

FACTORS INFLUENCING CUSTOMER LOYALTY IN LOCAL GROCERY STORES: A SPECIAL REFERENCE TO THE KANDLAKOYA REGION

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ABSTRACT:

Customer loyalty plays a crucial role in the sustainability and growth of local grocery stores, especially in rapidly urbanizing areas like the Kandlakoya region. This study investigates the key factors that influence customer loyalty in local grocery retailing, including product quality, pricing, customer service, store accessibility, and personalized shopping experiences. Using a structured questionnaire distributed to 100 respondents in the Kandlakoya area, the research applies both quantitative and qualitative methods to analyse consumer behaviour and loyalty trends. The findings reveal that customer service, consistent product availability, and competitive pricing are the most influential elements driving loyalty. Additionally, trust and personalized relationships between storeowners and customers significantly contribute to repeat visits. This study aims to provide valuable insights for local retailers to enhance their customer retention strategies and build long-term relationships in a competitive market.

Key words: *Customer loyalty in local grocery, product quality, pricing, customer service, store accessibility.*

I. INTRODUCTION

Customer loyalty is a critical component in the success and sustainability of local grocery stores, especially in today's increasingly competitive and rapidly evolving retail landscape. As small businesses often operate within limited margins and face stiff competition from large supermarket chains, online retailers, and convenience stores, retaining a steady base of loyal customers becomes essential for their survival and growth. The factors that influence customer

loyalty in local grocery stores are multifaceted, encompassing both tangible and intangible elements that shape the overall customer experience. Among these, product quality, pricing strategies, personalized service, convenience, community engagement, store ambiance, trust, and technological adaptation play pivotal roles. Each of these factors contributes differently to a shopper's decision-making process and their continued patronage of a particular grocery outlet.

Product quality remains one of the foremost considerations. Customers are naturally inclined to return to stores that offer fresh, high-quality produce and goods. In local grocery contexts, where relationships between storeowners and local suppliers may be more direct and less corporatized, consistent product quality can be a distinguishing trait. Customers often associate product quality not only with taste and freshness but also with health and safety standards. If a local store reliably offers farm-fresh fruits, organic vegetables, locally sourced meats, or artisan goods, it can build a reputation that fosters repeat visits. Conversely, even a single lapse in product standards can erode trust, demonstrating how sensitive this factor is in influencing loyalty.

In conclusion, customer loyalty in local grocery stores is shaped by a confluence of factors that range from the concrete, such as product quality and pricing, to the emotional, such as personalized service and community engagement. To thrive, local grocers must understand and strategically leverage these factors to create meaningful and consistent customer experiences. While the competition from large-scale retailers and e-commerce giants continues to intensify, local stores can carve out loyal customer bases by emphasizing

their unique strengths and staying attuned to the needs and expectations of their communities. The ability to adapt, connect, and provide genuine value will ultimately determine a local store's capacity to not just survive, but flourish in the evolving retail environment.

II. REVIEW OF LITERATURE

Customer loyalty in local grocery stores is a multifaceted phenomenon influenced by various factors encompassing service quality, product offerings, pricing strategies, store attributes, and emotional connections. Understanding these factors is crucial for retailers aiming to enhance customer retention and satisfaction.

1) Foresee results / fgi research report, (2005):

The research report on Customer satisfaction, Loyalty, and buying Behavior in the evolving multi-channel retail world. 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 gauge their relative impact increasing customer satisfaction and loyalty.

2. RAJBIL, International Referred Research Journal, (2011):

Measurement of pharmacy retail service quality-instrument development and validation. This study aims to construct a tool to measure service quality expectation in retail pharmacy context is developed. Service quality is considered as important determinant of consumer satisfaction. Very little research has carried out on service quality perception in India. Retail sector is witnessing vast changes in India and so as expected in pharmacy retail. Given the relatively mature markets where the service quality scales have been developed, it seems unlikely that these measures would be applicable in the Indian context without adaptation.

3. Queuing Theory, Bunday BD (2001):

Waiting in lines or queues seems to be an American pastime. Think about the many times you had to wait in line in the last month or year and the time and frustration that was associated with those waits. Whether we are in line at the grocery store checkout, the barbershop, the stoplight, or in the pharmacy, waiting our turn is part of our everyday life.

4. American Journal of Pharmaceutical Education (2004);

To determine whether completion of a patient counselling course improved pharmacy students 'perceptions of the importance of pharmaceutical care and whether there was a difference in students 'perceptions of pharmaceutical care provided in retail settings compared to that provided in clinic settings.

III. RESEARCH METHODOLOGY

1. Research Design:

This study adopts a **quantitative, cross-sectional survey design** to examine the factors influencing customer loyalty in local grocery stores.

2. Sampling Strategy:

- **Population:** Population size 150 who are readily available and willing to participate.
- **Sample Size:** Aiming for a minimum of 100 respondents to ensure statistical significance.

