

The Interplay Between Service Quality And Strategy In Driving Supermarket Popularity In Myanmar

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Abstract

In Myanmar, supermarkets have become an important part of urban life, offering variety, convenience, and quality. This study evaluates the effectiveness of the relationship between service quality and strategic initiatives in influencing the country's supermarket popularity. Based on the secondary qualitative research approach, the study identifies the key dimensions that emphasise customer loyalty and satisfaction, including product pricing, variety and customer service. Moreover, it evaluates the strategic elements including marketing, location and the technological adoption.. The research findings indicate the correlation between supermarket popularity and service quality that aligns to increase customer satisfaction and experience. Based on these factors, this study examines valuable insights for supermarket chains that aim to increase the supermarket's competitiveness in the Myanmar market.

Keywords: Service quality, service strategy, supermarket popularity, customer satisfaction.

INTRODUCTION BACKGROUND

Service quality and strategy are interrelated, as effective strategies incorporate “service quality to achieve customer satisfaction, loyalty, and success” in the marketplace. Service quality ensures that, customers' expectations are met, leading to improved customer satisfaction and retention within supermarkets. Following “the convenience of online shopping, supermarkets must transition from the goods providers” to suppliers and offer better service quality to increase customer satisfaction (Slack et al. 2020). Hence, “service quality and customer satisfaction” have been recognised as the fundamental drivers of the customer's purchasing decisions that indicates the determination of brand equity and customer loyalty.



Figure 1: Export Partners for Myanmar

(Source: Self-developed based on O'Neill, 2025)

The above graph shows Myanmar's export partners, such as China, Thailand, Japan, Germany and India. Among these partner countries for Myanmar, China was the main export partner with 32% in exports (O'Neill, 2025). Based on the international standards, Myanmar faces issues due to its service quality,

logistics and financial conditions. Hence, the issues is beneficial for analysing the potential trade for increasing service quality and customer satisfaction.

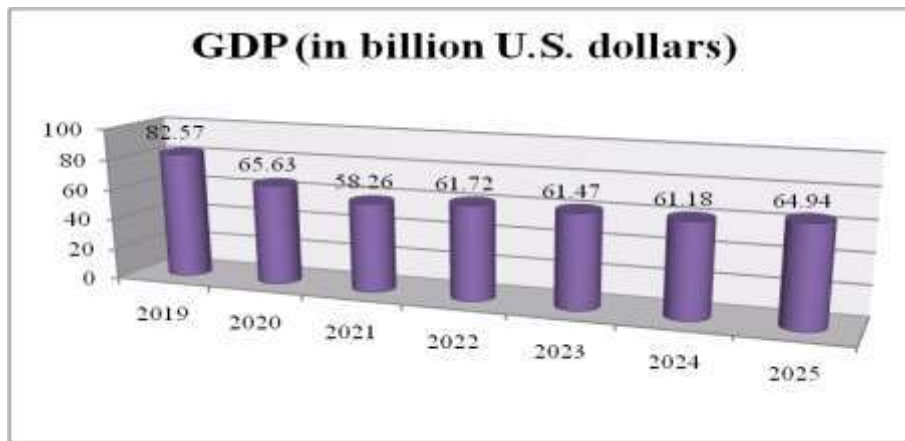


Figure 2: Myanmar's Gross domestic product (GDP) from 2019 to 2030

(Source: Self-developed based on O'Neill, 2025)

In Myanmar, GDP impacts the supermarkets by influencing supply chain dynamics, customer spending and operational costs. In 2019, the GDP was 82.57 billion U.S. dollars; in 2024, the GDP was 61.18 billion U.S. dollars 2024 and in 2025, the GDP was 64.94 billion U.S. dollars, that impacts the supermarkets' popularity and business value (O'Neill, 2025). The GDP rate represents the goods and services total value in the Myanmar market.

AIM

This research aims to assess the relationship between service quality and strategic approaches in supermarket operations and their impact on customer choice and popularity in Myanmar.

OBJECTIVES

RO1: To assess the current approach of supermarket service quality in Myanmar

RO2: To analyse the strategies of supermarket success in Myanmar through strategic management practice

RO3: To investigate the relationship between service quality and strategy in Myanmar supermarkets

QUESTIONS

RQ1: What are the key factors of service quality that affect customer preferences in Myanmar supermarkets?

RQ2: How do Myanmar supermarkets integrate strategic management practices to boost customer retention and popularity?

