain form, takes advantage of the consumers' access to other stores to practice the flexible price policy and, even then, the choice option of a store by the client with smaller purchasing power is due to the convenience of the location. **Conclusion:** It makes sense to conclude that the micro theory generated in this research gave evidence that the historical factors and the personal characteristics of the supermarket executive, are predominant elements in the decision process about the choice of the stores' format and localization, as also, is a smaller scale, in the formulation of price policies.

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### INTRODUCTION

Up to the end of 1950, the options for supplying the population of Belo Horizonte (BH) were offered by the grocery stores, bakeries and butcheries and by the Central Market. According to the Supermarkets Association of Minas Gerais (AMIS), the first supermarket in BH, started its activities on the 9<sup>th</sup> of January of 1958, called ServBem. In the 60s some of the supermarket chains prospered, with selling areas that ranged from 200m<sup>2</sup> up to 1,000m<sup>2</sup>, with 2,000 items that were distributed between grocery, cleaning material, perfumery, horticultural, butcher, bakery

sections and a small area with housewares. The supermarket chains that were more representative were: Mercearia Bandeirantes, Supermercados EPA, Supermercados Pag.Pouco, Manda Brasa and the chain from Rio de Janeiro CB Merci.

In the 70s the first hypermarkets were launched. The pioneer (1973) was Jumbo, which belonged to the Pão de Açúcar group, with 8,000m<sup>2</sup>. With the inflation and recession, which started in the end of 1970's decade, great challenges and opportunities aroused for the supermarket segment. The biggest challenge was related to the stock and price management, which gave new opportunities to

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the retailers who knew how to deal with the aggressive policies of stock turnover and pricing.

On September the 10<sup>th</sup>, of 1980, the French chain Carrefour inaugurated their first hypermarket in Contagem/Minas Gerais and the second on the 31<sup>st</sup> of June of 1985, in the first Shopping Center of BH. The Paes Mendonça, Bom Marchê and Via Brasil groups also inaugurated their stores and initiating the hypermarket format in the state's capital. The Hyper model was an effective answer to the consumers that needed to buy large quantities in the same day that they received their salaries, as a form of preserving their money from the inflationary devaluation.

In the first half of the 1990 decade, the retail sector continued to deal, by one side, with the adversities that were the result of the turbulent economic environment, price control, and unsuccessful economic plans and, on the other hand, the consumers' dissatisfaction, supply shortage and the loss of buying power. In spite of the adversities, the sector registered an expansion of supermarkets and limited assortment stores. The economic environment deteriorated with the hyperinflation and the successive economic plans which ended in what Campos (1994, p. 1240), named as the "mega shock's brutality" perpetrated by the economic team in the beginning of Collor de Melo's government.

In 1995, soon after the economic stabilization, the investment flux was restored for the large retail formats. The currency's stability allowed that the retailers' investments to be directed to the information technology, to the improvement of the storage processes and the distribution of goods, starting from the industry up to the distribution centers and going right through to the exposure and replacement process of the shelves. The shelves space – *Facing* – started being controlled as a revenue generator and as a margin contributor. At the cashiers' front, a bottleneck that generated the larger number of complains and of the clients dissatisfaction due to long waiting time in the cues, new equipment were installed in order to reduce the client's check-out time, using, for example, electronic scales, bar code readers, computers exclusively dedicated to the cashiers, check filling machines, terminals to receive credit cards, among others.

The movements and changes in the food retail sector in BH can be exemplified by the EPA's chain's experience. Up to 1995, the chain focused their efforts on the C, D and F consumer classes. From 1998 forward, the management decided to invest on the A and B consumers' classes, creating a trading name – Mart Plus, specializing and training their employees, allocating their units to the areas where there were a concentration of A and B class consumers, participating as an anchor in a Shopping Mall.

During 1998, Carrefour inaugurated in Pampulha area its third supermarket. In 1999, Wal

Mart, operating a hypermarket and the Sam's Club, with a format of a "shopping club", as a form of competing in this market's segment that had the Makro and Apoio trademarks.

