Evaluating Customer Buying Experience at Chase Up

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Abstract

With the changing market trends and mushrooming of mega shopping stores and malls, customers shopping experience has also been changed to a greater extent. Mega malls and retail stores now offer consumer goods in attractive prices and hence mounting culture of consumerism. In this lieu, this study intends to explore the factors impacting upon the customer shopping experience in a mega retail store. Data was collected from the customers of Chase-Up mall by using the self-administered questionnaire. Queries were developed on a likert scale. The questionnaire contains 23 problem-related questions and 9 questions were incorporated to get the personal information of the customers. The means for all the variables are more than 3 at the scale of 5, which prove that the respondents are somewhat satisfied with the performance of Chase Up. With the increasing competition in the city, Chase Up is highly pressed to improve itself. The value of more than 4 is what Chase Up looks for. There is a sizeable group which does not intend to revisit. Chase Up must consider it important information and find the ways to curtail the customer drain. The mall must look for the reasons as to why such a large portion of the sample turns out to have no intention of revisiting. Different stores of Chase Up are found to be performing equally well. The hypotheses of cross difference were found to be insignificant for any of the variables considered. This means that Chase Up is required to find out the reasons of their underperformance and subsequently search a similar firm with better performance to set as a benchmark. This benchmarking will enable Chase Up to fill the gap in the identified areas and improve the overall performance of the mall.

Keywords: Buying experience, mega retail store, retail environment

1. Introduction

The last few years have seen transformation of the retail sector in Pakistan. Earlier, the retail sector was composed of small outlets. As per Small and Medium Enterprises Development Authority (SMEDA) statistics there are over one hundred thousand retailers all over Pakistan and 94 per cent of them are small retail shops. These small shops are generally run by their owners themselves. In the recent years, this sector has seen one of the most dynamic changes. The country has experienced the emergence of retail outlets both small and mega stores. Mega retail outlets were established by the local people. The international retail chains have also been attracted to Pakistan, having a population of over 180 million. Around 40% of Pakistanis are living in the urban centers and a good number of them belongs to the middle class. Chase Up is one of the leading hyper stores in Karachi, operating since 1984. The concept of Chase Up is to provide most of the consumer goods at one place. However, Chase up is not the only store, other stores which are working with the same concept in Karachi are Makro, Metro, Naheed supermarket and Imitiaz supermarket. While the traditional retailers follow four tier conventional distribution model constituting manufacturer, wholesaler, retailer and customer. On the other hand, these stores are bypassing the wholesalers/retailers. The manufacturer is directly selling products to customers or selling them to customers through these stores. By passing the middle layers is beneficial for both the seller and buyer as it reduces the cost of buying for the consumer

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and increases profit margin for the sellers. However, the retailers were able to provide convenience to buyers by being in their vicinity.

Chase Up aspires to be the top hyper mart in the world. Hypermarket is a large outlet that has characteristics of supermarket, departmental store, discount store, especially at one location. Chase Up is now a brand name known in every household of Karachi. The concept is to provide customers with most of their required merchandise at one place and with ease of locating the goods. It has over 300 employees and four outlets, in the different parts of Karachi, covering the both elite and upper middle class residential areas. The product line varies from branch to branch. The main product lines are ready-made garments for different age group of men, women and children, footwear, undergarments and casual wear for men and women. Jewellery and other accessories of good quality are also offered to the customers. House-hold items and different varieties of kitchenware are also available. All type of grocery items, including rice, beans and other food items are available at Chase Up.

Chase Up store is providing products at a competitive rate. They have achieved this by remodeling their supply chain. Chase Up has a unique supply chain model where they have provided space to manufacturers in their outlets, and they are also purchasing merchandise directly from the manufacturers. Providing the customers with quality product and service is one of the hallmarks of Chase Up. The success of Chase Up is the result of the approach of providing good quality products. The store has grown from one outlet to four outlets. The ever-rising competition in business does not allow businessmen to be complacent. There is a need to have a look at the customers’ perception about their buying experience at Chase Up so it is known to us as to how to improve the services further in order to be more competitive and increase the sales.

