

RETAIL SHOPPER'S SATISFACTION USING DIFFERENTIATION STRATEGIES**S. CATHERINE^{a1} AND R. MAGESH^b**^aAssistant Professor, Jeppiaar Engineering College, Research Scholar, Sathyabama University, India^bAssociate Professor, Department of Management Studies Anna University, India**ABSTRACT**

In this paper, Grocery Retail Shoppers Satisfaction is to be examined. India's retail market is likely to touch a whopping Rs. 47 lakh crore by 2016-17, expanding at a compounded annual growth rate of 15 per cent- Yes Bank- Secretary General D.S. Rawat. The retail market which comprises both organised and unorganised segments. Differentiation Strategies, involves the idea of creating a set of unique attributes that sets a company apart from its competitors. When incorporated as part of a wider competitive strategy, differentiation can help shoot the growth of a retail store to the next level. The study proposes an instrument for retail shopper's satisfaction and attributes as monetary power, Location, and Store Individuality. For this purpose, a detail review of literature done with the help of respondents 123 who had carried out their purchase in different type of grocery stores in Chennai has been analysed. Finally, the facets of customer satisfaction as switching behaviour of individual customers were tested.

KEYWORDS: Differentiation Strategies, Grocery Retail Shoppers, Monetary power

Satisfaction, repurchase and loyalty concepts are considered to be among the most researched variables in marketing literature. Increase in customer satisfaction, repurchase rates, and the formation of loyalty are believed to positively influence the performance of firms and lead to a competitive advantage. A number of research findings on relationships between loyalty, repurchase, and satisfaction exist. But still customer satisfaction is increasingly becoming more important given the highly competitive environment in food retailing Hare (2003). Moore (2006) acknowledged that the changing competitive location within the grocery industry makes it critical for retailers to better understand grocery customers. Changes are occurring in the retail grocery sector in both developed and developing countries. Retailers can combine their strategies on differentiation and market scope (segmentation) to increase customer satisfaction and loyalty. Gordon, (2002) the decision process and implementation of a multi-channel strategy could be simplified if businesses understood what drives consumers to a single channel, multiple channels, and which channels are preferred. Differentiation Strategy means Approach under a firm aims to develop and market unique products for different customer segments. Usually a firm has clear competitive advantages, and can sustain an expensive advertising campaign. It is one of three generic marketing strategies that can be adopted by any firm. Satisfaction means the contentment one feels when one has fulfilled a desire, need or expectation.

Shopper Value Equation:

During the 1980s value was commonly defined as:

$$\text{Value} = (\text{Price} \times \text{Quality} \times \text{Service} \times \text{Assortment} \times \text{Facility})$$

Thirty-five years later the formula remains applicable; however, click-and-mortar retailing is redefining the equation's terms:

- Price – Total transparency and guaranteed low prices

- Quality – Branded or private label, premium or value, all are expected to be good
- Service – In-store, online, digitally integrated
- Assortment – endless shelf, everything is available online
- Facility – in-store, click-and-collect, home delivery

REVIEW OF LITERATURE**Customer Satisfaction**

Singh (2006:1) "satisfaction is an overall attitude towards a service provider or an emotional reaction to the difference between what customers expect and what they actually receive regarding the fulfilment of a need". Kotler (2000); Hoyer & MacInnis (2001) define satisfaction as a person's feelings of pleasure, excitement, delight or disappointment which results from comparing a products perceived performance and their expectations. Customer satisfaction can be a measure of how happy customers are with the services and products of a supermarket. Keeping customers happy is of tremendous benefit to companies. Satisfied customers are more likely to stay loyal, consume more and are more likely to recommend their friends to the business.

Research Design Methodology

The visit to a store is a result of a choice made by the consumer between numbers of possible option. The analyses will be based on quantitative and qualitative data collected on the individual level. Data will mainly be collected from persons visiting shopping stores in the study area. The independent factors to be studied must include information about the consumers as well as about the stores. Respondents will be asked to evaluate factors such as the quality of products available, store ambience, Ease of Location, Monetary power and store differentiation etc. The analyses will assess which factors included would affect consumers to choose shopping alternatives. Consequently, it will

be possible to know what drives customers in selecting stores for shopping.

Data Collection Methods

Our data collection will be based on primary data collected through questionnaire survey floated among the selected sample. Survey questionnaire will be respondent completed whereas data will be collected using quota sampling technique based on gender. The area we will cover for our sampling will be South Chennai and our target audience will be members of households in Chennai City. The sample size is of 123 persons.

