ABSTRACT

Considering the ever dynamic lifestyle of the customers in Bangalore, the proposed study tried to find out the expectations and aspirations of supermarket customers in Bangalore. Most of the currently available studies are based on conceptual understanding and don’t have an empirical backup. The proposed study is designed to determine the customer loyalty and retention of Supermarket Customers in Bangalore.

The literature initiates an exhaustive discussion of various constructs leading to customer retention. Based on references from the literature constructs identified for customer retention are customer satisfaction, switching costs and customer loyalty and for customer loyalty the constructs identified are trust, commitment and customer satisfaction. For determining satisfaction the constructs identified in the proposed study are convenience of location, store atmosphere, promotion, customer relationship management practices and merchandise. Through extensive literature review, hypotheses were derived and the proposed conceptual model is developed.

Objectives of the proposed study are to empirically validate a model linking customer satisfaction, customer loyalty and customer retention with select antecedents. Research Methodology explains about the population spread from which the samples are collected, the justification for using the particular sampling technique and also about the tool employed for data collection. The techniques employed for checking the reliability and validity of the tool and pilot data analysis are also explained. Data collection was conducted using a structured questionnaire designed using Likert scale measurement. The pilot sample data consisted of 250 respondents. The questionnaires were analyzed using SPSS (v.20), software using Cronbach Alpha, Intra Class Correlation and Confirmatory factor analysis.
The data collected from 600 respondents in Bengaluru city was used for the full fledged study. Statistical techniques used for data analysis are descriptive statistics, correlation analysis, structural equation model, regression and inferential statistics. All of the statistical analysis were operated using the software SPSS (v.20) and AMOS (20.0).

The findings of the research are discussed comparative to the earlier research studies taking in consideration the managerial implications for future decision making. The analysis result apparent from the data concluded that customer satisfaction, loyalty and switching costs have a significant relation with customer retention. Satisfaction along with trust is the major determinants of customer loyalty. Survey results shows store atmosphere, CRM practices, merchandise, convenience of location and promotion are the significant determinants of customer satisfaction. The result of data analysis suggests that gender and annual family income is having no effect on customer satisfaction, loyalty and retention. Occupation of respondent has a major influence on Customer satisfaction, customer loyalty, and customer retention dimensions.

The geographical area and the time period available for the proposed research were limited. For further research, a qualitative analysis has good scope for research to get retail customers feedback using in-depth analysis. A research could take in consideration the retention strategies for different product categories and even for multiple store formats.

Key words:- Customer retention, Switching costs, Customer loyalty, Customer commitment, Customer trust, Customer satisfaction, Promotion, Merchandise, Store atmosphere, Convenience of Location, Customer Relationship Management practices.