Dennis supermarket chain customer loyalty study

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Abstract
With the development of supermarket chains over the past few decades, the emergence of online supermarkets and the introduction of other retail stores in recent years have made the retail market increasingly competitive. In this context, customer loyalty is directly related to whether supermarket chains can occupy a competitive advantage in the fierce market pursuit. Based on the theoretical and practical research results related to customer loyalty, this paper further analyzes the related issues through the actual situation investigation, and analyzes the current customer loyalty development of supermarket chains from the perspective of customers and enterprises, and summarizes six factors affecting customer loyalty: goods and services, shopping experience, convenience, promotional activities and discounts, customer switching costs and supermarket brand image, and then proposes the improvement strategy of customer loyalty of Dennis supermarket chain.

Keywords
Supermarket chains; customer loyalty; Customer satisfaction.

1. Introduction
With the continuous evolution of economic globalization, the phenomenon of economic marketization continues to deepen, and the degree of market competition in all walks of life is gradually intensifying. Over time, the seller's market gradually loses its core position in the market and is replaced by a buyer's market. Today, as the buyer's market continues to grow, consumers are becoming the decisive profit factor for businesses. With the continuous growth of the economic level, consumers' consumption concepts continue to change, and their requirements for enterprise goods are getting higher and higher, putting forward higher requirements for the product performance and service quality of enterprises, and the competition between supermarkets is also deepening. In order to win a good customer acquisition environment and ensure the stability of their own customer sources, major supermarkets have launched many marketing strategies. With RT-Mart, Yonghui, Century Lianhua and other large chain supermarkets gradually landing in the Zhengzhou market, Dennis has ushered in an unprecedented market competition situation. This also reinforces the importance of customer loyalty in the long-term development of Dennis supermarkets, only by strengthening customer loyalty, Dennis can obtain good economic effects, in order to ensure its own sustainable market prospects.

Practical significance: By understanding the customer loyalty of Nice supermarket chain, the main factors affecting the customer loyalty of Nice supermarket chain are further studied, and the method of improving customer loyalty is proposed in combination with the actual situation of Dennis supermarket chain. The research results of this paper can provide practical reference suggestions for the customer loyalty of Dennis supermarket chains, and have certain reference value for Dennis supermarkets to retain customers, reduce customer churn rate, better ensure
the development of Dennis supermarkets, and improve the comprehensive competitiveness of supermarkets.

Theoretical significance: It is beneficial to fully understand the specific impression of consumers on the company's services and products. Through comparative analysis, find out the development advantages and limitations of the enterprise itself, find a good development path for the enterprise, strengthen the company's own market competition adaptability, ensure that the enterprise itself is not squeezed out of the market, and further strengthen its market competitiveness.

2. Literature research

The study of customer loyalty originated from the analysis of customer behavior, and has slowly become popular because of the rise of the service economy. Richard A. Werbe & Joseph Newman (2020) added the label of brand to the repeated purchase of the same product, and believed that customers who only consider the brand and do not look for information about other brands should be counted as loyal customers. Aizen & Fishbein (2014) introduced the concept of Relative Attitude in the process of customer loyalty research, and further revised the research practice of customer loyalty. Among them, the degree of positive inclination of consumers to a certain service is their attitude orientation. When Gremler & Brown (2015) conducted a study on customer loyalty, they divided them into emotional loyalty, intentional loyalty, and behavioral loyalty according to the differences in customer loyalty. Among them, consumers’ attitude towards enterprises and products is emotional loyalty, and customers take the initiative to promote corporate products to the people around them, which is a major manifestation of emotional loyalty; Intentional loyalty is an analysis of the possibility of loyalty from the perspective of purchase intention, which refers to the customer's future purchase intention; The repeated purchase behavior embodied by customers in the process of practice is behavioral loyalty. Tian Yongquan and Shen Lei (2021) said that customer loyalty is an attitude of consumers. Consumers continue to buy a single product repeatedly, which can be seen as a sign of customer loyalty. In addition, when customers have purchase needs, they prefer a certain brand for consumption, which is also a sign of customer loyalty. Feng Shaojin and Wang Yuexing (2020) said that customer loyalty is largely due to consumers' external repeated purchase behavior and internal positive attitude and emotional preference. Ma Qingxue (2020) said that when customers have a certain emotional preference or dependence on a certain product, have repeated purchase behaviors, and are willing to spontaneously promote and promote the brand to others, they are not easily disturbed by external information such as competing brands, which is customer loyalty.

