Study of the Current Situation of Customers’ Loyalty to the Vanguard Supermarket and the Strategies for Improvement—A Case Study of the Vanguard Supermarket in Fuzhou, Jiangxi

Wei YAO
Jiangxi Institute of Fashion Technology, Nanchang, Jiangxi, China
35165990@qq.com

Keywords: the Vanguard Supermarket, Customers’ loyalty, Strategy.

Abstract. Competition is increasingly fierce with the rapid development of global economy. If the large supermarket chains want to obtain long-term development, it is not enough for them only to focus on market shares. So it has to attach importance to the customers’ loyalty, because a loyal customer will bring continuous profit and more and more value to the supermarket.

By entering the 21st century, the world has changed with each passing day, and the pace of economic globalization is getting bigger and bigger. The economic globalization in a certain extent impacts on the values of human society, and it is mainly reflected on the change of the quality concept and consumption idea. For example, from the previous quality of “qualified” to the customer “apply”, from the previous “reliability” product requirements to “reliable quality” product requirements. In order to achieve customers’ satisfaction, the supermarket can’t get the desired effect of improvement only from one hand; it should focus on the broad masses of customers to conduct a comprehensive analysis, and then put specific and pertinent measures into effect to win full satisfaction from the customers.

The Important Role of Customers’ Loyalty to the Vanguard Supermarket

Enhancing the Competitiveness

Before 2011, the Vanguard Supermarket of Fuzhou was defiantly the champion on both performance and public praise. Since the arrival of Walmart in 2011, it has broken the “calm” in a long time and has posed a great threat to the Vanguard Supermarket. It lets the managers of the Vanguard Supermarket become nervous and afraid that once they relax their vigilance, their customers would be looted by the Walmart. But if you want to develop a new customer, you have to pay a higher price than maintaining an old customer, so the Vanguard Supermarket has made a wise choice of maintaining old customers, and it takes a variety of measures to retain its old customers.

Free Publicity to Reduce Expenses on Everyday Running of A Supermarket

According to the survey, a satisfied customer would share her pleasure of shopping experience with three to five members between relatives and friends. At least one of them would become a satisfied customer, and then he/she also tells her pleasure of shopping experience to her relatives and friends. So, there will be more and more people choosing to shop in this supermarket. Through strong recommendation and praise by their relatives or friends, they will go to the Supermarket again and again. It will greatly reduce the promotion expenses and operating costs. As is known to all, no matter how a supermarket promotes its products, it does not work as well as the effect from the praise and recommendation by experienced friends and relations. In this era of chasing interests as the priority of people, in order to achieve their own profits, some evil-minded businessmen will try to make their money by any means, or even put the customer’s lives at risk, and this leads to the fact that the customers are afraid to believe in them. Although some businessmen are very responsible for the customers, the customers are still concerned. So the customers are more willing to believe in the recommendation of their relatives and friends.
Promoting the Realization of Cross-Marketing

Cross marketing means to integrate time, presentation space, money, activities and other resources to provide a low-cost marketing channel to attract more potential customers for any enterprise. Loyal customers believe in supermarkets and recognize them in heart, and they are also particularly willing to try new products in the supermarket. It’s just like “Beauty is in the eye of the beholder”. They think the products in supermarkets are nice, thus, they will drive other consumers to try to use the new products. The supermarket should get to know the potential demand of loyal customers and explore the customer’s needs by selling more products and services or related products with services to meet their needs to get more profits.

Setting Us A Good Example for Imitation

Consumers in the supermarket are not fixed, and they can be anyone from a child to a old man; it is due to the complex consumer groups. Once the supermarket has loyal customers, then those loyal customers’ consumption behavior will inspire new customers to follow. We have a strong inner conformity thought and when we are shopping in the supermarket, if we find a booth with particularly crowded people, most of us would give up the products in hands and turn to that booth. For example, when we want to buy shampoo, but we don’t know which brand to choose, then we see the brand of Head & Shoulders is crowded with a large number of customers, we will gather together. If we see the loyal customers go to pay one by one, we will certainly be affected. Though we have never used this brand of shampoo, and we also don’t know how the effect is, exactly. But when we find so many customers choose this brand of shampoo without hesitation, we will also try picking a bottle. If it is effective, we are likely to become the loyal consumers of the Head & Shoulders. And then the purchase will become a popular brand. Finally we will push the product sales of Head &Shoulders to the peak; this is the charm of loyalty.

