Chapter 6

Summary and Conclusions

This chapter provides the research summary and discusses the research contributions. The section also talks about the limitations of the research which in turn explains the scope for further research. The findings are explained clearly and separately enumerated. The chapter also deals with valid conclusions which are the final results of the study.

6.1 RESEARCH SUMMARY

The supermarkets in India were mainly dealing with food and grocery merchandise. The evolution of supermarkets brought lots of modernized methods in different sectors which old retailers considered unimportant. The organized sector in India is still in the infancy stage and constitutes just 5% of the total. Even though the supermarkets have growth prospects, they still have a lot of hurdles in the way of progress. Supermarkets will have success stories only if they are very planned and systematic.

In the modern era, the customer is dynamic and so are their preferences which persuade them to have a good shopping experience more than the price. Supermarkets are therefore trying their level best to attract the customers to their shop, by providing a good shopping experience to make them satisfied. In the competitive world just
satisfying a customer is not enough; the retailer can’t expect that the customer will come again. Here the importance of customer loyalty and retention comes in to application. Considering the ever dynamic lifestyle of the customers in Bangalore, the research study is designed to identify determinants of customer retention in consideration of supermarket customers in Bangalore.

Customer retention is a key attribute in ascertaining the success of business today. The scope of customer retention in business has increased recently as supermarkets began understanding the importance of lost customers. And these days the priority has changed from acquiring new customers to trying hard in retaining existing customers and keeping them far from the competitors. The research gives evidence regarding whether the set of factors are responsible to make a supermarket customer loyal which in turn helps to retain them. The research study is expected to provide novel information for retail managers to concentrate on the various antecedents to ultimately retain the customer.

According to the objectives of the study the conceptual model was formulated for the research with reference to past research. Primary data was collected using structured questionnaire which was adopted from contemporary research studies and was used as the research instrument. A five point rating scale was used for data collection (Likert scale) and the sample size was 600 supermarket customers of Bangalore. The data collected was used for statistical analysis using SPSS and AMOS softwares.

The measurement model was checked using confirmatory factor analysis employing AMOS 20.0 software. The conceptual or theoretical model was tested using structural equation modeling (SEM). The standardized regression weights (beta coefficient) as part of path regression
analysis results shows statistical significance of relationship path between the factors. The logic of inferential statistics is to see whether there is a relationship likely to be due to chance or whether it is likely to hold in the population from which the sample is drawn to analyze the gender and employment status.

One-way ANOVA and Scheffe’s post-hoc test is conducted to check education status and income group. The percentage of responses (Likert Scale) for selected items in the form of stacked Bar chart falling under each dimension of customer satisfaction, Customer Loyalty as well as Customer retention measure is presented. The result is apparent from the data and one can conclude from the research that retention of customer is the biggest achievement of a supermarket in spite of intense competition in the retail market.

6.1.1 Findings

- Customer loyalty is has a significant impact on customer retention in supermarkets. An increase in customer loyalty will lead to an increase in customer retention.

- Customer satisfaction is a direct predictor of customer retention in supermarket customers.

- Switching cost positively influence customer retention. Supermarkets can create a barrier which prevents the customer to switch to another retail service provider.

- Customer loyalty, customer satisfaction and switching cost have the strongest effect on customer retention in supermarkets.
➤ There is a significant influence of customer commitment on customer loyalty.

➤ There is a remarkable effect of customer trust on commitment. When trust increases it will lead to an increase in commitment.

➤ Customer loyalty is directly influenced by Trust. Trust takes in to consideration the previous experience and will ultimately lead to customer loyalty of supermarket customers.

➤ There is a significant influence of customer satisfaction on trust. Customer satisfaction alone is not every time an indicator of customer loyalty.

➤ A loyal customer will spread positive word of mouth to other prospective customers about the supermarket.

➤ The convenience of location is has a significant impact on customer satisfaction.

➤ The supermarket atmosphere is an important determinant for customer satisfaction which transforms the customers shopping experience.

➤ Supermarkets with unique merchandise have a positive influence on customer satisfaction.

➤ Store promotion has a significant impact on customer satisfaction in supermarkets.

➤ Customer relationship management practices play a major role in influencing customer satisfaction.
Convenience of location, store atmosphere, merchandise, CRM practices and store promotion positively influence customer satisfaction in supermarkets.

Gender of respondents has no influence on customer satisfaction, customer loyalty and customer retention in supermarkets.

Respondents’ levels of annual family income have no significant impact on the dimensions of customer satisfaction, customer loyalty and customer retention.

Occupation of respondent has a major influence on Customer satisfaction, customer loyalty, and customer retention dimensions.

Educational levels of the respondents have no influence on customer retention.

6.2 LIMITATIONS OF THE STUDY

The geographical area in the research was limited which was mainly based on convenience and availability of resources and because of this the sample under consideration is relatively small. The research was concentrated on the urban centre of Bangalore and certainly the insights are from the urban population. The perceptions from customers in the tier-ii cities could be varied and these again are the prospective destinations for modern retail trade. Due to this aspect the research does not represent the bigger picture which is an issue in concluding and generalizing the results of the research. The research takes into consideration only the supermarkets of Bangalore and there are other bigger retail formats available which could give better insight.
The recent development of internet retailing was not taken into consideration which would have given inputs related to customer loyalty and retention. The time period available for the research was limited which was curtailing the findings of the study. The language English would have caused a communication barrier at least to a few who would have given better feedback in their regional languages. The research was constrained to the targeted customers only. Information would have come from the retailer about their task of building up suitable loyalty programs. The actions taken by the retailers to retain the customers would have been a new dimension to the research.

6.3 SUGGESTIONS FOR FURTHER RESEARCH

There are multiple areas in retailing which has unlimited scope for further research.

- The scope for further research can encompass the wide range of hypermarkets and large retail format shops other than supermarkets. The research can be taken to a larger scale if it is conducted on a pan India basis.

- A qualitative analysis has good scope in the research in order to get retail customers feedback as result of an in-depth analysis. This could give detailed and in-depth suggestions regarding the expectations and aspirations of the customers in various dimensions.

- The research could take into consideration the retention strategies for different product categories and even for multiple store formats.

- Future research is required to examine the process of retaining the customer in e-tailing.
A study on the impact of corporate organized retailing on unorganized retailing could be considered for further research.

There is also scope for research in in-store behavior patterns which can be carried on in learning the customer spending patterns.

There is a big opportunity to conduct studies in store choice research which offers different dimensions to learn.

6.4 CONCLUSION

The overall results of the research study are being listed in this chapter which has contributions to research as well as the industry. The shortcomings of the study are clearly explained in the limitations of the study. There is a wide horizon of scope for further studies in related areas to this research study which are being highlighted exclusively.