The years of 2000 and 2010 were characterized by the consolidation of the supermarket sector by large economic groups. Without the inflation, the market and the Brazilian consumer became attractive for new investments in the food retail sector, both by the association between companies as by the arrival of new retailing groups.

In the beginning of 2000, the EPA chain form with the former owners of the Mineirão chain, which had been bought by Carrefour, an incorporated company called DMA – Distribuidora Mineira de Alimentos (Minas Gerais's Food Distributor) – concentrated in the format of small supermarkets and neighborhood stores. In 2008, DMA occupied the eighth position in the Brazilian ranking in the food retail food sector's sales, operating with EPA, Mart Plus and Via Brasil flags.

The advantages that the hypermarkets had with relation to the smaller size stores, especially during the inflationary period, were substituted by the convenience of the location, of a smaller selling point and of the shorter period of time for the consumer's shopping.

The retailer's client became selective and with more purchasing options during the 2000 decade's years. The cultural and ethnic diversity of the Brazilian population reflected in their consuming habits and, by consequence, motivated the retailers to incorporate services and to improve the composition of the mix of products that were put for sale. Kotler (2000) points out that the increased access to information allowed the consumer to be previously acquainted about the products' qualities, characteristics and its price quotation, making the consumer more capable of deciding where and from whom he wanted to purchase the products that he desired.

According to the *Food Marketing Institute*, FMI, (2009), Willard Bishop Consulting (2005), Levy and Weitz (2000), Parente (2000) and Pires (2012), around 17 different store formats in operation in the current retail market, beyond the hybrids and derivations are mapped: (1) Grocery store, (2) Supermarket, (3) Neighborhood Supermarket, (4) Hypermarket, (5) Super Store, Super Store and Pharmacy, (6) Stores of Limited Assortments, (7) Convenience Stores, (8) Convenience Stores in Gas Stations, (9) Warehouse Store, (10) Super Warehouse Store, (11) Shopping Clubs, (12) Mini Shopping Clubs, (13) Super Centers, (14) Discount Pharmacies, (15) Discount Stores, (16) Internet, (17) Vending Machines.

The current diversity of formats in operation in the retail sector can explain, in part, how the consumers' choice system has become complex when deciding to purchase goods. Specialization and

segmentation have become a significant fundamental attribute for the retail supermarkets operators business' sustainability.

This article has as its main objective to analyze the Brazilian supermarkets owners' decision process when choosing the format, the store's location and the price policy formulation. The proposition is to explain how other factors – the historical, economic-social, competition and client's factors – interact in these decisions. To reach these objectives, the research used an interpretive and phenomenological methodology, based on the *Grounded Theory*. The research was aimed at the company's founder or successor, differently from the manager / hired executive.

The research's relevance is concentrated in two frontiers. On one side, there is a low concentration of researches about the retail marketing strategy area in which the analysis nucleus is focused on the retail operator's perspective. On the other side, it was considered important to answer which are the determined factors that attract clients, starting from the decision making process about the store's format, location and the price policy.

The research had the objective of answering three specific issues: (1) the diversity in the formats of the retail food stores and congeners is the result of economic fluctuation; (2) the price is the main inductor to attract the client; (3) the retailers operators' actions are emergent and have an intuitive base and not many are determined by the client's demands.

The main theoretical references used in the article and related to the research's objective are concentrated in the business strategy theory field, with emphasis on the format and store's location and price formation policy studies. It was also important to consider the historical aspects of the supermarkets genesis in the State of Minas Gerais.

Simon's (1957) limited rationality exam's constructs and those of Mistzberg (2006) about the emerging strategies' contextualization were used to give support to identify the strategies used by the supermarkets executives to attract clients. About the format and the stores localization theme, prevailed as the main constructs the studies developed by Levy and Weitz (2000), Parente (2000), Churchill and Peter (2000), as also Rosenbloom (1981) and Porter (1986). The studies carried out by Gauri *et al.* (2008), Trivedi and Grewal (2008), Parente (2000) indicate processes to define format and the location of stores. About the issue of price formation policies, the approaches that were observed are those proposed by Popkowski Leszcyc and Sinha and Sahgal (2004) related to classifying pricing strategies.

