

Dimensions of Customer Satisfaction and Market Segmentation of Hong Kong Supermarket Industry

Hong Kong Supermarket Industry

- ◆ As reported by the Hong Kong Consumer Council (August 2003), the two major supermarket chains in total have grown 29% in terms of the number of retail outlets in the past 10 years
- ◆ Parkn' shop and Wellcome have rigorous competitions together with new entrants

Background Problems

How to survive in Hong Kong Supermarket Industry?

- ◆ Well manage customers' satisfaction
- ◆ Better resources allocation

Lack of thorough study in

- ◆ Service Differentiation
- ◆ Market Segmentation



Customer Satisfaction and Segmentation

Survey

- ◆ Exploratory research background theory by Vazquez et al. (2001) in Spain and the four dimensions are physical aspects, reliability, personal interaction and policies
- ◆ Questionnaire modified which included level of satisfaction, level of importance and demographic

Factor Analysis

- ◆ Objectives
 - To determine the number of dimensions in measuring customer satisfaction
 - To identify the corresponding indicators

Cluster Analysis

- ◆ Objective
 - To cluster customers into different segments

Numerical Findings

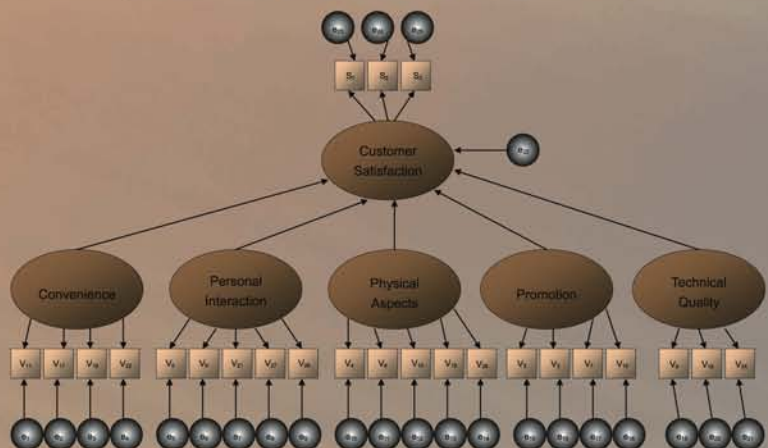
Dimensions of Customer Satisfaction

- ◆ 5 dimensions
 - Convenience to shop
 - Personal Interaction
 - Physical Aspects
 - Promotion
 - Technical Quality

- ◆ 21 indicators in total

Market Segmentation

Dimensions of Customer Satisfaction



Market Segmentation

Cluster 1

- Younger age (25 – 29)
- Well educated (university graduate)
- High family income (\$20001 - \$30000)
- High personal income (\$10001 - \$20000)

Cluster 2

- Middle age (40 – 44)
- Well educated (university graduate)
- High family income (\$20001 - \$30000)
- High personal income (\$10001 - \$20000)

Cluster 3

- Elderly (50 or above)
- Low educated (primary school)
- Low family income (below \$10000)
- No personal income