RQ3: Is there a connection between service quality and strategy for Myanmar's supermarket growth towards brand loyalty and consumer traffic?

LITERATURE REVIEW RELATIONSHIP BETWEEN SERVICE QUALITY AND STRATEGY

In the modern era, services and goods are interrelated and competing to get customers by providing better service quality. According to Chang et al. (2024), service quality is a cognitive approach of customers to

deliver high-quality products. Besides, product quality is another important factor for the customers that determine the customer's preferences and satisfaction level. Service quality indicates that the service meets the customer's requirements and expectations toward the supermarket's popularity. Customer satisfaction has a significant effect on the relationship between customer loyalty and service quality (Min and Tangjitprom, 2023). Product quality and business operations are the key factors to assess the customer's requirements and supermarkets' popularity and success in the competitive marketplace. Based on the global landscape, the supermarket provides an intermediary between the customers and manufacturers. In the supermarkets, service quality delivery has been beneficial in achieving customer satisfaction and loyalty (Noel and Govender, 2024). A supermarket's strategy is to offer a competitive pricing strategy that can be beneficial for improving customer experience.

A supermarket's strategy is to offer a competitive pricing strategy that might be complemented by its service quality, including customer service and product variety. Customer service strategy ensures that the customer interaction has a positive, personalised and consistent experience to fulfil the customer's requirements.

SERVICE QUALITY IN SUPERMARKET POPULARITY

Supermarkets are successful based on their diverse product selection that attracts and retains customers. Supermarkets offer a "wide variety of products", as the customers often focus on the best quality products, with customer service that can impact customer satisfaction. Service quality has been widely studied in the context of retail, with various models developed to assess its impact on consumer behavior (Musasa and Tlapana, 2023). The core dimensions of service quality, as tangibles, reliability, responsiveness, assurance, and empathy, are important for supermarkets. Furthermore, product availability (reliability), store cleanliness (tangibles), and customer service (responsiveness) heavily influence customer perceptions and satisfaction. Service quality is directly incorporated into customer satisfaction, loyalty, and repeat purchases in retail settings. Customer service and service quality are assisting the customer's purchasing intentions, ensuring a hassle-free experience and offering guidance toward the supermarket industry.

Based on the supermarkets in Myanmar, service quality remains an important factor in shaping customer satisfaction. As an example, the fashion retailers' perception of service quality is shaped by both internal and external factors, such as product variety, staff training, and the shopping environment (Florea et al. 2025). Retail infrastructure has rapidly developed and customers have expected higher standards of service from supermarkets in Myanmar.

STRATEGY AS A DRIVER OF SUPERMARKET POPULARITY

In increasing the supermarket's popularity, high-quality service encourages the business and fosters customer loyalty. In the competitive supermarket, an exceptional service-providing approach can differentiate the retailers from their competitors and deliver high-quality services. According to Min and Tangjitprom (2023), the service process is considered an important driver that impacts the supermarket's popularity, to analyse the customer's satisfaction and improve service quality. An effective service strategy ensures that services meet customer expectations and lead to streamlined business processes. As per Černikovaitė et al. (2021), supermarkets have changed and expanded in location and design that also influences the customer's purchasing intentions and preferences.

In Myanmar, supermarkets must balance a competitive pricing strategy with high-quality service delivery that increases customer satisfaction. Location plays an important role in assessing the importance of residential areas development and supermarket business development toward the customer's satisfaction (Yokoyama et al. 2018). In addition, effective marketing campaigns, including loyalty programs, discounts

and local advertisements, have been effective in attracting and retaining more customers through the supermarkets.

METHODOLOGY

This study adopts secondary qualitative data collection methods, such as thematic analysis that depends on case studies, existing reports and literature to assess the relationship between service quality and strategy in driving Myanmar's supermarket driving strategy. Secondary data are gathered from published resources, as the information is gathered and used for identifying research goals and perspectives (Taherdoost, 2022). The study adopts an interpretivism research philosophy that indicates the importance of search-based data over the study topic of Myanmar's supermarket popularity. Interpretivism research philosophy posits a socially constructed and subjective approach that emphasises the qualitative data selection approach and integrates human interests (Pervin and Mokhtar, 2022). This research philosophy helps to design the research planning approach toward the study phenomenon. Hence, the inductive research approach indicates the coordination between the observations and theories that are formulated towards the research observations (Proudfoot, 2023). This section evaluates the relevance of collected data by following the secondary data collection and analytic process.