#### **Theoretical reference:**

#### ***The Supermarket Stores' Formats and Locations:***

Addressing the theme about retailer's format, Kotler (2000) pointed out that the macro-environment, composed by the demographic, economic, natural, technological, political-legal and sociocultural environments, is a remarkable factor in the successful companies. Still according to Kotler (2000), the store's format presents an important level of dependency with relation to these macro-environmental elements.

Levy and Weitz (2000) highlight that, starting in the 20s, new formats were incorporated in the retailers' segment: the Specialist by Category, represented by the discount stores that offer a small variety, but a large choice of products, as for example, Office Depot, Warehouse Stores, represented by a specialist of construction articles, for example Home Depot; Warehouse Clubs, merchandise retailers that offer a small variety of products with some services and offer a low price for the final consumers and small retailers, for example, Sam's Club; Discount Stores Retailers that offer an inconsistent assortment of textile goods that are orientated by fashion and low prices, for example, T.J.Max; Factory Outlets; Catalogs' Showrooms; Hypermarkets and Supercenters; Service Retailers, for example, Blockbuster, that offer night services, external return boxes at the shop.

Parente (2000) presents a preliminary retailers' classification and formats in the following form: By Property – independent, chains, franchise, rented departments and marketing vertical systems. Institutions with Stores – Food stores, nonfood stores and of services; Institutions without Stores – direct marketing, direct sales, vending machines and virtual retailers.

In an historical post Second World War analysis, in the United Kingdom, Alexander (2008) showed the association between the retail store's format and the society's evolution. He argued that after the period of war, the diversity of stores intensified. There reasons are multiple and determined by factors that are present within the chains' operational context and also because of the greater participation of the cooperative chains in the market share. As one of the conclusions, the author highlights the development of the operators' know-how as one of the reasons for the emergence of new formats.

Bhatuagar and Ratchford (2004) demonstrated by means of a theoretical model, that the format is a cost function (displacement, stock, consumption level, perishable goods). Fox, Montgomery and Lodish (2004) pointed out that clients are more flexible to substitute stores with a format that have as their focus the sales of basic necessities – grocery products –, than the other formats, such as supercenters, convenience stores that have several departments.

Gauri *et al.* (2008) indicate that the dependent variable's strategic formation to define the supermarket stores' formats are: service level, annual

income, family size, population per square km, competitors' average distance, in km, the proportion of stores with the same format.

About the stores location, Pellizarro and Teixeira (2008), highlight the location's importance in the marketing mix. They quote Browns (1989), which states that the "location, location and location, are the three basic factors for the stores' success". The authors concluded that other than the *size and distance*, the base of Huff's (1964) model, other factors are relevant for the choice of a store's location, such as: image, rent, investment in constructing and adapting the property, road access, parking space, the vehicular traffic direction, local topography, among others.

Hernández and Bennison (2000), having as a base the researches developed in retail companies, demonstrated that 84% of the companies use their own experience as an element in the decision process to establish the store's location. Hernández and Bennison (2000) study was developed in the United Kingdom, based on the data of more than 50,000 outlets, in 8 distinct retailer's operations. According to the cited authors, tradition, intuition, common sense and experience are relevant characteristics to identify new areas to establish new supermarkets.

Almeida (1997) ratifies Hernández and Bennison's (2000) research, in a study developed by the Retail Administration Program (PROVAR – Programa de Administração de Varejo), of the Business Institute Foundation of the São Paulo University, 1996, covering a universe of 2,348 stores. The research showed that the great majority of the managers made decisions about expansion and the stores location based on "intuitive procedures".

