

Customer Preferences and Satisfaction: “Analyzing Key Factors in Supermarket Selection in Sri Lanka”

INTRODUCTION

Supermarkets are essential to Sri Lanka's contemporary retail scene because they provide organized shopping, a wide selection of products, and convenience. As the retail sector evolves, understanding consumer preferences and satisfaction levels becomes increasingly crucial for businesses to remain competitive and meet the demands of their customers. To shed light on the variables influencing Sri Lankan supermarket buyers' purchasing behavior, this study intends to investigate their preferences and satisfaction levels.

This investigates important topics such as product diversity, price tactics, customer support, and the general shopping experience through this research. It's hoped to obtain information from a wide range of consumer demographics by conducting an extensive survey and collecting a variety of viewpoints from various geographic locations, age brackets, and socioeconomic classes. (Wanninayake and Randiwela (2007).

This study will examine how demographic characteristics, including age, income, and geography, affect consumer choices and satisfaction levels in Sri Lankan supermarkets. Diverse age demographics may emphasize distinct facets of the buying experience; younger consumers can favor convenience and promotions, whereas

elderly shoppers may concentrate on product quality and service dependability. Likewise, socioeconomic position might impact consumer perceptions of pricing methods and loyalty programs, so affecting their overall happiness. This research seeks to provide a detailed understanding of consumer behavior through the examination of demographic disparities, enabling supermarkets to customize their services and goods to address the individual demands of varied customer categories, therefore improving overall customer happiness.

The results of this study will assist Sri Lankan supermarkets and retail chains in making well-informed decisions regarding how to raise customer satisfaction levels, align with expectations, and improve services. Additionally, this study will add to our understanding of consumer behavior in the Sri Lankan retail market and offer insightful information to practitioners in the field as well as scholars.

LITURETURE REVIEW

The supermarket industry in Sri Lanka has undergone significant growth due to many socioeconomic variables, including urbanization, increasing household income, and evolving consumer tastes. Wanninayake and Randiwela (2007) indicate that the supermarket industry originated in the 1980s but had significant expansion beginning in 2000. This expansion is associated with the emergence of Modern Trade, which initiated a new phase of structured retail, addressing the heightened demand for convenience items, including fast-moving consumer goods, frozen food products, and ready-to-eat meals. As supermarkets become more and more important in Sri Lankan consumer culture, these factors continue to influence the sector.

The industry is currently controlled by prominent entities such as Cargills Food City, Keells Super, and Arpico Super Centre (Wanninayake & Randiwela, 2007). Nonetheless, despite the increasing significance of supermarkets, conventional retail establishments continue to hold a robust presence, especially for the acquisition of fresh produce (Goldman, 2000). Sri Lankan shoppers often patronize smaller grocery stores or local markets for fruits, vegetables, and other perishable goods, which are generally fresher and seen as superior in quality.

The entry of new competitors and the ongoing growth of established chains like Keells Super and Cargills Food City have heightened competitive pressure. Supermarkets are adapting to increased competition by optimizing their marketing tactics, which encompass discounts, promotional activities, and the

implementation of loyalty programs to improve customer retention and sustain market share (Cardinali & Bellini, 2014).

Customer satisfaction is a crucial driver of success for supermarkets, influenced by several elements that affect consumers' opinions and loyalty. Pricing is a crucial element, as supermarkets such as Cargills Food City and Keells Super draw customers with promotions, seasonal discounts, and loyalty programs that augment the perceived value of the shopping experience (Zeithaml, 1988; Habaragoda, 2021).

In addition to pricing and product quality, the retail environment significantly impacts consumer happiness. Supermarkets that offer a hygienic, orderly, and easily navigable layout improve the entire shopping experience (Zeithaml, 1988). Retailers such as Keells and Arpico prioritize the establishment of an attractive and user-friendly shopping atmosphere, hence encouraging prolonged client visits and increased expenditure per patron.

The literature highlights numerous critical elements influencing the growth and competitiveness of the supermarket industry in Sri Lanka. Supermarkets are consistently adapting their pricing tactics, product quality, shop layout, and service reliability to satisfy the increasing preferences of Sri Lankan consumers. As the business expands, particularly with the rise of e-commerce, comprehending these essential factors will be crucial for retailers to maintain competitiveness and fulfill customer expectations.

