Abstract

Today’s consumers demand choice and convenience. They “mix and match” channels according to their needs for product research, purchase and delivery. As cross-channel shopping behavior grows mainstream, the best way to evaluate and compare retail channels is to measure their relative impact increasing customer satisfaction and loyalty.

Customer satisfaction happens when the customer is satisfied with a product/service that meets the customer’s needs, wants, and expectations. To further understand customer satisfaction, we must take a deeper look at the levels of specific satisfaction. We must also recognize that there are levels of customer satisfaction that, in a sense, define the basic ingredients of quality.

The value chain analysis pays a key role in understanding the need and scope for system competitiveness. The analysis and identification of core competences will lead the firm to outsource those functions where it has no distinctive competences.

Keywords: consumer & shopper satisfaction, value chain, category management, store performance, shopper experience

JEL Classification: N21

Introduction:

Future Value Chain Trends

The value chain describes the full range of activities which are required to bring a product or service from conception, through the different phases of production, delivery to final consumers, and final disposal after use.

There are twelve future trends that will shape value chains and supply chain management during this decade, addressing change in society, shopper behavior, environment and technology. [GCI, 2008]

The process that shoppers go through has forever changed, becoming more complex and multifaceted. No longer do shoppers traverse a linear path; rather we see a highly dynamic journey to purchase, one characterized by reiterations in product considerations.

Hierarchy of shoppers’ new behaviors
1. Shopping Journey

For shoppers, value comes from the capabilities offered, such as making it easier to find product information, automating a household chore (creating a shopping list, for example), or facilitating decision making by consulting family or friends. [Westenberg, 2010]

For retailers and consumer product companies, value comes from information about personal preferences, where and when a particular need may arise, and the ability to use this knowledge to lock in customers.

2. Shopper Satisfaction

All the definitions share some common elements. When examined as a whole, three general components can be identified: [Giese, Cote, 2000]
1) consumer/shopper satisfaction is a response (emotional or cognitive);  
2) the response pertains to a particular focus (expectations, product, consumption experience)  
3) the response occurs at a particular time (after consumption, after choice, based on accumulated experience

Some classical tools and methodologies to identify and focus on customer satisfaction include: Kano model; Quality function deployment; Benchmarking; Systems approach; Focus groups; Survey instruments; Interviews; Internal auditing.

Causal factors that influence store satisfaction while shopping:
- **Store attributes** (location of store, nature and quality of assortment stocked, store’s pricing strategy, character of in-store promotions, assistance of sales personnel, store’s physical attributes, atmospherics of store, issue of loyalty cards;
- **Shopping patterns of the shopper** such as, time spent in the store, volume of purchase, recommendations of store to relatives and friends.

The most critical measurements of store performance are:
- Retention;
- Number of transactions or store visits;
- Average transaction value.

Store satisfaction is a necessary condition for achieving store loyalty

3. Shopping Experience

Current shopping experiences involve more than consumer acquisition of goods. They also involve seemingly tangential experiences to acquisition of goods resulting from the broadly defined shopping environment, such as an elaborate store design, educational events, recreation, and entertainment. [Fiore, Kim, 2007]

Five major areas that contribute to a great shopping experience:
- Engagement;
- Execution excellence;
- Brand Experience;
- Expediting;
- Problem Recovery.

Retailers can develop a rich understanding of their own shoppers - their product preferences and purchase habits, shopping behaviors and promotional drivers - that product manufacturers cannot gain on their own.
Manufacturers, on the other hand, offer retailers a broader, deeper understanding of consumers as it pertains to their product categories - not to mention a far greater understanding of the competitive retail landscape - that retailers typically don’t have the resources to gather on their own.

The collaborative approach also simply brings more resources to the table in terms of research capabilities, analytical prowess, financial resources, execution competence and other vital functions.

**Collaboration between Retailer and Manufacturer**

![Collaboration Diagram](source: Shopper Marketing Best Practices: A Collaborative Model for Retailers and Manufacturers)

4. **Shopper Experience Measurement**

To measure the shopper satisfactions, we chose 5 big retailers in Târgoviște (Kaufland, MegaImage, Penny Market, Carrefour and Interex) and developed a questionnaire with 5 major areas of interest: access, products, price, services, experience.

The 5 categories has subcategories and the customers give a certain degree of importance to each, considering 1 as the lowest importance and 10 as the biggest.

Every criteria received a score, between 1 and 5, and the procedure was repeated for every store.

In the second part of the survey we focused on determining the favorite store for the dairy category and the customers prefer Kaufland when buying dairy products.

The answers also reveled they prefer pasteurized products over fresh ones, they also prefer the packaged good aver loose ones, and tetrapack is preferred by most clients.

The local retailer, SC. Natura SA is the favorite brand for milk, cream and butter, and the products of this producer are easy to find in the favorite store for dairy products. This reveals a good collaboration between the local producer and the big retailers analyzed in this survey.

**Conclusion**

The benchmarking below shows the differences between the scores obtained by every store, the maximum possible score is 1150 points. From all the 5 retailers analyzed, Kaufland is the one with the highest score.

Table 1
## References


ECR EUROPE (2011) *The Consumer and Shopper Journey Framework*

*** Microsoft, *New Shopper Journey*


***, *Discovering the Kano Model*, www.kanomodel.com