### **Pricing Policies:**

Treading prices under a microeconomic variable, Slade (1998) shows two costs that associate themselves with the price adjustments: fixed and variable. The fixed costs are those that do not change and are independent of the size of the change in the market. The variable cost, on the other hand, increases with the size of the change in the market and carry incentives for being adjusted with more frequency and in small quantities.

According to Galata, Bucklin, Hanssens (1999), the price's formats – as most of the other retailers' formats – are subject to an extensive variation. Among the available "price's formats", the literature emphasizes the competitive theoretical model developed by Lal and Rao (1997): (1) (EDLP) *Every Day Low Price*, and (2) (PROMO or HILO) *Promotional Price or Hi To Low Price*.

Kotler (2000) presents six stages to establish a price policy: a selection by the company's objectives base on the survival, profit expectation, larger market share, leadership in product's quality; demand estimate and probable quantities to be sold; production estimated production and differentiated

offers for each type of market; examination of the competitors costs, prices and offers; Selection of a method to determine prices and the selection of the final price, taking into consideration the psychological prices, the influence of other mix elements over the price, the company's price policies and the price impact over the third party.

The policies' route cycle related to price, associated with retail, according to Levy and Weitz (2000), begins with the retailers attracting clients with low price offers and little service. Later, the retailers, with the objective of expanding their business, start stocking the most expensive goods, offering services and opening stores in more accessible locations. As the result of the exchange process between the involved agents, new opportunities are created for new retailers, with low price policies, to enter the market.

A quantitative research carried out by Freymann (2002) concluded that only a few consumers know the exact prices of the products that are bought regularly and that, since they do not know the exact price of these products, the consumers do not use personnel references about prices and the first source of knowledge about them. It also concludes that consumers, initially, select the store or supermarket to do their shopping, based on location and not the price – "In fact, the consumers listed a number of reasons to determine where to shop, being that the price is not on the top of the list" (FREYMANN, 2002, p.21). The author also concluded that the consumers do not use the price reference to develop their loyalty to a determined store.

Highlighting the representativeness of the price component, Rojo (1998) identified that the low prices, offers and promotions are the main attribute pointed out both by the consumers of the C/D classes. The author comments that these data reflect the perception of the supermarkets' chains that were interviewed in the Greater São Paulo, which highlight the price as being the main attraction for the consumers,

On the other hand, Rojo (1998) declares that, although the consumers do give a lot of attention to the price, the supermarket will not be capable of retaining their clients if, other than competitive prices, do not offer good services, quality, hygiene and variety. Another point that was addressed by the author, reflecting the research's results with the supermarket executives, is with respect to the client's dissatisfaction with the supermarket's prices – "the lower the better".

About the strategic question in opting for the EDLP or HILO price policy, Levy and Weitz (2000) classify five elements that beneficiate the EDLP model with relation to high and low prices: (1) reduced pricing wars, allowing the retailers to leave price wars, for once the clients discover that the prices are fair, they will buy with more frequency; (2) reduced publicity due to a better price stability (2)

reduced advertising due to a greater price stability; (3) better client service, without agglomerations motivated by successive promotions; (4) better stock management and a smaller lack of products/goods, since the EDLP reduces large demand variations and (5) increased profit margins – although the EDLP prices being, generally speaking, lower and the price fluctuation are smaller.

About the question of how the theories can explain, or not, the supermarket's behavior, including here the pricing policy, Kunkel and Berry (1968, p. 274-287) consider that "even that the literature about Pricing has treated the subject with greater emphasis, this knowledge has not progressed". They complete saying that, principally, the "image" characteristic, in which recognition of price is inserted, has been conceived as something that is tangible, vague, and amorphous and as an immeasurable phenomenon.