METHODOLOGY

In the current dynamic retail landscape, comprehending customer behavior necessitates direct interaction with the shoppers who influence the market. A quantitative research methodology was utilized to examine the preferences, motives, and satisfaction levels of supermarket buyers in Sri Lanka. This method enables a systematic and impartial gathering of data, aiding in the measurement and analysis of critical variables that affect consumer choices.

The research employed a cross-sectional survey design, facilitating data collection from a varied group of respondents at one specific moment. This strategy effectively captures a snapshot of customer behavior across diverse demographic groupings and geographic regions. The research sought to identify patterns and links in the shopping experiences of Sri Lankan supermarket consumers by collecting data on many factors, including product diversity, pricing, customer service, and overall satisfaction.

Primary data was gathered by an online survey published via Google Forms, facilitating convenient and extensive participation. These elements encompassed Diversity of products, Pricing methodologies, client assistance, Store layout and shopping environment, Customer contentment levels.

The survey link was sent via multiple digital platforms, including social media and email, to ensure wide accessibility. Along primary data, secondary data was collected from relevant source material, including research publications, industry reports, and corporate documents, for further context and enhance the study.

The survey data was examined utilizing descriptive statistics to encapsulate consumer demographics and buying activities. Correlation analysis evaluated the correlations among variables like as pricing, product quality, and customer happiness. Regression research showed critical factors influencing happiness in supermarkets. Statistical tools such as Python and Power BI were employed for comprehensive analysis and visual depiction of results.

RESULTS, ANALYSIS AND DISCUSSION

Analysis of survey data shows several significant trends in consumer behavior in the Sri Lankan supermarket industry. A significant majority of young shoppers are between the ages of 18 and 24, with 60% of respondents. This indicates that the majority of consumers served by supermarkets in Sri Lanka are young, which can have a major impact on the product range offered, marketing tactics and general customer satisfaction. The 25-34 and 35-44 age ranges account for a lower percentage of shoppers, suggesting potential gaps in targeting senior citizens. According to the study, supermarkets can profit by using social media interactions, product categories that appeal to younger consumers and digital marketing tactics to target this demographic.

Understanding the frequency of purchases is also essential to comprehending consumer behavior. 66% of respondents said they buy at supermarkets once a week, compared to 29% who shop once a month. This habit of frequent shopping emphasizes how crucial it is to keep products consistently available, particularly for fresh vegetables and basic household necessities. Furthermore, the high frequency of supermarket visits implies that

customers may place a high value on promotions and discounts, which emphasizes the necessity for supermarkets to concentrate on loyalty programs and aggressive pricing methods in order to keep their loyal patrons.

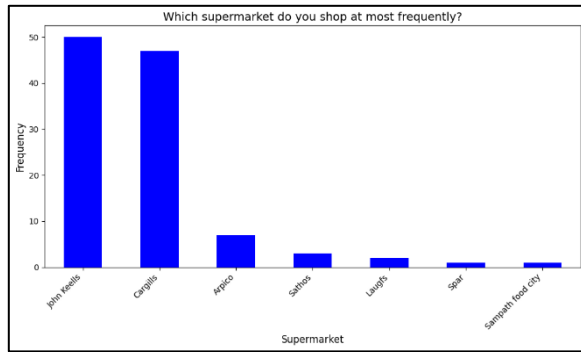


Figure 1

At 33% of respondents choosing John Keells, it is the most popular supermarket option. With 30% of respondents selecting Cargills as their major supermarket, it comes in second. The fact that 24% of respondents shop at both John Keells and Cargills is noteworthy because it shows how competitive these two chains are and how well they can draw in a wide variety of clients. Their large range of items, strategic locations, and successful pricing methods are the reasons behind their market domination. According to the research, both supermarket chains have built a solid reputation in the industry by implementing client-centric strategies, such as loyalty plans, promotions, and first-rate customer support.

Price, product variety, customer service, quality of goods, and store location are some of the important elements that come to light when examining consumer preferences while choosing supermarkets. According to the data, consumers continue to place a high value on pricing, with 25% of respondents

saying that it plays a major role in their decision-making. This demonstrates how important affordability is, especially in a retail setting where competition is fierce. In contrast, 17.8% of respondents gave product quality a high priority, emphasizing that although price is crucial, product quality also plays a significant role in fostering loyalty and trust.

