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
♦ Park'n' 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

Cluster 1
♦ Younger age (25 - 39)
♦ Well educated (university graduate)
♦ High family income ($20000 - $30000)
♦ High personal income ($10000 - $20000)

Cluster 2
♦ Middle age (40 - 44)
♦ Well educated (university graduate)
♦ High family income ($20000 - $30000)
♦ High personal income ($10000 - $20000)

Cluster 3
♦ Elderly (50 or above)
♦ Low educated (primary school)
♦ Low family income (below $10000)
♦ No personal income