## MATERIALS AND METHODS

The research's methodology is of qualitative and descriptive nature, similar to a case study. The empiric focus is situated on the food and congeners retail segment – supermarkets. The initial proposition is to describe the existing relation between the adopted attraction strategies by the supermarket's retail operators using the theory based on data – *Grounded Theory*. The *Grounded Theory* refers to an inductive methodology, although it is also considered by some researchers as a qualitative method. It is defined as a general method that, by systematic research mechanisms, can generate a theory. In accordance with Strauss and Corbin (1998), a theory based on data tends to look more like the "reality" than a theory derived from the reunion of a group of concepts conceived by speculation, not assuming a theoretical framework, not knowing, in advance, what is relevant.

The research's procedures followed the following stages: (1) Preparation; (2) Data Collection; (3) Analysis performed through

substantive coding; (4) Documentation; (5) Integration of the material produced in course of the documentation process, in a manner that it would stimulate the emergence of new theories and new interaction between conceptions. The analysis' universe present in the research was concentrated in the founders, partners, and supermarkets' successors. The choice of the supermarkets was by convenience.

The first phase of the field activity had as its objective to explore in a nonsystematic form the issues, barriers and limitations that could interfere in the search of data and fundamental elements for the study. One of the preliminary activities of the field work was an "investigation" about the project's receptivity with some of the supermarket executives present at the 24<sup>th</sup> SUPERMINAS – Minas Gerais Supermarket Convention. The possibility of exploring the issues that were to be treated, still without a defined systematic, had as its objective to facilitate the field work's sequence, mainly for the construction task of constructing the interview and observation plan.

In the second phase of fieldwork, the objective was to evolve to the semi structured interviews with a previously defined script and scheduled within an adequate space of time, which would not compromise the interviews' quality.

In the final fieldwork's stage, it was important to verify with the respondents, some of the categories that emerged from the executed analysis with the objective of giving a stronger density in the theory's construction.

Additionally, 485 questionnaires were sent, by electronic means, to the supermarkets. The selected tool for sending the survey was the *Google Docs*. The research aimed in adding content and support with the objective of triangulating the data that was obtained in the field research. The percentage response rate was of 3.96% of the sample that was sent.

The following table shows informations about the companies that were researched:

**Table 1:** Informations about the researched companies.

Company	Format	No. Shops	Average Area by Shop m <sup>2</sup>	Public's Profile	Gross Sales 2010 (Millions)
Apoio Mineiro	Wholesale and Retail	4	8,000	C / D / E	\$408
Verdemar	Neighborhood / Gourmet	6	1,294	A / B	\$275
EPA	Neighborhood	77	1,618	C / D / E	\$1.930
Mart Plus	Neighborhood	8	1,750	A / B	NI
Via Brasil	Hipermercado	3	9,000	C / D / E	NI
Super Nosso	Neighborhood	12	1,816	A / B	\$720
Opção	Neighborhood	10	4,000	C / D / E	NI
Superm BH	Neighborhood	110	818	C / D / E	\$ 1.542
Armazém Júlio	Grocery	NI	300	C/D/E	NI

Source: Data from the Research

### Data's Exploratory Analysis:

The process for the analysis of the collected data during the research's construction phase followed the following stages: (1) the questionings' elaboration about possible significance and the (2) conduction of

the field's process, according to Strauss and Corbin's (2008) recommendations, (3) data's analysis. In this phase, the activities were concentrated in the search of the conceptual categories' identification, in understanding the relations between the categories,

of the propositions' tests and the theoretical sampling. The central objective in this phase was to construct valid and reliable propositions, besides the attempt to present the generated theory's construction

The table below summarizes the topics that were treated in the several approaches when collecting data with the supermarkets' executives.

**Table 2:** List of Topics.

1	The retail operators strategic decision making process
2	Historic constituent elements for the client attraction strategy's formation
3	The possibility of alignment with the Marketing schools
4	The interviewed supermarket executive's decision making process
5	The clients' attraction strategy based on Gauri's <i>et al</i> (2008) conceptual model
6	Analysis and discussion about the stores location and format theme
7	Store Opening
8	The store's size and type
9	The decision process to define the store's location
10	The online store
11	The economic situation
12	Analysis and discussion about the price policy' decision making formulation process
13	Price Research
14	Cost / Markup
15	Competition

Source: Elaborated by the authors

### Results:

In the observations and analysis of the interviews, it was possible to observe in the supermarket's executives' speech several aspects that characterize these constituents' decision process: as for the location, store's format and the decision about the establishment of price policies, these executives give privilege to intuitive aspects and personal experience rather than systematic studies and methodological tools.

