



Revisiting the supermarket in-store customer shopping experience



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ABSTRACT

Marketing academics and practitioners agree on customer experience as a means for differentiation. The customer experience is challenging for retailers because it is influenced by elements which the retailer can control and elements which are beyond their control. This paper deals with the in-store customer shopping experience of a supermarket and found that merchandise assortment, interaction with staff and the internal shop environment and customers' in-shop emotions have a strong positive and significant relationship with cumulative customer satisfaction. Customer satisfaction has a strong positive relationship with repatronage intentions. A comparison of the current study's findings with those of two similar earlier studies yielded considerable differences. The major contributions of this study are firstly the identification of differences over time of the elements of an in-store customer shopping experience in a supermarket and the role of positive emotions that are caused by supermarket shopping environments.

1. Introduction

Various diverse and innovative retailing formats emerged as competitors for supermarkets (PWC, 2012). To compete with these new arrivals, supermarkets had to reconsider their offerings and implement strategies that are challenging and difficult for competitors to emulate. In this respect, Levy and Weitz (2012) found that traditional supermarkets use strategies to compete successfully by differentiating their products and services from other competitors. This they do by emphasising the freshness of perishables; focusing on the needs and wants of health-conscious and multi-cultural consumers; offering superior value with reduced cost private-label merchandise; and providing customers a shopping experience better than those of competitors.

A positive in-store customer shopping experience provides a competitive advantage that enhances the value that a customer gets from a visit to a supermarket. Unfamiliar and complex competitive environments, and well-informed customers who continuously demand value are major forces that require the development and offering of a pleasant in-store customer shopping experiences to ensure that customers patronise a supermarket again in the future (Sánchez-Fernández et al., 2009). To provide a pleasant in-store customer shopping experience for their customers, supermarkets initially focused on offering more services to customers. The arrival of new food retailing formats later necessitated supermarkets to expand their services to compete successfully with these newcomers. Examples of newer competitors are convenience stores such as Kwikspar, PicknPay Express and Foodstops - located in neighbourhoods and at service stations - and specialised

shops such as Fruit and Veg City and Food Lovers' Market that offer a wide selection of food produce. Many established traditional supermarkets have lost business to these newer store formats. To summarise, the major new competitors for supermarkets can be grouped into three phenomena. Firstly, there are Makro and Game that sell food and groceries and which benefit from Walmart's bargaining power that enable them to be more price competitive. Secondly there are shops specialising in food. The essence of the competition that the new food formats bring is that they do not carry as much stock keeping units (SKU's) as supermarkets and focus on fewer food SKU's with a higher turnover for profit. In the third instance, we find convenience stores that offer an extended merchandise mix of frequently consumed profitable items.

Most supermarkets offer their customers, apart from the typical groceries, a butchery, a wide range of fresh fruit and vegetables, a bakery with a variety of breads, a confectionary with freshly baked products, a delicatessen counter with local and imported specialised meat and cheese products, take-away meals prepared by chefs, a Sushi counter and a section offering a selection of local and imported wines. The supermarket under study offer their customers a choice from more than 300 different cheeses as well as two special types of beef steaks, apart from the normal fresh cuts. As far as their prepared food is concerned, a range of the dishes is prepared in accordance with the recipes of the internationally acclaimed chef, Gordon Ramsay. Ramsay also endorses these dishes, most of which contain only ingredients from the supermarket's own private label range of food. Even the traditional grocery section has been changed to cater for customers with specific

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needs such as the health conscious and multi-cultural consumers while more private label brands are made available to appeal to value-seeking customers. The intention with these added products and services is to exceed customers' in-store shopping experiences in comparison with those offered by their competitors. Supermarkets thus face the challenge to deal with both intratype -and intertype competition (Goodman and Remaud, 2015).

This research has been undertaken for a number of reasons. The study is first and foremost a response to Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros and Schlesinger's suggestion that customers' experiences should preferably follow a longitudinal research design (2009). This suggestion was in response to the question whether customers' experiences remain stable over time or if they are sensitive to changes in the internal and external environments. The initial study used for comparison purposes, was undertaken in 2006 and now it is revisited a decade later. Secondly, during the focus group discussion the interaction and communication with other customers emerged the first time as a factor that customers' experience as enjoyable in a supermarket. Thirdly, this research found that customers perceived all merchandise elements holistically as representative of one construct. This Gestalt-like processing where the whole is perceived as more than the sum of its parts has not been published before in respect of merchandise. Fourthly, positive in-store emotions in a supermarket were also one of the new factors introduced in this study. This specific factor was included to represent the envisaged new "feel good emotions" resulting from the altered atmospherics created by the added services in a supermarket.