2. Research Methodology

The research study is conducted to find out how customers rate their buying experience at Chase Up. In order to examine overall buying experience, the experience was divided into three categories i.e., experience at arrival; experience during shopping; and post-buying experience. Difference in customer buying experience at four stores was also evaluated. Intentions of customers to revisit the mall were also duly considered.

As the target population was the customer of Chase Up store, the convenience sampling technique was used to collect the data from around 200 respondents. Two hundred customers of Chase Up were approached for the purpose of data collection. Finally, over 160 filled forms were received out of which 150 complete forms were available for analysis. Questionnaire was developed to collect the data for analysis. Five point likert scale format was used to capture the response, with 1 implying strongly disagree, while 5 implying strongly agree. Questionnaire contained 25 questions on the variables identified during literature review. Eight questions were about personal information. The analysis is done by using ANOVA.

3. Literature Review

A number of research studies have been conducted on customers buying experience. Researchers consider shopping as an everyday activity. Bell et al (2011) observe that customer undertakes a shopping because of urgent need of a product or good which might be consumed immediately or after some time, routine trip to stock up or to get benefit from some promotion and offers. Wagner and Rudolph (2010) thus are of the view that store image in customer mind depends on availability of exclusive assortments, ambience, responsive sales persons and competitive
prices. Therefore, every shopping trip under taken for any of the above-mentioned purposes concludes with unique experience.

Kotler (2000) discusses the types of stores in detail. He has come up with these names: specialty store, departmental store, supermarket and convenience store. They can be differentiated on the basis of types of products they are selling. Specialty store provide limited product but with maximum variety. Whereas, departmental store has different departments each selling different product such garments, home fixtures and personal use items. Supermarket works on cost leadership, so they provide cheap goods to their customers. Convenience store, mostly situated in the residential areas, remains open most time of the day. Superstore is a large outlet and offers different types of products and services under one roof. Now internet, catalog sale, direct sales team and cable TV are trying to replace the traditional brick and mortar retail stores.

The brick-and-mortar stores have the advantage of providing a unique service to their customers. Pappu and Quester (2006) say that retail’s physical evidence is a key to customer satisfaction and a source of confirmatory associations with the store in the mind of customers. This provides remember-able experience to the customers. Holbrook (1994) relates the experience to the values attained by the experience. Those experiences which will ensure higher value will be regarded as positive ones and the opposite ones will be placed at lower level. Customer perception about service is formed through the service encounter service experience. Bitner et al. (1997) conclude that customers have first time an experience of service as an opportunity to evaluate the organization, as a service provider. Bitner and Brown (2000) are of the opinion that meeting between customer and company representative leaves a strong impact on the customer fulfillment, trustworthiness; repeat purchase behavior and promotion of store. Coye (2004), Cox et al (2003) say that service encounter is complex and customer expectation shaped during such encounters depend on individual service and environmental dynamics like moldy, fragrance, adornment and design. Mathwick et al (2001) studied customer buying experience and behavior, resulting in experiential appeal theory which says that customer by using the product or just by positively evaluating it from their experiential value.

Julian and Ramaseshan (1994) while reviewing a service buying process suggest that reduction in the perceived risk that is imbed in any purchase process of a service if reduced will lead to a more enjoyable buying situation. Bitner (1990) and Harris (2003) divide the service encounter into two elements: customer interaction with service provider and products/goods at the store. Bitner (1990) suggest that personal interaction is the time customer spends with the service provider or its employee. Chandon et al. (1997) identify competence, listening skills and level commitment posed by the service provider as quality attributes for any customer and service provider interaction. Coye (2004) says that service provider’s dealing at the point of interaction is key customer expectation of the service offering. Crane and Clarke (1988) during check of different service industries come to know that customers regard service environment as an important tool evaluating the quality of a service. Wakefield and Blodgett (1999) conclude that the tangibles and physical milieu as a key in stirring customer interest in the purchase. This may result in the repurchase and spreading a positive word of mouth.