The attribute "format", which is closely linked to the location where the supermarket will be installed. In the interviews' analysis, the indicated assumption indicated in one of the research's specific objectives, was not confirmed, which investigates if the diversity of the food retail stores and congeners' formats are the result of the economic fluctuation. The respondents considered the economic issue relevant when the local population's income helps to define the store's format. However, the format attribute is closely related to the store's location due to geographic, socioeconomic and competition aspects.

Still about the attribute "format", the casual conditions – the historical factors, the economic factors, personal characteristics and family factors –, share spaces with intervening conditions – competitors and client. Starting from this combination, two types of behavior were identified that support the research's central category: the intuition and the emergent action caused by the short-term changes, being that this emergent action "the intuition, the feeling" – dominate the discourse's analysis.

The attribute "location" was the one that stood out among the other attributes that were researched with the supermarket executives. In a certain manner, the location choice is the determined element to open a store, constituting a personal decision by the

supermarket's executive, in most of the cases that were analyzed.

In the interviews, the personal character was evident when the supermarket's executive had to decide about the store's location. It was possible to conclude that it is common for the managers to run the companies without having enough information that would minimize the occurrence of risks when opening a store or to ensure competitive advantages of the existing stores. A smaller number of respondents use systematized tools to justify a decision, however, they mention the "feeling, the experience", when they have to decide about the location of a determined store. With smaller emphasis, factor such as disposability of a determined geographic space to install the store, the region's socioeconomic aspects and competitors, were mentioned

When analyzing the research's results about the attribute "price", it was possible to identify in the supermarkets executives' discourse, characteristics that are strongly associated with the format and location of the store

No evidence was found that price was the fundamental factor to attract clients when the store's format is associated with the consumers with greater purchasing power, or when the store's location is far from the competitors. The supermarket executive, in a certain form, takes advantage of the consumers' access to other stores to practice the flexible price policy and, even then, the choice option of a store by the client with smaller purchasing power is due to the convenience of the location.

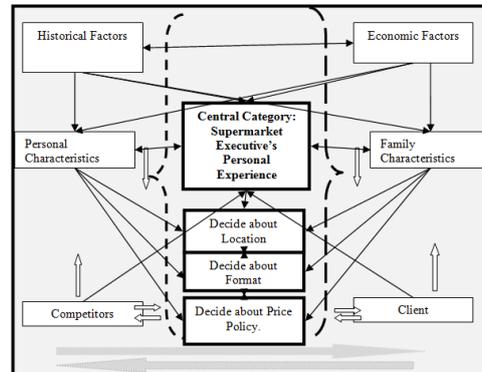
### Conclusions:

The theory that was generated in the research, according to Figure 1, show that the personal and professional experience of the supermarket executive – owner, founder, successor –, is the determinant

factor in the decision making process about the store's format, its location, and when defining the price policy.

The majority of the supermarket's executives that were interviewed declared that these decisions

are strategic and significantly important to the organization, being that the power delegation is limited to the hired managers, especially when of the format decision and the approval of locations for the new stores.



**Fig. 1:** The Generated Theory's General Scheme.

In the research's data analysis it was possible to formulate the following question: is there a direct correlation between the division of power and the administrative decentralization in the supermarket company's environment that favors the use of marketing structured tools to back up the decision about where to locate a supermarket, define its format and to establish a price policy?