2. Research background

The first publications on in-store customer experiences are most probably that of LeBlanc (1992) that explored in-store customer shopping experiences with travel agencies. Other early customer experience research was published by Carbone and Haeckel (1994) on "Engineering Customer Experiences". Since then a large number of publications have been published on in-store customer shopping experiences. Earlier studies on in-store customer shopping experiences of supermarkets, which are used for purposes of comparison in the current study, were undertaken more than a decade ago (Terblanche and Boshoff, 2004, 2006). Most of the expanded service facilities or so-called 'additions' to enhance a supermarket's competitiveness today have become part of supermarket offerings over time. It is therefore expected that what constitutes the in-store customer shopping experience in supermarkets today are likely to differ from those reported in previous studies a decade ago. The primary objective of this research was to determine which factors form the in-store customer shopping experience for supermarket customers at present, compared to those of earlier studies, and have a positive relationship with customer satisfaction. The secondary objectives were to:

- 1) determine whether changes in the internal and external environment of supermarkets lead to changes in a supermarket's customer in-store shopping experience;
- 2) investigate whether in-store emotions featured positively in the in-store shopping experience of a supermarket customers; and
- 3) determine whether the presence of and interaction with other customers is part of a positive in-store shopping experience of supermarket customers.

In order to attend to these objectives a twofold approach was followed. First a review of the theory and literature that relates to in-store customer shopping experience was undertaken. This review was followed by a focus group study during which a sample of frequent shoppers of a particular supermarket was interviewed to gauge their views on what constitutes a positive in-store customer shopping experience. The context of the study is the in-store customer shopping experience. The importance of customer experience has been endorsed

by the Marketing Science Institute that identified the understanding of customers and their experiences as a Tier 2 research priority for the period 2016–2018 (MSI, 2013). Accenture (2015) has also acknowledged that the improvement of customers' experience should be a priority for businesses. The integrative conceptual framework of Esbjerg et al. (2012) that analyses customer satisfaction with shopping experiences in grocery retailing was used to inform the investigation. This integrative conceptual framework enables one to explain overall, cumulative satisfaction with a supermarket and secondly, the framework provides and integrates several relevant concepts from different research streams into a common framework to investigate satisfaction with a shopping trip and future repatronage intentions of a supermarket. A mixed- method approach, which combines input from a qualitative focus group and a quantitative survey, was used to identify items for measurement and the statistical analyses.

3. Literature review

Shopping is no longer merely an exercise to obtain a preferred product or service; it has become a social experience (Van Rompay et al., 2012). Today's consumers frequently expect a multi-sensory, interactive, and holistic shopping experience that entertains, stimulate, emotionally affects and creatively challenge them (Schmitt, 1999; Foster and McLelland, 2015). These circumstances present retailers with opportunities to differentiate themselves from competitors by designing retail environments that will create memorable customer experiences (Petermans et al., 2013). Verhoef et al. (2009) assert that a customer's experience has not been studied on a large scale as a distinct construct in the marketing, retailing and service literature. It is especially research on customer experiences in in-store environments from an all-inclusive approach that seems to be truly scarce (Petermans et al., 2013). Holbrook and Hirschman (1982) were most probably the first researchers to argue that consumption also possesses experiential aspects. Schmitt (1999) studied how firms created experiences to determine how customers sense, feel, think, act and relate to a firm. Berry et al. (2002) propose that if firms wanted to compete on the basis of providing customers with satisfactory experiences, they need to coordinate all the 'clues' that customers perceive in the shopping process. The insights obtained by these studies have led to various attempts by researchers to define customer experience. It is unlikely that a comprehensive review of the customer shopping experience is possible within the confines of an academic paper such as this one (Alhouthi et al., 2015). Nevertheless, it is necessary to offer different views on customer shopping experiences to provide some rationalisation for the context of the study. Thompson and Kolsky (2004: 5), for instance, describe customer experience as "the sum total of conscious events", indicating the importance of the opportunities created by each interaction with a customer. Mascarenhas et al. (2006: 399) emphasise the extensiveness of customer experience by defining it as "a totally positive, engaging, enduring, and socially fulfilling physical and emotional customer experience across all major levels of one's consumption chain and one that is brought about by a distinct market offering that calls for active interaction between customers and providers". Gentile et al. (2007) believe that customer experience is a creation from a set of dealings and exchanges between customers and products, a firm, or part of a firm that causes a response. In similar vein, Meyer and Schwager (2007: 118) and Gentile et al. (2007) describe customer experience as

"...the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact mostly involves unplanned encounters with representatives of a company's products, service or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews and so forth."

Berry and Carbone (2007: 26) propose that "an organisation needs

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