Problem Statement: What are the factors that affect the choice of shoppers in selecting a retail store, for grocery shopping? What are the differentiation strategies do the shoppers can adopt?

Demographic characteristics of target sample:

Gender	Frequency	Percent
Male	50	40%
Female	73	60%
Total	123	100

STORE INDIVIDUALITY/DIFFERENTIATION

The store suffered the most; every retailer was selling the same products in the store, so differentiation was nearly impossible. Collins and Lindley (2003) Store's own brands can provide important opportunities for retail differentiation if they are considered by consumers to be uniquely associated with store image. Timothy (2009) Store differentiation changes has important implications for assortment depth. If retailer market power is augmented following the closure of rival retailers, product assortments become deeper; however, if retailers gain market power by investing in store attributes that facilitate customer loyalty, product assortments become shallower. Amit (2010) Indian shoppers have started identifying the dimensions of retail store image and are differentiating the various stores on the basis of functional attributes. Eventually, the stores would have to create differentiation based on psychological attributes.

MONETARY/MONEY POWER

Monetary power is a type of asset in an economy that use to buy goods and services from other people or businesses. Functions of money in an economy is that it serves as a store of value. A store of value is something that people use to transfer purchasing power from the present to the future. Gold and silver, for example, act as stores of value. Economic value is mainly a driver for the customers to come to the store with functional and emotional value generated through the actual in-store experience. Thus, value is created through combining economic and functional as well as functional and emotional dimensions. Rintamaki (2007) Customers noted that a

combination of functional and emotional factors related to the store design, service quality or the experiential factors at the store extend the in-store experience with customers expecting retailers to offer more than self-service.

EASE OF LOCATION

Martínez-Ruiz et al (2010:280), once a location is near to the home then transaction costs associated with purchase such as transport costs and time spent are likely to be reduced. Reilly (1931) who developed Reilly law of retail gravitation which proposes that people are drawn to larger shopping thus larger cities tend to attract more customers to shop their than smaller ones therefore the need for supermarkets to consider location when putting up facilities. Craig et al (1984) who use the central place theory to explain how people living far away are attracted to larger stores which are centrally located in larger shopping malls offering more differentiation strategies in their goods and services than those stores within their own vicinity offering less goods and services.

Correlation analysis of ranked preference variables and income level revealed that location and income level are negatively correlated The table showing with increase in income level consumers have access to Merchandise, Monetary power and income level are moderately positively correlated and Service quality and income level are also positively correlated.

	Inco me level	Ease of Locat ion	Mercha ndise	Monet ary power	Serv ice Qual ity
Income level	1.0				
Ease of Locatio n	-0.2	1.0			
Mercha ndise	0.5	-0.3	1.0		
Monetar y power	0.8	-0.6	0.4	1.0	
Service Quality	0.6	-0.7	0.6	0.2	1.0

Correlation analysis between income level and Ease of location as a factor when choosing grocery store shows that both are negatively correlated i.e. as income level of respondents increase location being a major factor for choosing grocery store decrease.

	Ease of Location	Income level
Ease of Location	1	
Income level	-0.415	1

Income level of families is a important factor of shoppers store choice where high family income levels are expected to lead to higher consumption levels, which would imply larger aggregate shopping. A household's income has a major effect on its consumption. Moreover higher income will result in better quality of shopping baskets (Tripathi & Sinha, 2008) and wider variety of assortment in the consumption. Thus the aggregate shopping is expected to grow and diversify with the income levels. High-income households also have a higher opportunity cost for time and are less willing in utilitarian consumption shopping trips, making frequency of shopping trips negatively related to household income (Bawa and Ghosh, 1999) resulting in the shopping trips becoming multi-purpose one-stop convenience.

CONCLUSION

The overall results of this study indicated that shopper's interest towards repurchase/repurchase intent, and satisfaction are linked and affect each other. Satisfied consumers display loyalty and a higher repurchase rate, while loyal consumers display satisfaction and come back to repurchase the product. Managers need to take into consideration many factors before making a decision where to invest: either in creating consumer loyalty, increasing consumer satisfaction, or increasing repurchase rate, which could also mean a temporary solution. The findings of the study need to be critically examined as they represent the viewpoint of individual customers. Customers did not directly state that the non-monetary sacrifices serve as a barrier for shopping they still affect their perceptions of the store.

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