3. Data Collection Methods:

- **Instrument:** A structured **questionnaire** with Likert-scale items to measure perceptions of service quality, product quality, pricing strategies, and customer satisfaction.

Administration: Surveys are distributed in-store and via digital platforms to reach a diverse customer base.

Objectives of the Study

The primary objectives of studies on customer loyalty in local grocery stores include:

1. To determine which factors most significantly influence customer loyalty.
2. To evaluate how service quality, product quality, pricing, and other variables interrelate and affect loyalty.

3. To offer recommendations for grocery retailers to enhance customer satisfaction and loyalty through targeted strategies.

Need of the study

The need to understand the factors influencing customer loyalty in local grocery stores is essential for ensuring long-term business success and competitiveness. In an era where consumers have numerous shopping options, retaining loyal customers helps local stores maintain stable revenue and reduce marketing costs. Factors like product quality, fair pricing, personalized service, and community connection play a crucial role in attracting and keeping repeat customers. By identifying and responding to these factors, local grocers can create more satisfying and consistent shopping experiences. This, in turn, fosters trust and emotional attachment to the store. Ultimately, customer loyalty becomes a key driver of growth, sustainability, and resilience in a challenging retail environment.

Scope of the study

The scope of factors influencing customer loyalty in local grocery stores extends across multiple dimensions, including product quality, pricing, customer service, convenience, store environment, and

emotional connection. These elements interact to shape customer perceptions and determine repeat purchasing behaviour. The scope also covers both in-store experiences and digital touchpoints such as online ordering or social media engagement. It includes demographic influences like age, income, and cultural preferences. By exploring these factors, storeowners can develop targeted strategies to enhance customer satisfaction. This broad scope ensures a comprehensive approach to building and maintaining loyalty in a competitive retail space.

Limitations:

1. Geographical Limitation:

The study is restricted to the Kandlakoya region, which may not represent customer behaviour in other urban or rural areas.

2. Sample Size:

The research is based on a limited sample size of 100 respondents, which may not capture the full diversity of customer preferences.

3. Response Bias:

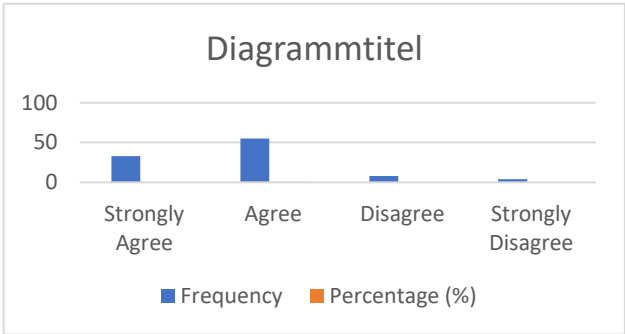
There is a possibility of bias in responses due to self-reported data, as some participants may not have answered honestly or accurately.

IV. DATA CLASSIFICATION (CUSTOMER SATISFACTION).

Data Analysis

(1) The staff provides prompt assistance when needed.

Response	Frequency
Strongly Agree	33
Agree	55
Disagree	8
Strongly Disagree	4

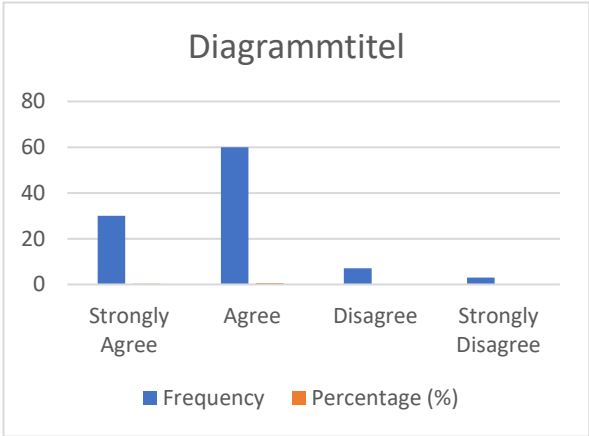


INTERPRETAION

A high percentage (55% agree, 33% strongly agree) of customers feel they receive timely assistance. Only a small group (8% disagree, 4% strongly disagree) are not satisfied. Efficient service is vital for a smooth shopping experience. This feedback indicates that staff responsiveness is generally strong. Continued focus on training will help maintain this standard.

(2) I feel valued as a customer by the store staff.