Kim (2002) defines dynamic value resulting from customers efficiently using the buying resources to please the functional requirement. Kim (2002) says customers consider buying as a self-oriented activity. Researchers are continuously trying to find the way of calculating the customer perceived value from a shopping experience thus, Mathwick et al (2001) created an experiential value scale for finding the different sub proportions of the customer experiential value by linking service encounters with the experimental theory of value. Mathwick et al. (2001) say that visual element of the retail outlet creates the aesthetic sense. It is significant to mention that blueprint
and physical magnetism of retail outlet create the shopping environment, whereas retail display is the source of providing entertainment and the aesthetic appeal. It also facilitates the customer in their purchasing. Holbrook (1994) proposed that like certain substance or know-how owing to the ability to accomplish different goals and to carry out some expected tasks. The service received by the customers if exceed their expectation than they become the regular customers and so they patronize the outlet. People want to enjoy their daily activities in order to get them relief from the boredom and enhance their satisfaction from use of product or a service. Holbrook (1994) thinks that customer by themselves create a conducive environment with an inner-oriented experience.

Services are intangible so it is very difficult for the customer to evaluate them. Customers can easily evaluate tangible product because of its attributes. Seller can provide the product to the customer for the examination or even for a trial run, whereas in services due to intangibility and credence, it is very difficult for the customers to assess the quality of a service. So customers try to create impression about service quality by assessing the given service. Lewis and Booms (1983) describe it as crucial device for the customers to evaluate the service provided. Asubonteng et al. (1996) say that customers evaluate a service on basis of their expectations before availing of the service and perception created after availing the service. Theodoridis and Chatzipanagiotou (2008) further elaborate the customer satisfaction and said that it depends on the expectation one has regarding the availability of parking near the store gate, availability of the desired items and moving space between aisles. Such beliefs create retailer image in customer mind. Parasuraman et al. (1985) suggest that it is not only service outcome that is under scrutiny but the service delivery process is also evaluated by the customers. Lehtinen and Lehtinen (1991), thus on the basis of the above-mentioned finding gave a service quality model. The model advocates three dimensions of a quality service called corporate, physical, and interactive.

Corporeal quality means the quality of the tangible products used during the delivery of the service or its service utilization. That is why physical evidence is very important for some services like hospitals, universities and retail shops. Interaction is the point of contact between the service providing organization and consumer. The contact between customer and service organization is through employees of the service firm. Both service provider and consumer are the key to the customer satisfaction. Corporate image is the customer view about the corporate quality of the firm. Good governance issues can affect the corporate image of the service providing organization. Business firms try to create a competitive advantage for themselves to be able to successfully meet their and customer goals. Yoo and Park (2007) suggest that the customers’ perception about the service quality of an organization is based on its competitive advantage and capacity to serve the customer in a better way.

Bittner (1992); Chebat and Michon (2003) observe that retailers and shopping mall managers are now acknowledging the importance of environment and its impact on product evaluation. Baker et al (2002); Mazursky and Jacoby (1986) suggest that during the purchase evaluation process customers also evaluate the service quality. Boulding et al. (1993), Parasuraman et al (1991a, 1985) say that earlier research studies have found relationship between the purchase intention and retail outlet service quality. Service provider’s next concern is to measure quality of the provided service. They have tried to establish tools that can measure the quality of a service. The key to service quality measurement is the process of service delivery. In orthodox service, the delivery process is one in which the customer and service organization interact with each and other. The elements of the interaction are measured to find the quality of any given service.
Parasuramen et al. (1988) gave SERVQUAL, a tool now widely used by the researchers in measuring the quality of any service. SERVQUAL scope constitutes of five factors namely assurance, empathy, reliability, responsiveness and tangibles. Cronin and Taylor (1992) criticize the SERVQUAL model and present another model called SERVPERF. SERVQUAL measures the service quality on the base of difference between the customer perception and expectation of a given service. SERVPERF although have all the measures of SERVQUAL, it uses performance or perception as a tool for measuring the perception of the service quality.