This study adopts an exploratory design that helps to examine the qualitative data gathering and analysis process in the study context. According to Olawale et al. (2023), an exploratory research design provides an overview of the information gathering approach through analysing the research phenomenon. Based on the research data, qualitative data analysis as thematic analysis is beneficial for the researcher and the qualitative data has indicated the significance of the study objective. General information regarding the research variables of the research questions can be collected from secondary data that has been published by other researchers and is also publicly available (Taherdoost et al. 2021). Besides, this study focuses on maintaining research ethics and ensuring that the collected information and resources are reliable. In addition, the resources are also plagiarism-free, properly cited, bias and credible.

RESULTS THEMATIC CODING

Sl. No.	Thematic Code (Objective-based)	Associated Keywords	Concept of Theme
1	Dimensions of supermarket service quality and strategic approach	service quality, customer satisfaction, product availability and store environment	Service quality is highly important and prominent due to increasing competitor behaviour, customer demand, service design, environmental conditions and internal organisational development factors (Soe and Nuangjamnong, 2021). Hence, service quality improves the customer satisfaction level and influences the customer loyalty toward the customer's fulfillment which indicates that service quality affects "customer loyalty".
2	Strategies of supermarket development toward strategic management	Pricing strategy, e-commerce and customer satisfaction	Pricing strategies, product diversity, cultural factors and customer satisfaction may influence Myanmar's supermarket development as well as the e-commerce sector (Htet, 2025).

3	Correlation between service strategy and service quality toward customer traffic and brand loyalty	Customer traffic, brand loyalty, customer behaviour and service strategy	There is a relationship between service strategy and service quality for Myanmar's supermarket development by analysing the customer traffic and brand loyalty.
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Table 1: Thematic Coding Theme 1: The analysis of Myanmar's supermarket service quality and strategy dimension

Customer loyalty and perceived value help to determine the impact of customer loyalty and customer satisfaction level. It determines the effectiveness of service quality towards the customer loyalty approach within the Myanmar supermarkets. As an example, in Myanmar skin care product markets, the market size was valued in 2019 at \$ 272.3 million and CAGR of 8.6% from 2021 to 2027 that impacts the Myanmar skin care products market (Min and Tangjitprom, 2023). Hence, the influencing factors and “effectiveness between perceived value, service quality, customer satisfaction, customer intimacy” and others that leads to an increase in customer loyalty in Yangon, Myanmar.

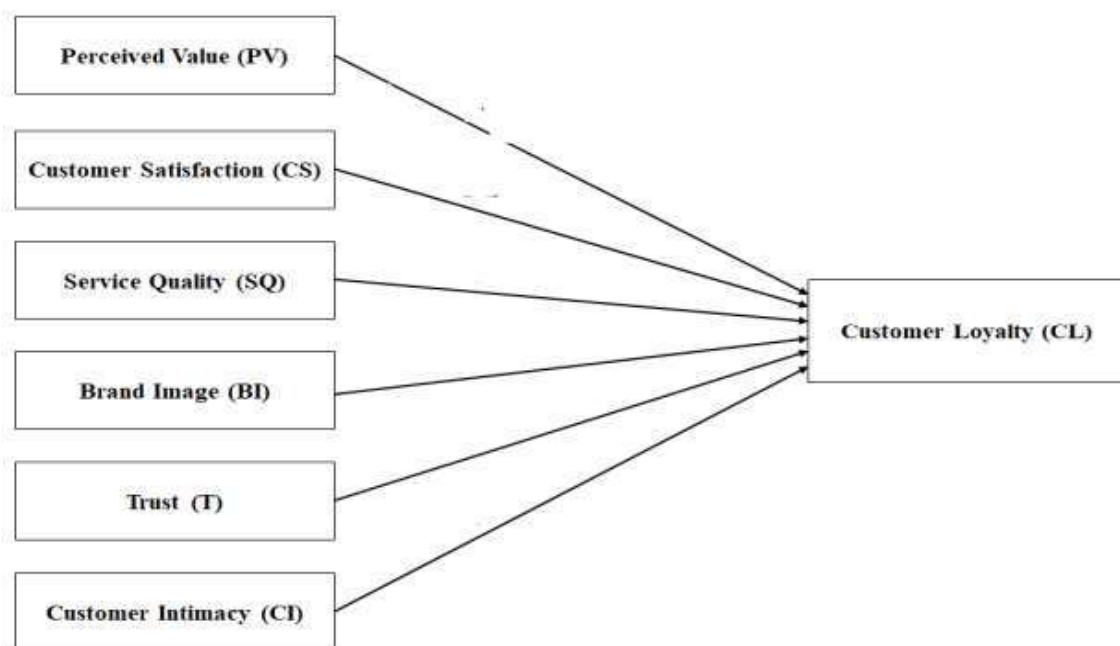


Figure 3: Different factors of customer loyalty

(Source: Self-developed based on Min and Tangjitprom, 2023)