Response	Frequency
Strongly Agree	30
Agree	60
Disagree	7
Strongly Disagree	3

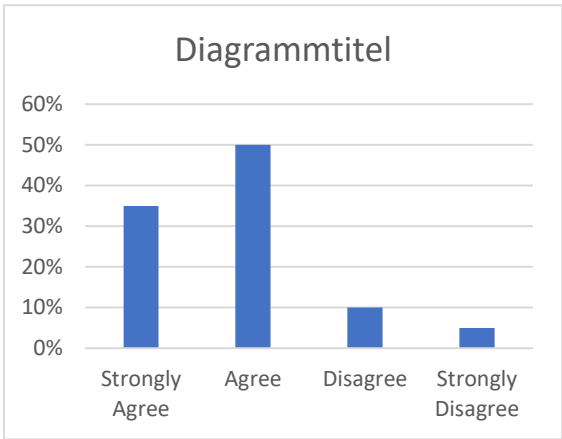


INTERPRETAION

60% agree and 30% strongly agree that they feel valued as customers. Just 7% disagree and 3% strongly disagree. This shows that customer appreciation is well communicated by the staff. Feeling valued can increase customer loyalty and satisfaction. Positive employee behavior significantly enhances overall store image.

(3) The grocery store offers fresh and high-quality products.

Response	Frequency
Strongly Agree	35
Agree	50
Disagree	10
Strongly Disagree	5

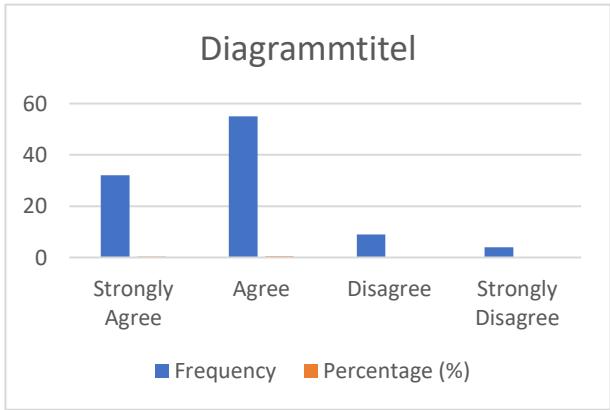


Interpretation

Half of the respondents (50%) agree and 35% strongly agree that the store offers fresh and high-quality products. Only a small percentage (10% disagree, 5% strongly disagree) express dissatisfaction. This suggests that the store is largely successful in maintaining product freshness. High satisfaction in this area could drive customer loyalty. Maintaining this standard is crucial for continued consumer trust.

(4) The store provides products that meet my expectations.

Response	Frequency
Strongly Agree	32
Agree	55
Disagree	9
Strongly Disagree	4



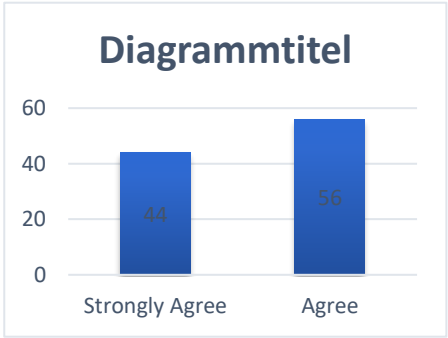
INTERPRETATION

The majority of respondents (55%) agree and 32%

strongly agree that products meet their expectations. Only 9% disagree and 4% strongly disagree. These responses indicate high levels of customer satisfaction with product performance. Meeting expectations is vital for repeat business and positive word-of-mouth. The data highlights the store's alignment with customer needs.

(5) The store maintains consistent product quality over time.

Response	Frequency
Strongly Agree	44
Agree	56

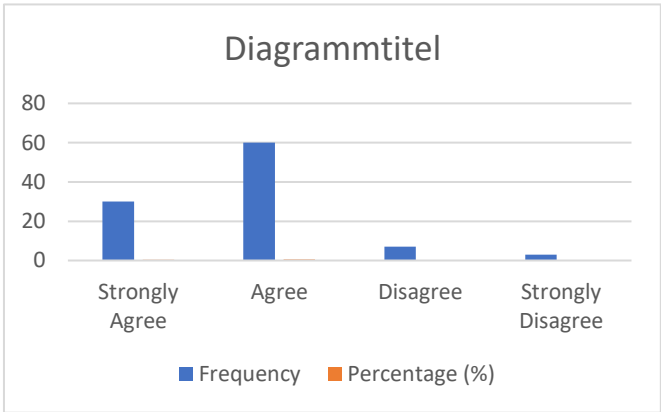


INTERPRETATION

Half of the respondents (56%) agree and 44% strongly agree that the store maintains consistent quality. This consistency helps build long-term customer relationships. It indicates that the store manages supply and sourcing effectively.

(6) The store layout is easy to navigate.

Response	Frequency
Strongly Agree	30
Agree	60
Disagree	7
Strongly Disagree	3



Interpretation: 90% of respondents (30% Strongly Agree + 60% Agree) find the store layout easy to navigate, suggesting that the store's organization enhances the shopping experience. Only 10% find the layout challenging, indicating that layout is a strength of the store.