In the existing research, there are certain differences in the understanding of customer loyalty among different scholars. Overall, existing research perspectives divide customer loyalty into two broad categories. One is divided according to the combination of customer preference for product attitude and behavioral orientation, while the other is divided according to the depth of customer loyalty.

3. Strategy analysis

3.1. Theories related to supermarket chains

3.1.1. The concept of supermarket chains

In the process of supermarket operation, the supermarket chain is a supermarket chain that manages the commodity management, storage, distribution, and procurement with a high
degree of consistency, and carries out multiple operations through the chain model. A supermarket chain refers to a supermarket with two or more stores of two or more stores operated by the same brand of supermarkets for the same category of goods and after-sales service in terms of standardization. After a series of integration of this type of supermarket, the form is integrated, the company's internal personnel, management organization and corporate image are franchised and standardized, focusing on the introduction of modern internal management methods, simplifying complex business activities, and finally relying on scale effect to achieve good economic benefits and enterprise development.

3.1.2. Characteristics of supermarket chains

A supermarket chain is a special form of operation of a general supermarket, and it also has the characteristics of a general supermarket, but it is different on this basis. Therefore, let's briefly introduce the common characteristics of supermarkets: supermarkets are a kind of self-service, one-time settlement-based business system; mainly engaged in food and daily necessities; Based on the principle of wholesale sales, obtain gross profits; It is characterized by low cost and high turnover rate; Cheap sales as a management policy.

The above are the common characteristics of supermarkets, and the following is the unique characteristics of chain supermarkets, including the following five points.

Standardization: The characteristics of the standardization of Dennis supermarket chains are mainly reflected in the following points: in terms of goods and services, the implementation of joint management; Unified standards for corporate image; In terms of rules and regulations, both the headquarters and the branches must be followed uniformly, and all procedures in the entire enterprise must be implemented in accordance with the norms.

Specialization: The unified planning of the enterprise headquarters, the setting of various departments according to the actual needs of the professional division of labor, and the establishment of various positions by the store according to the professional division of labor and the actual needs, each department and each employee have a clear division of labor and perform their duties.

Centralization: Centralized decision-making and decentralized operation are combined, the decision-making is carried out by the headquarters, and each store is operated in a decentralized manner to achieve the organic combination of the two.

Simplification: In actual operation, the operation content, process and expansion method are simplified, so as to achieve the purpose of reducing working capital and obtaining huge benefits.

Scale: In the large-scale utilization of resources such as sales, procurement, distribution, and employee training, collective management and large-scale operation are implemented at the same time to achieve effective sharing of resources within the enterprise.

3.1.3. The development status of supermarket chains

Chain supermarket was first developed in foreign countries, with the reform and opening up and global economic integration, in the 90s of the 20th century into China's market began to expand, about 30 years ago, during which it continued to spread to large and medium-sized cities, the number of new stores continued to grow, and the current development momentum is good.

However, in recent years, the rise of online supermarkets and mobile payments has had a violent impact on supermarkets of any way of doing business. Online supermarkets such as Tmall Supermarket and Jingdong Supermarket are also inexpensive, rich in categories, and can also be delivered to their homes.

In addition, the rise and development of various small and medium-sized supermarkets and brand convenience stores, more and more squeezing the living space of supermarket chains, it
is undeniable that some functions of supermarket chains, especially large supermarket chains, make it not easily replaced, but with the gradual fullness of the retail industry, to create their own competitive advantage is obviously the most important task at present.

3.2. Theories related to customer loyalty

3.2.1. The concept of customer loyalty

The term "loyalty" has a long history, and in the traditional culture of our country, it refers to a person who is firm, does not change his character at will, and has a specific behavior that is continuous to a person or thing. When a customer chooses a product or service, attitude can be the customer's first choice. Since then, the research results of scholars can be divided into three categories: behavioral theory, affective theory, and synthesis theory.

The first behavioral loyalty theory mainly defines customer loyalty from the perspective of behavior, that is, customer loyalty is the repeated purchase behavior of a product or service promised, which can be measured by indicators such as the share of purchases and the frequency of purchases, such as Jacoby, Chestnut, Liu Shuang, Fu Chao and other scholars.

The second attitudinal loyalty theory is mainly based on emotion, which defines customer loyalty as a customer's preference and dependence on a certain product or service, which can be measured by indicators such as customers' purchase intention and degree of preference, represented by scholars such as Ajzen, Fishbein, Oliver, Liu Zhigang, and Ma Yunfeng.

The third synthesis theory, which combines the first two theories, asserts that the customer's repurchase behavior should be accompanied by a higher emotional attitude orientation to be the real customer loyalty. This view is developed by combining the first two theories, and it is more comprehensively measured, and its representatives include Oliver, Peltier, Liu Hongcheng, Ma Qingxue and other scholars.