Helping to Consolidate the Existing Market

If the Vanguard Supermarket has a lot of high loyalty customers, the Walmart won’t break into the Fuzhou supermarket industry so easily. At least it must rush out of the barriers in front of it first. After that if the Walmart wants to attract customers of other supermarkets, it must invest heavily. This kind of investment involves a high degree of risk but also with high profits. The author thinks in general situation, the Walmart will slowly research the large risk, it may be make a long-term plan to attract customers, or it would probably have to be away. In the end, the Vanguard Supermarket has succeeded for protecting the existing market.

Analysis of the Present Situation of Customers’ Loyalty in the Vanguard Supermarket

According to the investigation questionnaire and statistical analysis, it is concluded that the customers’ loyalty of the Vanguard Supermarket is not very good and the customers’ satisfaction is low, too. Some customers think the promotional products in supermarkets are poor in quality, and it is difficult to guarantee the quality, so the promotional products are not reliable. Some customers think the supermarket assistants have poor personal qualities and their service attitude is bad, so it makes the customers feel uncomfortable. Some other people feel that the complaint with the supermarket is difficult, and it is hard to find a person in charge to complain, then they will reduce shopping here with complaint in their mind. Also some customers do not understand why the Vanguard Supermarket doesn’t offer home delivery service at present. Others cannot stand its cashier speed. They think the staff are too slow; there is no efficiency, and they are wasting the customers’ time, and so on.

Based on the present situation, the author thinks that it is necessary to survey and analyze customers’ satisfaction with the Vanguard Supermarket, then finds out the problems and according to the problems we should put forward the corresponding strategies to improve customers’ loyalty, and bring more profits to the Supermarket. The questionnaire is in post scriptural matter.
The Main Cause of Low Customers’ Loyalty for the Vanguard Supermarket

Failing to Meet the Customers’ Needs

Although there are lots of checkout counters in the Vanguard Supermarket in Fuzhou, especially during the rush hours, the customers are feeling really anxious because they still need a long time to line up to complete the payment. Some of the customers would rather give up the purchase of the goods when they see so long a queue and choose “empty-handed”. Some would jump the queue, which incurs the wrath of other customers. We cannot blame all of the customers for their uncivilized behavior. Then we know that if the Vanguard Supermarket has rapid cashiers, then there won’t be this kind of behavior in payment. In addition, there are no assistants next to the goods shelves to offer help to the customers in the Vanguard Supermarket; sometimes you have to ask other staff. However, they just ignore your help, and there is no reply to your question, which gives the customers really bad shopping experience. Though some shelves have professional assistants, many of them always peddle their own products. They praise the performance and benefits in none miserly. Although they know that the consumers are not suitable for using this product, they would take it lying down, which makes the customers unhappy.

Poor Reputation

A scholar once said that now the relationship between an enterprise and a customer is like a human and a crocodile swimming together, namely the distrust is between the two. As for the market today, in order to obtain immediate profits, some enterprises completely ignore the customers’ feelings, even cheat customers to gain the most profits possible. The Vanguard Supermarket takes false promotion, and price reduction was marked one by one on the propaganda poster. For those customers who not careful or price-sensitive, they will believe that goods are cheaper than before really. On the contrary, this is undoubtedly an aboveboard deception to careful or price-sensitive customers. So for a long period of time, the customers must be thoroughly disappointed in the Vanguard Supermarket and finally swing to the Walmart. In addition, the promotional products in the Vanguard Supermarket are not as good as the full-price products in quality; these promotional products may have small flaws that customers can’t see. The target group of these defective products are those customers who do not check products carefully or those who have incomplete understanding of the products. The author thinks that once the customers find these small flaws, they will feel deceived, although the price is affordable. The customers would go to the supermarket for a claim, or they may vow silently in their heart of never going to the Supermarket to do shopping again. It shows the latter one is the most horrible for the Vanguard Supermarket.