4. Buying Experience

The buying experience appears to be plummeting in the case of these super stores. This research is going to study how the customers value their shopping experience at these stores. Chase Up outlets will be studied. The overall experience has been broken down into three parts which are as under:

4.1 Experience at Arrival

Location and timing of the store is of a prime concern to prospective buyers. Ideal location for a store is that it should be in the proximity of target population. Customers generally shop from the retail outlets that are near their residences or on their way to home from offices. Shops that are on the busy roads or near to market place generally attract a good number of customers. The retail outlet operating time is set in accordance with the convenience of their target customers. A customer after arrival at a store goes through different experiences which are going to satisfy or dissatisfy them. The sequential requirements of the customer voyage to shopping require secure parking and near the store. Basket or functional trolley at the gate of the store is required for the commencement of the shopping by shoppers. During the rush hours of evening, weekends and particularly in the first week of the month customers find it difficult to have trolley readily available at the gate of the store. This may create dissatisfaction to its clientele. Customers and particularly female customers want a hassle free entrance to the store, which should not have rush of people or physical obstacle on the entrance of the store.

4.2 Experience during Shopping

The store design has a great impact on the customers' purchase behavior. Inside the store land spacing is a key to the success of a retail store. Proper aisle spacing facilitates for the customers in shopping and evaluating the product from the shelf of the store without any hindrance. Customers generally prefer those outlets which have more variety on their shelves. Thereby, consumers have liberty to select from a large pool of brands for their consumption. Finding a required brand in a large outlets always create hassle for the customers. The point of sale displays can help the customers in locating the required product. Knowledgeable store assistants can also be helpful in guiding the customers to the requisite shelf. Cleanliness of the retail stores is also very important as retail outlets remain open for a longer time period and almost throughout the week. If the customer is not satisfied with hygienic condition of the store, they may not come for the shopping next time. If the store is also selling foodstuff then the hygienic condition will be more desired by the customers. Sales people and other staff of the retail outlet must be responsive towards the needs of customers. Check out time is also a point of concern for the mega retail outlets. Customers have spent more time on check out than doing shopping, especially in the evening when there is rush in a store.
4.3 Post-buying Experience

Post-buying experience includes the activities undertaken by the customers as result of the service failure. Return policy is one such factor where customers want to return any product that is not performing as per brand promise. Customers are interested in a correct bill for their purchase. But if due to some unavoidable circumstances issued invoice has some mistake, it must be corrected immediately. Some of the products sold by the retailer are under the warranty from their producer. The retailer being facilitator between the producer and the user should facilitate the warranty claim to the satisfaction of the customers.

5. Data Analysis

The research questions were analyzed using descriptive and inferential statistics. The results are briefly discussed here.

Table 1: Descriptive Analysis

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>Significant at</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Experience</td>
<td>3.91</td>
<td>0.001</td>
</tr>
<tr>
<td>Experience at Arrival</td>
<td>3.42</td>
<td>0.001</td>
</tr>
<tr>
<td>Experience during Shopping</td>
<td>3.42</td>
<td>0.001</td>
</tr>
<tr>
<td>Post-buying Experience</td>
<td>3.62</td>
<td>0.001</td>
</tr>
<tr>
<td>Revisit intention</td>
<td>0.6735</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Table 2: Comparative Analysis

<table>
<thead>
<tr>
<th>Comparison of Outlets</th>
<th>Mean Shaheed Millat</th>
<th>NIPA</th>
<th>Civic Centre</th>
<th>Seaview</th>
<th>Significant at</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience at arrival</td>
<td>3.47</td>
<td>3.40</td>
<td>3.38</td>
<td>3.46</td>
<td>0.956</td>
</tr>
<tr>
<td>Experience during shopping</td>
<td>3.47</td>
<td>3.40</td>
<td>3.38</td>
<td>3.46</td>
<td>0.956</td>
</tr>
<tr>
<td>Post-buying experience</td>
<td>3.68</td>
<td>3.69</td>
<td>3.76</td>
<td>2.93</td>
<td>0.383</td>
</tr>
</tbody>
</table>