Each of these theories has its own merits and is based on empirical research. This paper will define and study based on the comprehensive theory of the combination of behavioral loyalty and attitudinal loyalty, that is, customer loyalty is the trust, commitment, emotional maintenance and dependence of customers on enterprises and brands, accompanied by actual high-frequency and repeated purchase behaviors.

3.2.2. The level of customer loyalty

Customer loyalty is progressive, deepening step by step, from low to high can be roughly divided into the following four levels.

The first level: The first level is located at the lowest level, that is, the customer has zero loyalty to the company, does not care about the company, has no followers of the brand, and only buys based on factors such as price and convenience when shopping.

The second level: the loyalty of customers at this level is slightly higher than the first level, for the products or services provided by the company, customers can be satisfied, or have habits to it, and their consumption behavior is not disturbed by external factors, the specific reasons include two aspects: one is to re-choose the products and services of other companies will waste their time and energy, and the other is the conversion cost caused by their conversion behavior, which is indeed a factor that needs to be measured for them.

The third layer: to this level of customer emotions will be more distinct, the proportion of emotions will also increase, they can have a preference for a certain company, dependence, but this is due to the comparison with other enterprises, so the stability is slightly weaker. This preference will be influenced or even determined by the corporate image, the quality of products, the quality of services, and consumer feelings.

The fourth layer: The fourth layer is located in the highest and highest stage of the four levels, for the company's products or services, customers can produce stronger preferences and emotions, and even achieve a kind of sustenance, will be very loyal, will produce autonomous...
following behavior or even spontaneous propaganda behavior. This type of customer, who is highly loyal to the company, is the real source of business profits.

3.3. Influencing factors of customer loyalty

The influencing factors of customer loyalty are very complex, so this article will use some of the main factors that are generally recognized by the academic community to discuss and analyze.

3.3.1. Customer satisfaction

Customer satisfaction is an important factor, and it is directly related to customer loyalty. In the 60s of the last century, Cardozo carried out scientific empirical research on customer satisfaction from the perspective of marketing. It has been found that customer satisfaction can effectively promote customer repurchase behavior.

Scholars have different opinions on the concept of customer satisfaction, such as Oliver, who advocates that it is a psychological reaction of consumers. Customer satisfaction occurs when consumers feel satisfied with their service experience or product purchase. At the same time, it can also be regarded as a judgment behavior, that is, the judgment behavior of the customer's spontaneous products and services to meet their actual needs. Assael believes that customer satisfaction depends on a large extent on the matching between consumers' own expected consumption results and actual results. Customer satisfaction will occur when the actual consumption effect is not lower than expected. Although scholars disagree, in general, customer satisfaction is the subjective feeling of consumers, that is, a kind of psychological activity of consumers themselves - when the needs of consumers are fully satisfied, the inner pleasure of consumers. Therefore, when the actual situation meets or exceeds expectations, there will be a feeling of pleasure and satisfaction; On the contrary, when the actual situation does not meet expectations, there will be dissatisfaction and disappointment.

3.3.2. Customer trust

Many scholars have proposed that in the buyer's market, customers are an important direction for the development of enterprises. When an enterprise starts from the perspective of consumers, operates in good faith, provides good quality goods, and can achieve good satisfaction with customer needs, it is particularly easy for enterprises to obtain customer recognition, and customers' trust in enterprises will also arise. Customer trust is different from the perceptual essence of customer satisfaction, it needs to go through the precipitation of time, and it needs to be ensured, recognized and trusted by the customer's rational analysis. Crosby et al. point out that in the future of retail, customer trust in retail companies will have a direct and decisive impact on service opportunities. Han Xiaoyun and Wang Chunxiao learned that customer trust is an important factor that can have a significant impact on all dimensions of customer loyalty.

3.3.3. Conversion costs

There will be many suppliers of the same product or service in the industry that customers can choose freely, and the conversion behavior of customers from one supplier to another is called customer conversion. During the conversion process, there is often a one-time cost incurred. These one-time costs include not only the cost of time, but also the cost of experience, feelings, and so on. Together with other factors, it constitutes a competitive barrier to the enterprise, which can be divided into three categories: procedural, financial and relational switching costs.
4. The current situation of customer loyalty of Dennis supermarket chain