Failing to Handle Customer’s Complaint Properly in time

According to the observation by the author, when a customer was complaining, the Vanguard Supermarket not only failed to deal with it, but also the staff were particularly impatient and even showed a strong dislike on their faces, which made the customers very angry and finally turned to the competitors of the Vanguard Supermarket. Many workers will feel the customers’ complaint is a mistaken idea; actually it is a kind of feedback of information. We should believe that the person who point outs your shortcomings hopes that you get better; otherwise, they won’t waste time to complain. So the Vanguard Supermarket should listen to the customers’ complaints and respond to them actively, and then take proper remedial measures in time. After research there comes a conclusion by a company: if the customers’ complaints can’t get the attention of the supermarket, half of them will choose not to come to the supermarket again; but if the supermarket gets problems solved in time, 98% of the customers would come again. Therefore, the supermarket should treat the customers’ complaints scientifically, because it is a great chance for them to save those customers who are not satisfied. If the complaints are handled well, the customers would trust the Supermarket again; at the same time they would shop in the market again. To sum up, it will reduce the customers’ loyalty to a certain extent if the complaints aren’t handled properly.
Lacking of Follow-Up Survey of Customers’ Satisfaction

Although the Vanguard Supermarket has already realized the importance of the customers’ satisfaction, such as promoting its survival and development in the future, and even letting it become the leader supermarket in Fuzhou, the regulators lack correct and scientific understanding, therefore, a series of follow-up activities to inspect the customers’ satisfaction were not carried out on a regular basis in everyday operation. There is no denying that it is a big mistake. If you don’t understand current customers’ satisfaction, do not know clearly where customers are satisfied or not and its degree, how can you complete the next step to improve customers’ satisfaction excellently? What is worse, the result is counterproductive, and it will increase the level of dissatisfaction of the customers about the Supermarket, and then make them turn to the Walmart without hesitation.

The Strategies to Raise Customers’ Loyalty for the Vanguard Supermarket

Setting up Ali-pay channel for payment

The author thinks, the Vanguard Supermarket can keep up with the trend by using Ali-pay to cash out. On the one hand, it can accelerate the speed to cash out, and the customers don’t have to worry about the change and it can reduce time to line up for payment; on the other hand, it is convenient for those customers without cash, and they can buy goods by only bringing a mobile phone. No cash or bank cards you can’t purchase goods in a supermarket is the era of the past. The Vanguard Supermarket should also closely follow the trend to catch more customers earlier than others.

Improving the Staff’s Professional Quality

The author thinks that the Vanguard Supermarket should make full use of the limited resources and try their utmost to meet the most direct needs of the customers. The promotional staff members must have the basic professional quality, and they should introduce the major advantages of the products chosen by the customers themselves to the customers. Absolutely they cannot drive the customers to buy promotional products that they do not like; they must respect the customer’s purchasing intention and do not force the customers to buy the promotional products. In addition, there should be some special assistants next to the shelves especially for new products just listed, and they should introduce the function and composition of the new products in details for the customers to choose wisely.

Offer Home Delivery Service

If the total consumption reaches a certain amount, the supermarket could offer home delivery service free of charge or ask for 5 yuan of charge for the delivery for home delivery. A lot of people like enjoying life nowadays, so they don’t want to carry a lot of things home after shopping because they can’t walk easily. The author thinks that home delivery service that the supermarket offers will meet the needs of some customers greatly.