The above image indicates the customer loyalty approach toward Myanmar's service quality and strategic interventions. As an example, in Myanmar, Metro and City Mart have achieved success due to their strategic positioning and high-quality service approach (Min and Tangjitprom, 2023). There is integration between modern supermarket strategies that helps to establish customer loyalty. Hence, supermarkets have also faced issues due to inconsistent service quality and limited offerings that indicate the role of service quality to achieve success.

“There is a correlation between strategic initiatives and service quality development” that impacts Myanmar's supermarket industry's value and development. Based on this, the customer's perception and product variety have organised the organisational development by following the supermarket's development. The strategic dimensions and service quality dimensions indicate the global market trends to explore the effectiveness of sensory and physical aspects toward the customer satisfaction level.

Theme 2: Successful strategies of supermarket development through strategic management approaches

Successful strategies, including pricing strategy, e-commerce and customer satisfaction, have helped to assess the strategic management approach to achieve success in the competitive marketplace in Myanmar. According to Htet, (2025), pricing strategies may influence customer satisfaction that providing insights about the Myanmar's e-commerce sector, that emphasises the supermarket's business value and customer satisfaction level. Besides, e-business and online shopping focus on virtual store and web factors, image to fulfil and maintain customer satisfaction. Hence, Myanmar's e-commerce sector emphasises customer satisfaction, store image and website factors that impact customer satisfaction and store image. Besides, service quality has been identified as its attitude and effectiveness toward analysing the global decision toward service superiority. Service quality is highly important and appropriate due to analysing the competitor behaviour, service design, environmental conditions and organisational factors for the development of supermarket activity.



Figure 4: Customer satisfaction level with the service quality and system quality

(Source: Self-developed based on Htet, 2025)

Supermarket implementation impacts the customer loyalty programs, including customer satisfaction, that encourages a long-term customer retention rate. Strategic branding increases customer satisfaction level with the e-commerce quality. Besides, longitudinal studies could provide information about analysing the relationship between the e-commerce sector and supermarkets in Myanmar (Htet, 2025). The above bar graph indicates that “99% of customer satisfaction indicates the service quality and 90% of customer satisfaction indicates the system quality in Myanmar supermarkets”. In Myanmar, supermarkets are integrating service quality and strategic management practices that are able to achieve success and sustain long-term popularity in Myanmar's competitive and growing marketplace.

In addition, location indicates the urban areas that indicate the relationship between the service and system quality toward Myanmar's supermarkets. Hence, the supermarkets followed the competitive advantage based on accessibility. In addition, digital integration, including e-commerce strategy and digital payment system is becoming more important to assess the supermarket's development and service quality enhancement.

Theme 3: Relationship between service quality and strategy for Myanmar's supermarket development through brand loyalty and consumer traffic

In the retail business, as supermarkets' business value, there is a relationship between service strategy and service quality. It has been identified that, service quality in retail businesses has been the biggest concern in assessing the customer satisfaction level. According to Soe and Nuangjamnong (2021), this study evaluates the relevance of product quality toward increasing the customer satisfaction level. The supermarket's business considers the effectiveness of service quality that has been considered the biggest concern in social research regarding customer traffic and brand loyalty. In supermarkets, service and product quality standards are the core values that can be beneficial for predicting customer loyalty. The product innovation has an impact on customer loyalty and the customer perception can impact the shopping activities.

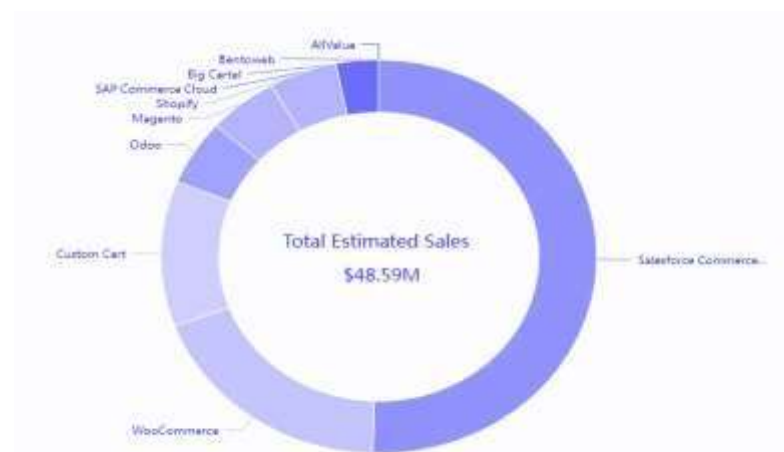


Figure 5: Myanmar's online store sales by platform

(Source: Aftership, 2025)