4.1. Overview of Dennis supermarket chains

Dennis Department Store, as one of the retail enterprises under Taiwan's Dongyu Group, was officially put into construction in Zhengzhou in 1995. Since 1998, Dennis has gradually formed a good chain scale pattern through continuous innovation of business model, and has reaped good economic benefits and development prospects. In the subsequent development process, Dennis took Zhengzhou as the core of development and carried out the development radiation of the whole province, which greatly improved the living standards of residents in the Central Plains, made indelible contributions to the construction of the Central Plains business and trade system, and fully reflected its social and economic benefits as a large-scale supermarket. After six years of development, Dennis paid a total of 180 million yuan in taxes in 2003 and obtained a cumulative sales of 4.92 billion yuan. At the same time, Dennis had become the leader of Henan's retail industry, with total assets of 600 million yuan and a total business area of more than 120,000 square meters. In 2002, Dennis was shortlisted in the list of China's top 100 retail chain enterprises - 24th in the top 100 single-store sales and 72nd in the top 100 chain stores.

4.2. Survey on the current situation of customer loyalty of Dennis supermarket chains

In order to have a more in-depth and practical understanding of the current situation of customer loyalty in Dennis supermarket chains, this paper will use the form of a questionnaire survey to select respondents of different ages and genders to participate in the questionnaire. In addition, this questionnaire will be conducted online in response to the epidemic prevention policy.

4.2.1. Questionnaire design process

The first step is to collect and read the literature at home and abroad, find various data results related to the research of this thesis, including the influencing factors of customer loyalty and the current situation of supermarket chains, conduct field research, organize and analyze the framework to be investigated, and complete the initial questionnaire.

Step 2: After the initial questionnaire design is completed, refer to the maturity scale of the previous related topics, improve the topic of this paper, and improve the questionnaire through expert opinions.

Step 3: Since it is an online questionnaire, 20 people were first taken as a sample experiment within the circle of friends, 10 men and 10 women, divided into three age groups, namely 15-30 years old, 30-45 years old and people over 45 years old.

Step 4: Improve the experimental results and form the final questionnaire, see Appendix.

4.2.2. Questionnaire content

The content of this survey is designed to consist of 5 parts:

The first part focuses on the personal situation of the respondents, covering multiple survey dimensions such as occupation, age, and gender.

The second part mainly investigates the evaluation of Dennis customers from products, services, environmental conditions and other aspects;

The third part is to investigate the satisfaction of customers in shopping products;

The fourth part evaluates the service attitude of Dennis supermarket chains;

The fifth part evaluates the negative environmental factors of the Dennis supermarket chain.

This questionnaire surveys Dennis customers in terms of products, services, environmental and other aspects; Investigate the satisfaction of customers in shopping products, and evaluate the service attitude of Dennis supermarket chain; The Dennis supermarket chain provides five
ratings of 5 stars, 4 stars, 3 stars, 2 stars and 1 star for the negative environment factors of the Dennis supermarket chain, so as to obtain the customer’s rating of various aspects.

4.2.3. Investigation and implementation

Due to the epidemic, this questionnaire is in the form of an online questionnaire, which will be reprinted by the investigators on the Internet, and the following provisions will be adopted in order to ensure the authenticity of the data:

The survey is a voluntary act, without the intervention of external forces, completely under the premise of the consent of the respondents, the answers to the questionnaire are completely from the hands of the respondents, when necessary, the investigators should answer questions for the respondents, to avoid misanswers, omissions and other problems, in order to ensure the authenticity and completeness of the results.

The sample selection was randomized to reduce human intervention. Investigators should screen the important information recovered, select true and reliable information, and eliminate the false and retain the true to ensure reliability. In addition, because the sample cannot be controlled, the investigators need to control the proportion of data in order to achieve the final scientific validity of the survey results.

4.3. Analysis of the results of the investigation

According to the personal situation of the respondents, the respondents were divided into multiple dimensions such as occupation, age, and gender. From the perspective of age, among the groups surveyed, 49 people were under 20 years old, 82 people were 20-40 years old, 56 people were 40-60 years old, and 13 people were over 60 years old; By gender, 88 were men and 112 were women. Among them, the influencing factors such as each occupation and per capita income maintained the same proportion in each interval of its subdivision.

The second part is about surveying Dennis customers to evaluate products, services, environmental conditions and other aspects. Table 2-1 shows the analysis of the influencing factors of customer loyalty in Dennis supermarket chains.