Enhancing Credibility

In this era of chasing interests as the priority of people, the merchants are struggling hard for their own benefits. It is understandable that they need to make money; However it is inexcusable for them to ignore the lives and safety of the property of the consumers in order to reach their own purpose. It is just like the old saying goes “a mouse dropped to the pot destroys the whole pot of soup”. A merchant who does business without conscience will leave the consumers disappointed thoroughly. Then the consumers are afraid to believe in other merchants with conscience. So it is difficult to improve credibility for a supermarket. So it must take effective measures for the future survival and development. Honesty is the cornerstone of a supermarket; an honest supermarket is better than a cheap one, so we know that improving customers’ loyalty is very effective. First of all, the quality should be guaranteed for promotional products. Second, the supermarket cannot abate a fictitious price, neither can it raise the price secretly in the name of price reduction. Again, the supermarket should let customers feel relieved when in shopping. For example, making bread in front of consumers to let them see the clean and safe processing environment to assure them that
they can eat it safely and comfortably. Finally, the supermarket should take responsibility for the negative problems that occurred and deal with the problems in the shortest time. Media can be used as commitment to the public that the supermarket will bear the responsibility to let the customers get psychological comfort, then it can raise the credibility in customer’s heart. The Nanchang Huangshanghuang Delis event was a very successful case in this respect. A customer said that he had bad belly after eating the halogen duck of Huangshanghuang Delis, and the enterprise took all the responsibilities when they were not even sure whether it was their own responsibility. What the enterprise did made the customer felt conciliative, and later they found out that it was not their problem. The Nanchang media had been tracking this matter to report, and then Huangshanghuang Delis won a lot of loyal customers.

**Building the Complaint Management System for Customers**

With the rapid development of today’s network, the customers who are not satisfied with the products may complain directly to the supermarket. If it is not resolved, they can resort to the network platform to get settlement of the complaint. As a result, many people will know their feelings and reasons, thus it will affect their shopping behavior. So the supermarket should face customers’ complaint and handle it promptly and properly. The Vanguard Supermarket can build customers’ complaint management system in their own computer management system and note down each customer’s complaint, then summarize the situations regularly to draw the general rule. Then they can implement the corresponding improvement measures for better service. The supermarket should set up a special department and have staff for the complaint management system and the staff should get specialized training on a regular basis. The focus of the training should be the sense of responsibility and patience to ensure that specific job responsibility. In addition, the supermarket should give the staff a certain reward to make sure that they can deal with customers’ complaint preferably to keep the customers in time.

**Investigation and Evaluation of Customers’ Satisfaction on A Regular Basis**

It is the opinion of the author that it is a very effective method for the Vanguard Supermarket to clearly understand the customers’ need through investigating customers’ satisfaction on a regular basis. The Supermarket should keep time tracking to investigate it from multiple aspects to understand customer’s complaints and demand change. Then it can hire professionals in this industry and provide them with the findings from the research they have done; therefore, they can analyze the current situations from their perspective of professional and scientific analysis to point out the problems. And then in view of the shortcomings, the Vanguard Supermarket should improve the quality and services, etc. Through observation the author estimated that the Vanguard Supermarket lost nearly 1/5 of its customers after the opening of Walmart. The problem is that the Vanguard Supermarket still do not understand clearly what the real reason is for those customers who have chosen Walmart. What the Vanguard Supermarket does is just price competition with the Walmart by conducting price-off promotions. We all know that some rich customers don’t care about whether the price is high or low, and what they care about is high quality and good service. Plus, the Walmart has large advantages in size and cost. How can the Vanguard Supermarket win in this price war! In addition, some customers would always worry about the quality of the products on sale. They may think the products are defective or out of date etc, so in order to obtain the psychological comfort, they will eventually turn to the Walmart to do the shopping. But actually things are not like that. Have the Vanguard Supermarket thought about the result? The author thinks that the Vanguard Supermarket must keep calm first when meeting with the loss of customers. Then it should fully understand the real reasons behind and take corresponding measures to reduce the operational mistakes.

**Conclusions**

With the rapid development of economy, if the supermarket chains want to survive in this wicked and competitive environment, they have to pay attention to customers’ loyalty and set it as their
ultimate goal. The Vanguard Supermarket should continuously try every means to improve and enhance customers’ loyalty to get its own survival and development space and avoid the ultimate end of being eliminated relentlessly by the industry. This article takes the Vanguard Supermarket in Fuzhou as a research object to analyze the main causes why the customers’ loyalty is low. Then it provides the necessary conditions for the future development of the Vanguard Supermarket, such as putting forward effective measures targeted, improving customers’ loyalty, enhancing the competitive advantages and expanding market shares.

References