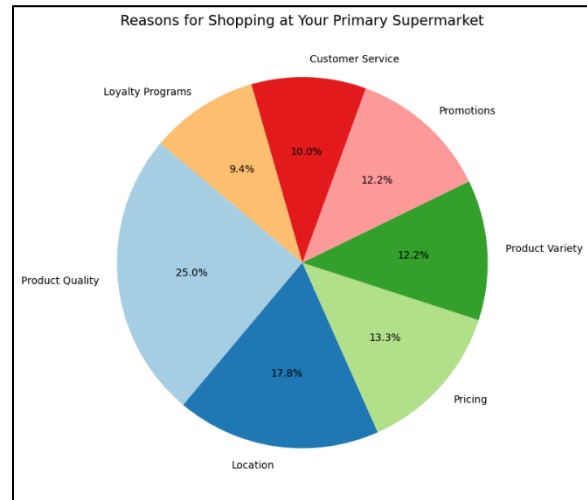


Figure 2

Customers' decisions are also heavily influenced by location, especially when it comes to large grocery chains like John Keells and Cargills, which have grown throughout Sri Lanka. Customers may easily shop at local supermarkets due to their extensive availability, which emphasizes location as a key consideration when choosing a supermarket. These two retail behemoths also frequently provide promotions and discounts as a result of their fierce competition, which increases their appeal to consumers on a tight budget.

Additionally, the evidence indicates that the younger demographic finds these supermarkets very appealing. Many younger consumers have fast-paced lifestyles, and the convenience of buying all home requirements in one place allows them to

save time and money. Customers are drawn to supermarkets that offer this combination of quality, price, accessibility, and promotional incentives, suggesting that these businesses are well-positioned to prosper in a market that is becoming more and more competitive.

This data shows a developing trend in which supermarkets are evolving from just places to shop to community centers that provide a variety of items, individualized services, and loyalty rewards, all while fostering an atmosphere where patrons feel appreciated. This emphasizes how crucial it is to comprehend customer behavior while developing supermarket strategy in order to maintain an advantage in the rapidly changing retail sector.

Due to a number of important characteristics that affect customer happiness and loyalty, 33% of Sri Lankan consumers now choose John Keells as their preferred supermarket. The store's alluring discount schemes, which consistently deliver value and appeal to budget-conscious customers, are a big lure for customers. Delivering fresh, high-quality produce is another important priority for John Keells, since many customers look for dependability when making food purchases. Customers may purchase from a variety of places because to the convenience provided by its vast network of stores, which also makes access easier and improves the whole shopping experience. John Keells serves a wide range of consumer demands by establishing itself as a one-stop store for necessities for the home, guaranteeing that customers can get everything they need.

CONCLUSION

This research provides significant insights into consumer preferences and satisfaction in Sri Lanka's supermarket sector, elucidating the elements that foster customer loyalty and shape buying behavior. The data indicate that young customers, specifically those aged 18-24, constitute a substantial segment of supermarket buyers, emphasizing the necessity of directing digital marketing tactics and social media engagement towards this generation. Supermarkets that cater to the requirements of this younger, technologically adept generation by providing convenience, promotions, and personalized services are likely to see increased customer retention and satisfaction.

The study highlights the importance of shopping frequency, as most respondents frequent supermarkets on a weekly basis. This underscores the necessity for merchants to ensure consistent product availability, especially for vital goods such as fresh produce, and to adopt successful promotional strategies that stimulate repeat patronage. The significance of loyalty programs and aggressive pricing strategies is further substantiated by statistics, as consumers increasingly prioritize discounts and prizes that offer additional value.

The competition between John Keells and Cargills persists vigorously, with both chains favored by a significant portion of consumers. Their strategic locations, extensive product range, and customer-focused activities, like loyalty programs and incentives, have reinforced their status as industry leaders. For these shops, achieving an optimal equilibrium between affordability and product quality is essential, as

consumers persist in prioritizing these elements when choosing shopping destinations.

In conclusion, Sri Lankan supermarkets must persist in adapting to the varied requirements of their clientele. By emphasizing pricing, product quality, convenience, and promotional incentives, while adopting digital transformation to attract younger consumers, supermarkets can improve customer satisfaction, foster loyalty, and sustain a competitive advantage in the swiftly evolving retail landscape.

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