

EDITORIAL ARTICLE

Unravelling the Threads of Customer Loyalty: Motives Shaping Supermarket Patronage in Sri Lanka

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Abstract: Over the past couple of decades, profound changes in the business context in Sri Lanka, including the presence of global brands, emergence of new retail business formats, dominance of the service sector, application of direct marketing, industry convergence, and deregulation, have significantly shaped customer behavior. Accordingly, the supermarket concept has sparked renewed interest among shoppers in the contemporary retailing context in Sri Lanka. This note mainly focuses on comprehending the behaviour of supermarket shoppers and evaluating the motives behind their level of loyalty in the context of supermarket patronage in Sri Lanka. Recent study findings reveal that three major factors, namely ‘product motive’, ‘services motive’ and ‘location motive’ have significantly contributed to enhancing supermarket patronage in the context of grocery shopping in Sri Lanka.

Keywords: *Customer Loyalty, Shopping Motives, Supermarket Patronage*

Introduction

Renewed interest has been drawn in evaluating the nature of customer behavior in the marketplace (Seng, 2019; Kanakaratne et al., 2020; Slack et al., 2020). In contemporary society, consumer needs have surged to unprecedented levels in comparison to historical trends, leading to significant shifts in thinking patterns, decision-making processes, and consumer behavior. A considerable number of consumers have transitioned from traditional consumption patterns to embrace the dynamics of the new economic system in the 21st century. Meanwhile, the food market has witnessed substantial changes over the last few decades, necessitating increased coordination and integration among producers, processors, and distributors in managing the supply chain (Rodríguez et al., 2002).

The history of supermarket patronage provides a fascinating glimpse into changing consumer behaviors and retail landscapes. Initially, supermarkets were perceived as exclusive shopping

destinations for the affluent in the eyes of development economists, policy makers, and practitioners (Reardon et al., 2003). These establishments primarily targeted customers with higher social, cultural, and educational backgrounds. Over time, this perception has undergone a significant shift. Presently, supermarkets have expanded their reach beyond the upper-income demographic and now aim to capture the mass market, focusing predominantly on individuals with medium income levels in various countries (Neven et al., 2006; Rishi and Singh, 2012). This transformation underscores the evolving nature of supermarket clientele and their adaptation to the changing socioeconomic landscape.

Over the past decade, the supermarket concept has witnessed a surge in popularity within the Asian region, emerging as a vital component of the retail landscape. Supermarket shoppers are progressively engaging with and utilizing self-service technologies throughout their shopping journey. The incorporation

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of these self-service technologies primarily aims to streamline retailer costs while concurrently enriching the overall customer shopping experience (Orel and Kara, 2014). In the retailing context, retailers currently vie with each other for a share of customers' wallets by fulfilling the needs of their target audience through the provision of a diverse range of products under one roof. This competitive landscape has, in turn, generated numerous opportunities for food firms and farmers (Neven et al., 2006). In the context of the new economy, the supermarket concept has gained popularity in the business landscape of Sri Lanka. It is currently thriving as an industry, rapidly expanding its presence by opening outlets across the island. The supermarket industry in Sri Lanka has entered a steady growth stage in its life cycle, fueled by increased customer demand for grocery items. Presently, it reflects a higher market penetration, indicating a robust position in the market. In the contemporary retailing context in Sri Lanka, supermarkets stand out as both an attractive and favored shopping destination. Customers regularly choose to visit these establishments to partake in the convenience of self-service, satisfying their needs and acquiring essential goods, in contrast to the more conventional retail stores. As the supermarket industry continues to thrive, both major brands and small-scale retailers are entering the market, establishing new outlets across the island. The growing significance of supermarkets is underscored by factors such as quality, price, consistency of delivery, and payment terms (Faiguenbaum et al., 2002).