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<td>22%</td>
<td>30%</td>
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<tr>
<td>Shopping experience factors</td>
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<td>17%</td>
<td>20%</td>
<td>33%</td>
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<td>The convenience factor</td>
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<td>6%</td>
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<td>27%</td>
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<td>environmental factors</td>
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<td>Supermarket brand image factors</td>
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<td>Customer switching cost factor</td>
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4.3.1. The current situation of customer loyalty in supermarket chains

The third part investigates the satisfaction of customers in their shopping products. According to the survey results, as shown in the figure below, among the 200 people interviewed, 54% of the shopping frequency is 1-3 times/month, followed by 28% of people in 4-6 times/month, and 18% of customers are more than 6 times per month, which shows that the customer shopping frequency is in a low state, and the purchase share is mostly concentrated in the range of 50-200 yuan, accounting for 44%.
Among the 200 people interviewed, 64% of them said that they have often purchased and trusted loyal supermarkets, and these supermarket brands are mainly concentrated in Carrefour, RT-Mart and Wal-Mart and other large brands, which shows that most customers in China can achieve loyalty to supermarkets and can achieve brand trust, this kind of loyal customers are mainly concentrated in large supermarket chains, while the other part of 36% of people do not have loyal supermarkets.

4.3.2. Factors influencing customer loyalty

The fourth and fifth parts of the questionnaire survey screened out six main factors, namely product and service factors, shopping experience factors, convenience factors, promotional activities and discount factors, customer switching cost factors and supermarket brand image factors through a comprehensive analysis of the two modules of promoting customer loyalty and hindering customer loyalty and the degree of impact, which will be discussed in detail below.

5. Strategy advice

Improve and enhance goods and services. Ensure the quality of goods and packaging. In our survey report, we found that many customers are dissatisfied with the current product packaging, which accounts for 37% of the total score. Therefore, the packaging of the goods should be intact and undamaged, in line with relevant regulations. To ensure the quality of goods, carefully check the production date and shelf life, product safety, especially special fresh goods are perishable and difficult to preserve, and special attention should be paid to handling. For the management of product freshness, it is necessary to pay attention to temperature and humidity, display, equipment, processing and sales management, so as to achieve the purpose of improving and improving goods and services to enhance customer loyalty.

Improve the comfort of customer shopping experience. To improve the comfort of customer shopping experience, we should pay attention to meeting customer needs, customer needs are varied, diverse, but ever-changing, customer needs are mainly composed of eight basic contents. The eight basic contents are: the demand for good service, the demand for social symbolism, the demand for emotional function, the demand for aesthetic function, the demand for consumer convenience, the demand for safety performance, the demand for quality performance and the demand for basic functions of the product. By noticing these contents, combined with the actual situation of their own enterprises, and analyzing the specific situation, merchants can make corresponding plans and adjustments to the store environment. The specific implementation strategies are as follows:

First, improve the design of the store. For example, commodity display, shelf placement, store channel design, service facility design and furnishing design, etc., according to the
characteristics of the store and customer feedback, the customer flow line survey is carried out to make scientific improvements. For example, the design of the product display area can be adjusted according to the sales volume of the product in the current season, the products that are more likely to be favored by customers are placed at the entrance or center, and the color matching can be adjusted. In addition, factors such as temperature and humidity, sound and other factors can be controlled, and relevant content can be broadcast on the radio according to different time periods, weather, and store policies of the current season within a day, reflecting humanization, and lighting, temperature and humidity can be adjusted to make adaptation, so that customers can have a better shopping experience.

Second, improve the atmosphere of the store. This approach can be implemented by improving employee services. Enterprises can clarify the corporate philosophy in the pre-employment training and daily morning, lunch and evening parties, assess the business ability of employees every month, and create professional and high-quality employees.

Optimize the location of supermarkets. In the questionnaire, most of the respondents attached great importance to the convenience of the supermarket location, which is one of the important criteria for them to choose a shopping supermarket, accounting for about 50% of all factors. Therefore, the location of the supermarket should follow the following principles: convenient to buy, convenient to transport, and conducive to competition. It is necessary to pay attention to the analysis of passenger flow, store characteristics, retail agglomeration in the surrounding area and competitors, in addition, the traffic geographical conditions, the surrounding parking lots and the characteristics of the street topography should be investigated and analyzed. For supermarkets, the importance of site selection is very important, the appropriate location can make it stand out in the same industry competitors instantly, and it is easier to be noticed and selected by customers.

Reasonably formulate promotional strategies. Companies should follow the principles of promotion, such as differentiation, integrity and practicality, and resource optimization. There are four types of retail promotions: opening, anniversary, routine, and competitive. On the basis of market research, enterprises should plan scientifically and carry out reasonable promotional activities, which should not be too frequent or too frequent. At the same time, customer loyalty can be reinforced through trade-in promotions, reward promotions, and membership-based promotions. In addition, it is necessary to pay attention to the channels and means of publicity, and reasonably disseminate it to customers.

References


