

# Customer loyalty and retail supermarkets questionnaire

[Business](#), [Marketing](#)



The questionnaire is designed by the researchers a seven item scale from tryingly disagree (-3) to strongly agree (+3) to identify variables of customerloyalty. In the present study, we, therefore, used Cockroach's alpha scale as a measure of reliability. Its value is estimated to be 0. 897.

Sophisticated statistical model as 'Exploratory Factor Analysis (FEE)' has been used. The results show that nine factors extracted from the analysis that together accounted 77. 891 percent of the total variance.

Finally, on the basis of factor score, these factors were ranked (1)sales promotion'; (2) 'Provision of information'; (3)engagement'; (4)recommendation of the Product or Service';(5)new brand';' (6) 'The value of brand'; (7)eliminative'; (8) 'Bench Marking' and (9) 'Environmental friendly organization' got the ranks of first to nine respectively and constitute the key factors of customer loyalty in leading retail supermarkets in I-J. Moreover, outcome of the research would be helpful to the practitioners, researchers, planners, policy makers and academicians, who are involved in the concerned area.

Keywords: Customers; Customer Loyalty and Retail Supermarkets. 1. 0

Background and Significance In the ever-changing business world, almost every organization pays most attention o the customers ever than before. For any organization, good understanding of customers, their needs and wants, their expectations on price and quality of goods and services increase the potential to succeed. As a result, customer centered marketing has occupied the top place in modern marketing concept. Every organization is

ready to pay any means to identify and understand the customers and their needs.

Consumers' reaction will be in favor of an organization when their desires and expectations have been either met or exceeded in the course of experiencing the service. In the context of a retail supermarket, satisfaction could be interpreted as just meeting the expectations of the customers, not any sort of exceeding or falling short of the expectations. Most of the retailers try to achieve competitive advantage by taking the responses of the customers beyond the level of 'just satisfied' towards 'exceeding their expectations'.

Pleasing customers are very harder today (Kettle, 2003). Customers are more challenging component for any organization rather than their competitors. Their buying behaviors are fickle, at least three times a year expecting the best deal from the suppliers. Besides the above, the worst thing is ninety percent of dissatisfied customers just switched to another supplier without complaining to former supplier (Kettle, 2003). A marketing strategy which is considered today as the best one may not produce same results in future.

Thus, every organization must pay their attention in complete satisfaction of their customers. Since, highly satisfied customers more likely become loyal customers and potentially buy the new products introducing by the company and shows the word of mouth and also pay less attention about competitors and other brands as well. Above to all, considering cost related to customers,

cost for retaining existing customers are very less than acquiring the new customers and also existing customers are much more profitable in many ways for instance, word of mouth.

Here, word- loyalty or loyal customers captures the predominant place.

Because, Hill & Alexander (2006) pointed out that only through the loyalty, customer retention can be secured. 2. 0 Statement of the Problems Factors determining customer satisfaction and customer loyalty have been brought to light by marketing research. But, this information still is far away for some producers engaging in the productions and services. Consequently, producers are unable to exploit this information for their success.

According to Verdict consulting research (2007), retail supermarket sector in I-J is one of most competitive segments and also pointed out that this competition will create more challenging environment in maintaining their market share. However, some retailers are very successful than their competitors even during the period of European economic downturn. This encouraged the researchers to do this research. We hope that this research will answer the following question regarding customer loyalty effectively. 3. Objectives The present study has the following objectives 1. To examine necessary factors of customer loyalty in leading super markets of I-J; and 2. To determine the key factors of customer loyalty in leading super markets of UK. 3. To suggest some measures in order to improve the customer loyalty in leading 4. 0 Literature Review Managing customer loyalty is the one of major element of customer relationship management. Customer satisfied with the

present service of organization will likely satisfy if the firm does the same service later.

So every organization has struck with the question how they can increase their loyalty level by adopting the right approaches. Stone (2000) pointed out in his book that " using information on the customer data base, there is no reason for a customer loyalty programmer other than finely tuned to meeting customers 'relationships needs". Loyalty becomes a winning factor for any organization facilitating with high productivity, solid profit and feasibility for steady expansion, competing in present world.

When considering the resent states of disloyalty, it is obvious that it would damage the corporate performance by 25 to 50 percent and possibly more (Astrakhan, 2006). Loyalty is defined as " a state of mind, a set of attitudes, beliefs, desires and so on" (Stone, 2000). Kettle (2008) said that delighted customers become loyal to the organization and customer relationship management (CRM) plays an important role in making customers loyal. Further, among the satisfied customers, completely satisfied customers only can be a delighted one. Thus CRM has to focus on customer delight rather than satisfaction.

However, Hill and Alexander (2006) argue that misunderstanding of customer loyalty by the senior manages and marketing executives have mislead strategies for securing the customer loyalty and also criticized that many of them take afford to attract the customers by giving some bribe to customers. Instead, customer loyalty has to be earned by the suppliers and

customer retention can be achieved when the suppliers satisfy the requirements raised by the customers better than their rivals. Reality is that in the twenty first century, both not only customers and but also suppliers have to true, faithful and rim in meeting the customers' needs.

Furthermore, Hill & Alexander (2006) categorized loyalty into four types such as (1) Monopoly loyalty (where customers have little or no choice and they are completely dissatisfied and far away from devoted); (2) Cost of change loyalty (where customers have choice of alternative suppliers and reluctant to change their current due to the cost and other bothering factors, needs immense afford to change); (3) Incentive loyalty (this is the type of loyalty created by mass advertisement and targeted the customers who are not pending their own money for instance frequent business fliers); (4) Habitual loyalty (this can be viewed most commonly due to the time constraints and familiar routines, convenient location and little afford for instance filling up petrol on the way to work). This paper is focus on this Habitual loyalty. Here, convenient location, size of supermarket, variety of goods, competitive price plays a significant role.

Moreover, degrees of loyalty can differ from one customer to another for instance one customer is more loyal than other. Hill & Alexander (2006) defined these degrees as suspects, respects, customers, clients' advocates and partners in a pyramid. According to them, degrees of positive commitment increases along pyramid from suspects to partners and also distinguishes the truly loyal customers. Less loyal customer is likely to switch the supplier Based on the previous studies, we can say that there are some

studies in different countries, but detailed and comprehensive studies has not yet been conducted in I-J especially in supermarket through exploratory study.