Motives of Supermarket Patronage

While the supermarket context is predominantly self-service, the provision of services to customers in areas like the fresh product section, bakery, and at the cashiers remains a crucial aspect. These service provisions encompass moments of truth involving personnel, including responding to information inquiries, guiding customers to the location of goods, and facilitating transactions at the cashiers. Furthermore, the store atmosphere, defined as the ambiance shaped by a combination of visual elements in the physical store environment, including colors, displays, decorative features, ease of movement, and sensory stimulations such as smell, air quality, music, and lighting, plays a pivotal role in eliciting an aesthetic response from consumers. Store

convenience, denoting a store's layout and design that assists customers in planning their shopping trip in terms of orientation and direction, stands as a crucial aspect of environmental stimuli within a store (Theodoridis and Chatzipanagiotou, 2009). Meanwhile, Rishi and Singh (2012) have identified physical factors including discounts, quality, local brands, display and visual appeal as the most influential factors affected on supermarket shopping behavior. Ogbojafor et al. (2012) have identified main attributes such as quality, price, location, cleanliness, product assortment and parking space as major determinants of preference towards supermarket patronage. Gidlöf et al. (2017) have identified product packages and displays including visual saliency, the number of facings, and the placement of each product to catch consumers' attention. Among various self-service technologies, self-checkout systems have gained immense popularity in supermarkets worldwide. Supermarkets are motivated to offer self-service systems primarily for cost-cutting, speed, and convenience. These services are designed to enhance customer experience, satisfaction, and, ultimately, foster loyalty (Orel and Kara, 2014).

Nature of Supermarket Patronage in Sri Lanka

The behavioral patterns and preferences uncovered in this study hold significance and should be considered by supermarket management and personnel to ensure the smooth operation of supermarket functions and the satisfaction of customer needs. Notably, there are distinct differences in preferences for supermarket patronage between male and female shoppers. Understanding these nuances is crucial if supermarket operators intend to launch customer awareness programs, promotional campaigns, or customer loyalty initiatives targeting either male or female customers. For example, male shoppers exhibit irregular visitation behavior, whereas female shoppers demonstrate a well-planned behavioral pattern. The results reveal a distinct pattern in customer preferences based on gender and time considerations. Male customers exhibit a preference for weekdays, while female customers lean towards weekends. Additionally, there is a notable divergence in the timing of visits, with customers expressing a desire for uninterrupted service from morning to

night. In terms of shopping habits, it is observed that a significant proportion of male customers prefer solitary visits to the supermarket, whereas female customers tend to visit with their family members. The frequency of visits varies, with a majority favoring a once-a-week schedule, while approximately one-third of the sampled customers opt for a few visits per month.

Despite the majority of customers having a planned approach to their shopping, only half of them actually prepare a written list of items to purchase. It is noteworthy that, although customers may have an intended plan, many struggle to adhere to their budgetary constraints, often exceeding their estimated spending limits. This highlights a potential area for improvement in financial management and budget control among the customer base.

Motives of Supermarket Patronage in Sri Lanka

Studies examining supermarket patronage by customers are limited in the Sri Lankan context. Consequently, a recent study identified factors influencing supermarket patronage in Sri Lanka. These factors were categorized as the 'product motive,' 'services motive,' and 'location motive,' based on the distinct attributes associated with each motive. The results decisively indicate the significant impact of all three factors; product, services, and place on customer loyalty in the context of supermarket patronage.

The location motive, comprising attributes like a one-stop shopping experience, clean and tidy atmosphere, and store ambience, exerts the most significant impact on customer loyalty. This suggests that a majority of shoppers derive enjoyment from the supermarket experience, particularly appreciating the clean and tidy atmosphere and store ambience, leading them to fulfill a substantial portion of their FMCG consumption needs at supermarkets.

The product and its features are deemed crucial for supermarket visits. Important attributes of the product motive, which persuade customers to visit

supermarkets, include product quality, a well-arranged display of merchandise on shelves, availability of a wider choice of products and well-known brands, and value for money play a crucial role in enhancing the level of loyalty among supermarket shoppers. The services motive, including attributes such as convenient operating hours, parking, fast checkout lines, friendly service, and comfortable shopping, also has a significant impact on loyalty among shoppers.

Conclusion

Concrete evidence substantiates the claim that within the supermarket setting, numerous shoppers derive satisfaction from product attributes, service quality, and the store's location, deeming these elements as pivotal factors contributing to the steady rise in supermarket patronage. As a result, it is evident that implementing effective strategies and undertaking essential measures to improve and elevate the quality of these product and service attributes will lead to heightened customer loyalty and increased patronage for supermarkets. This underscores the importance of actively addressing and enhancing these key elements to foster a stronger connection with customers and cultivate sustained support for supermarkets.

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