It has been identified that, Myanmar's online store sales indicate the modern technological implementation that increases customer satisfaction, service quality and system quality approaches. In Myanmar, different online platforms, including WooCommerce, Shopify, Magento and others, have been used by the customers, that impacts the effectiveness of using e-commerce sales through Myanmar's supermarket development.

The theme evaluates the “interplay between service quality and strategic approaches in driving supermarket popularity through brand loyalty and consumer traffic”. The relationship between these two factors is important in the context of Myanmar's competitive supermarket industry. Hence, customers are more important to reassess the supermarket's development that provides excellent service quality and boosts customer satisfaction level. Supermarkets that focus on friendly staff, product availability and services, including online ordering or home delivery, often experience high levels of loyalty. In addition, a strategic marketing approach and high service quality in supermarkets tend to attract customers. For instance, location and promotional strategies affect the supermarket's attractiveness and visibility. “There is a relationship between repeat purchases and customer satisfaction”. Supermarkets offer consistent service and shopping experiences, as “customers are likely to recommend the current market situation and boost the customer's preferences”.

DISCUSSION

Based on the above thematic analysis, this is to identify the relationship between service strategy and service quality in Myanmar's supermarkets through customer satisfaction. Hence, the findings of the thematic analysis evaluate the relevance of strategic management practices and service quality that impact the supermarket's value in the Myanmar market. The thematic analysis also evaluates the contributing factors of website quality, including service quality, system quality, store environment, customer satisfaction and information quality toward Myanmar's e-commerce sector. It has been identified that, Myanmar supermarkets' customer satisfaction depends on the system quality and service quality that has an effect on customers' confidence level. In addition, Myanmar's supermarket development and e-commerce platforms are related to each other that cannot attract new customers, as driving the industry's sustainability and long-term development. Besides, the supermarket's development depends on service quality and customer satisfaction level toward the supermarket's service design and organisational development factors.

It has been identified that, Myanmar's supermarket development increases competitiveness, including location, target marketing, customer satisfaction, pricing strategies and others. The strategies help more customers and assist in identifying the existing customers' perceptions. Based on the Myanmar supermarket industry, customer traffic and brand loyalty are influenced by the service quality and system quality. The supermarket industry of Myanmar depends on the customer satisfaction level, that are likely to assess the correlation between current market campaigns, discounts and personalised experiences. Besides, the Myanmar supermarket industry indicates the relationship between customer traffic and brand loyalty, that impacts the supermarket's development through analysing the customer service and system quality to assess the supermarket's development. Hence, Myanmar's current market condition indicates the relationship between service strategy and service quality that impacts Myanmar's supermarket's popularity and customer traffic. Furthermore, longitudinal studies provide insights into identifying the relationship between Myanmar's e-commerce sector's developments.

CONCLUSION

It can be identified that, this research evaluates the important role of service quality and strategic initiatives in determining the Myanmar's popularity of supermarkets. Service quality dimensions, including customer service, product variety and store environment, significantly influence customer satisfaction. Different strategic factors, including customers' requirements, location, digital adoption and current market situation help to increase customer loyalty and retention to increase the supermarket's popularity. Supermarkets that successfully incorporate their service offerings and strategic objectives are positioned to fulfil the evolving requirements of Myanmar's customers. This research provides valuable insights for supermarket managers' roles and relevance toward the business operations and increases their competitive edge in the growing market of Myanmar. Besides, the emerging supermarket in Myanmar focuses on boosting customer satisfaction level through the service quality and strategy that impacts the market entry strategy.

The supermarket's decision-making process and behaviour are impacted by the workplace environment. This study also evaluates the retailers' approach and foreign market strategy and influences the customer's decision-making strategies. This study influences customer loyalty and supermarket popularity enhancement based on the service quality and strategy development approach. Hence, customer intimacy and service quality do not only impacts customer loyalty, but also increase the supermarket's popularity in Myanmar.

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