Based on the elements that were extracted from the analysis, confronted with the theories of limited rationality, of evolution and of emergent strategy, as well as the construction of this research's theory, it seems to us that the statement is valid, however, with differentiated intensities. The supermarket executive's power delegation to his managers in order to define the format, suggests that it is less frequent that when defining the location, and lastly, when the format determines the price policies. The format's determination is an intrinsic element in the supermarket executive's professional life and, in some cases, he maintains the same format since the beginning of his activities, very seldom calling upon his managers and other executives decision power.

As for the location, this, due to its nature and specificity, has a direct link with the business' format. Also, the decision about the price policy arises from the format's choice, as also it is affected by the competition in the primary and secondary areas where the store is located.

Thus, it makes sense to conclude that the micro theory generated in this research gave evidence that the historical factors and the personal characteristics of the supermarket executive, are predominant elements in the decision process about the choice of the stores' format and localization, as also, is a smaller scale, in the formulation of price policies.

The Figure 2, below, demonstrates symbolically, by using the body and the direction of the arrows, the

distance and the degree of responsibility of this agent in the decision process.

As a contribution to the theory, the study shows the necessity of learning more about the "retailer's behavior", that does not mischaracterize the importance of always needing to understand of how the consumer behaves, mainly due to the speed that the consumption habits modify.

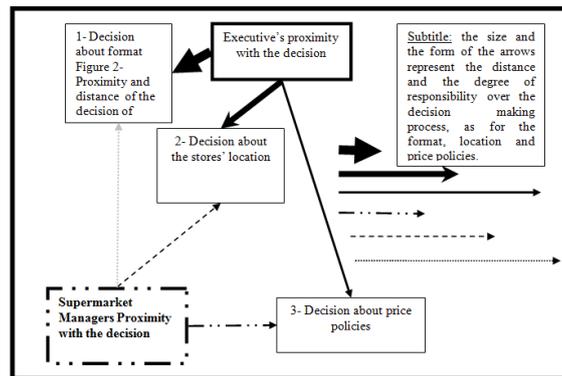
As a contribution to the management practice, new researches could subsidize case studies with supermarkets in other regions and cities of Brazil, in order to continue the study about supermarkets executives' behavior in other areas related to decision making, for example: (1) criteria in the selection and hiring managers; (2) criteria when choosing the service of an advertising agency; (3) criteria for new investments, partnerships and associations; (4) criteria when choosing a supplier and when relating with the industry. The elements and findings that allowed the construction of the generated theory are also relevant for a research of other stakeholders, for example: the admission of new partners, when composing the organization's risk analysis for financial agents, when studying the possibility of a merge, association and strategic alliances with other companies. Study the relation between the proximity of the decision between new supermarket partners that concentrate in the decisions and conflict generated by this behavior suggests that it is one of the fundamental issues for a smooth progress of the company's business.

#### **The Studies Limitations:**

The discussion about limits and potentialities, the historic analysis, the taxonomy that were presented in this research has ample space to be more profound and detailed by future researches. As an example, the research is delimited in a restricted universe that reduces the spectrum of new visions

and perceptions of other supermarkets, in spite of the data's extension, that were obtained by means of a

survey via questionnaires sent by the *Google Docs* software.



**Fig. 2:** The Supermarket Executive's Proximity in the decisions about the format, localization and price policies. Source: Elaborated by the authors.

In accordance with Charmaz (2006), the theoretical construction tends to be more of a phenomenon's interpretive representation investigation than of its "true image". The theory also emerges from the direct collaboration of the respondents; build on the phenomenon's comprehension by part of the researcher. Thus, the research's central limitation is related to its character and the fact that it is located in a specific context, and still remembering Charmaz (2006), when he highlighted that the facts and values cannot be separated and that every truth is temporary.

Following the same line of thought, another limitation of the research is the fact that the data's collection included only a reduced number of supermarket executives, which may have contributed to the generation of a certain bias in the discourse's analysis of these agents, mainly as to the strong predominance of the "intuition and personal" factors in the decision process about format, localization and prices in the supermarket store.

The research limited itself in analyzing the supermarket's founder and successor, practically isolating this agent from the other stakeholders, more specifically managers, suppliers and consumers.

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