The analysis reveals that the mean response was 3.91 regarding the overall experience. The value was found significant at .001 significance level. So it is concluded that customers have overall positive buying experience. The mean response was 3.42 regarding the experience at arrival. It was found that the mean response was 3.42 regarding the experience during shopping. The value was found significant at .001 significance level so, customers have positive experience during shopping. It was found that the mean response was 3.62 regarding the post buying experience. The value was found significant at .001 significance level so it is concluded that customers have positive post buying experience. The questions regarding the group comparison for the given constructs were found to be not significant. It shows that the outlets of Chase Up do not differ on the basis of customers’ perception regarding the shopping experience. In reply to query about the revisit intention mean response was 0.6735. The value was found significant at .001 significance level so it is concluded that most of customers have intention to revisit Chase Up.
6. Discussion

Chase Up is growing with the passage of time. With its increasing number of outlets and ever-increasing number of patronage speaks of its commendable performance. The study is carried out to gauge the performance of the firm at three different levels namely; experience at arrival, experience while shopping and post-buying experience. The response shows that customers are satisfied but not delighted. Experience at arrival has some of the glitches which need to be removed as soon as possible. Availability of parking near the store is an issue which really makes Chase Up a bad location to shop at. The problem really becomes more serious as it is in tandem with the increasing lawlessness. Customers find it really hard to park their car at a distance and walk a long way to the shop.

The other issue is rush at the entrance. Chase Up offers quality assortment at reasonable price therefore majority find it tantalizingly within reach. The result is rush at entrance and the packed aisles not with the product but with the customers. Aisles spacing is narrow. There are two things which combine cause this issue. One is the number of customers who visit Chase Up and the other is the overfilled aisles. Aisles spacing is also narrow so during the rush hours particularly ladies find it difficult move round the store along with stuff. The issue becomes very serious as people do not have enjoyable shopping experience. The other thing which is really problematic while shopping is the check out time. The complexity of payment method and long queue during rush hours make check out time to be longer than the customers are ready to tolerate. The effect of all this translate into the issue of revisit. As 70% customers said they would revisit the store. Fortunately, the price advantage really proves itself to be customer puller. There is a need to look at those customers who refuse to come again as 30% is a value too big to be ignored. These are few areas which Chase Up can improve as far as the during shopping experience of the customers is concerned.

The overall shopping experience is good. Return policy is an excellent one. Customers can return or change the product they purchased without any hassle. One attendant is specially deputed at each outlet that will facilitate the customers in returning the product as they wish. There is very little chance of billing error as there is always double check by two counters therefore there is no chance of error in the bills. Out of the total 1400 randomly checked bills there was no error. But still, Chase Up is always ready to accept its mistake and do its utmost to be pleasing to the customers.

Chase Up claims that the warranty claim is always easy, in this research no single individual was encountered who had a warranty claim to make so the data is not available on this point. If the information provided by Chase Up is considered to be correct then Chase Up claims that it settle the claim favorably within two days.

7. Conclusion

On the basis of the research findings, performance of Chase Up can be declared at least satisfactory. Mean for none of the constructs could surpass four on the scale of 5, but was more than 3 (Table 1). Generally, customers were having positive buying experience at all level. They were satisfied with the quality of service at arrival, during the shopping and after the shopping. There is no other study in the arena in Pakistan so a basis of comparison can be established. In the absence of comparison standard, two standards are taken arbitrarily. One is the relaxed standard of 3 and the other is the conservative standard of 4. If the comparison is done on the basis of
the liberal standard of 3, all the constructs namely; experience at arrival, experience during the shopping and post buying experience are all noteworthy. If the conservative standard of 4 is used, then the performance of Chase Up is found to be having room for improvement. All this need to be further corroborated with the data of purchase intention so that the picture becomes clearer. A firm with almost 30% visitors saying that they would not revisit must do the sole searching as it does not augur well with the aspiration of the firm. There is a need to find what reasons are there which keep such a large portion of visitors dejected and they opt to end their patronage of Chase Up. In simple words Chase Up need to improve itself in order to stop the customer drain. Chase Up will have to look find where they are under performing and subsequently search a similar firm with better performance to bench mark against. This benchmarking will enable Chase Up to fill the gap in the identified areas and improve the overall performance of the firm. Not so good but there appear to be one positive thing (Table 2). Different stores of Chase Up are found to be performing equally well. The group comparison for the given constructs was found to be not significant.

References


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