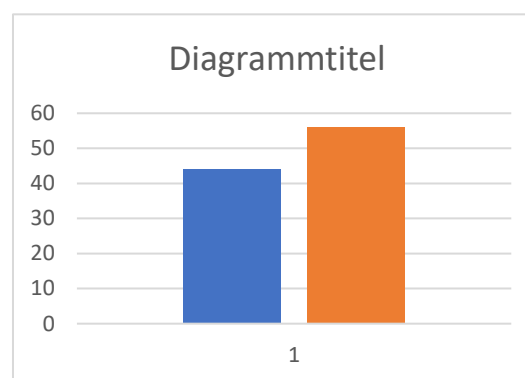
STATISTICAL TOOL

chi square calculation				
	O	E	x ²	
Strongly Agree	44	50	0.72	
Agree	56	50	0.72	
Total	100	100	1.44	
x ² table value	x ² calculated value			
3.841	1.44			
H1 accepted	H0 rejected			
As table value is less than calculated value. We accepted H0 (null) and rejected H1 (alternative)				
Note: -				

$\chi^2 = \text{chi square}$	
O = Observed value	
E = Expected value	
Formula: - " $\chi^2 = \sum \frac{(O-E)^2}{E}$ "	
Degree of freedom: -1	
Significance: - 0.05	

6 The store maintains consistent product quality over time.

Response	Frequency
Strongly Agree	44
Agree	56



HYPOTHESIS:

H₁: There is a significant relationship between service quality, product quality, pricing, and other variables with customer loyalty.

H₀: There is no significant relationship between service quality, product quality, pricing, and other variables with customer loyalty.

V. FINDINGS

- Most respondents (40%) shop weekly, making it the most common shopping frequency. Additionally, 30% shop 2–3 times a week, indicating frequent visits. Daily shoppers make up 10%, suggesting regular buyers, while 20% shop less than once a week. The data reflects varied shopping habits, with a majority engaging on a weekly or semi-weekly basis. This could be influenced by lifestyle or household size.
- Half of the respondents (50%) agree and 35% strongly agree that the store offers fresh and high-quality products. Only a small percentage (10% disagree, 5% strongly disagree) express dissatisfaction. This suggests that the store is largely successful in maintaining product freshness. High satisfaction in this area could drive customer loyalty. Maintaining this standard is crucial for continued consumer trust.
- A significant 55% agree and 30% strongly agree with satisfaction in the product variety

offered. Only 11% disagree and 4% strongly disagree, indicating minimal dissatisfaction. This positive feedback suggests that the store offers a diverse range of products to meet different needs. The broad variety likely enhances the shopping experience. It also implies strong inventory planning by the store.

- Half of the respondents (56%) agree and 44% strongly agree that the store maintains consistent quality. This consistency helps build long-term customer relationships. It indicates that the store manages supply and sourcing effectively.

VI. SUGGESTION

Customer loyalty in local grocery stores is influenced by several key factors that together create a satisfying shopping experience. One of the most important elements is product quality and freshness, as customers expect fresh produce and reliable goods every time they visit. Competitive pricing and regular discounts also attract customers and encourage repeat visits, especially in price-sensitive markets. Equally important is the quality

of customer service; friendly and knowledgeable staff help build a personal connection and trust. Convenience plays a crucial role too—stores located near residential areas with easy access and parking tend to retain loyal shoppers. Additionally, a clean, well-organized, and welcoming store environment makes shopping more enjoyable and comfortable. The availability of a wide variety of products ensures that customers find everything they need in one place, reducing the need to shop elsewhere. Local stores that engage with their community and support local suppliers often foster a stronger emotional bond with customers. Efficient billing systems and multiple payment options, including digital wallets, enhance convenience and satisfaction.

VII. CONCLUSION

In conclusion, customer loyalty in local grocery stores is a multifaceted outcome influenced by a blend of product quality, pricing, service, and overall shopping experience. Consistently offering fresh and high-quality products is fundamental to retaining customers, while competitive pricing ensures affordability and value. The role of courteous and helpful staff cannot be overstated, as positive interactions build lasting relationships and trust. Convenience through store location and ease of access further encourages customers to choose local stores over larger competitors. Moreover, maintaining a clean, organized, and pleasant environment enhances customer satisfaction and comfort. Product variety and availability prevent customers from seeking alternatives, reinforcing loyalty. Engaging with the community and supporting local suppliers creates an emotional connection that goes beyond transactional relationships. Trust, transparency, and ethical business practices foster customer confidence and reliability. The integration of personalized services and modern payment options adds to the convenience and appeal of the store. Overall, local grocery stores that successfully combine these factors are better positioned to cultivate strong, long-term customer loyalty. By continuously understanding and addressing customer needs and preferences, these stores can thrive in an increasingly competitive market, ensuring sustained growth and customer retention.

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