

AN EMPIRICAL STUDY ON FACTORS INFLUENCING CUSTOMER SATISFACTION IN RETAIL SECTOR WITH REFERENCE TO RELIANCE SMART STORES IN NCR

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Abstract

The retail sector has always been an important component in all developing economies across the world. After liberalization policy and due to changed global scenario Indian retail industry has undergone tremendous positive qualitative changes. There has been a change in every traditional retail function and concept of quality in retail marketing has gathered attention of all customers. To meet the new challenges because of these changes, many of the retailers have formulated strategies to survive and thrive in this cut-throat competitive environment by focusing on changing market trends, usage of new technology and adapting to changing preferences and expectations of customers.

The present study was taken up with an objective to measure customer's opinions on the antecedents of retail stores and to assess the customer satisfaction towards new "RELIANCE SMART". The main aim of this work was to evaluate the impact of demographic variables on customer satisfaction in retail sector. The study was an attempt to examine the store attributes involved in purchase decisions and their role in customer satisfaction. The findings of this research paper revealed that customer's demographics especially gender, has a significance role in influencing their buying decisions. The results further indicted that store's attributes play an important role in customer's satisfaction. This paper is based on primary data collected through a questionnaire. The samples were drawn from the population of 150 respondents. The study was carried out at "RELIANCE SMART" stores located at Ghaziabad city and data was analyzed using Chi-square test, ANOVA and weighted score method using SPSS.

Key Words: Retail, Customer, Demographic, Customer Satisfaction

Introduction

Indian retail industry is the most promising emerging market for investment. It occupies an important place and remained a large unorganized sector till the 80s. The retail industry in India has been attracting the major manufacturing firms and it is becoming the next boom industry in India. The organized retailing sector in India has undergone significant transformation in the last decade.

Retailing involves all those deeds involved in selling goods or services to end users for personal and non-personal use. Any organization marketing and selling to final consumer, whether it is a manufacturer whole seller or retailer is doing retailing.

Kaur and Singh, (2007) reveal in their study that students and Gen y majorly focus on store attributes, ambience, point of purchase and kind of discounts and price off they were offered by retailers.

The traditional theories and principles of retailing have been transformed and replaced with an organized retailing experience with better services than competitors, convenient location, special and unique assortment of goods and store credit card. Today consumer needs and preferences are changing rapidly and these include lifestyle and demographic variables. Consumer's lifestyle depends on personal background, family, education, and nature of occupation. These changes have given a big opportunity to marketers to adapt changes into their marketing mixes. The growth of this sector has enhanced the competition between the retail players to sustain and increase the market share by keeping customers happy and satisfied. The demographic factors which reveal customer's profile can also have some impact on customer satisfaction.

Demographics show customer profile that may have some connection both on association with customer's loyalty and retail store's attributes. Many earlier research have tried to explain the association between customer satisfaction and loyalty all over the world but a very few have explained the impact of demographic factors on customer satisfaction and customer loyalty. Therefore, current research endeavors to investigate the effect of demographics and satisfaction level on customer loyalty in retail sector in India. This study is quantitative in nature through survey method based on questionnaire. The study implies data collection method from the store customers of Ghaziabad city of NCR. The survey is based on questionnaire to guide the impact of customer loyalty. Further descriptive statistics and Chi square method are the data analysis methods used to predict the relationship between customer's demographics and his satisfaction level. This study will help the organizers to know about their customers and image of their brand in the market. It can be used to understand about the latest trend and practices that help customers to know about the benefits of organized retail. It will also help to know about consumer's preferences and choices about organized retail stores in Ghaziabad city.

Review of literature

There are several research studies available in national and international context, supporting the demographics variables impacting purchase decisions.

According to Evanschitzky and Wunderlich (2006), through his study it was found that gender is the major component which plays an important role as mediating factor in marketing that depicts customer satisfaction in retailing.

Ndubisi, (2006) says in his study that males and females are different in their opinions in terms of purchase decisions and shopping behavior.

Goff et.al., (1997), according to their research it was significantly revealed that the customer satisfaction is totally proportionate on the services and handling provided the salesforce. They further concluded that the success of every marketing and sales operation depends how the clients are being handled by the sales force and after the sales services.

According to Kollat and Willett, (1967), the size of household also play a moajor role in purchase decisions, in connection with it their study reveals that there is a direct relationship between grocery bill size and unplanned impulsive shopping decisions.

In their study East, Harris, Wilson and Lomax , (1995) stressed that income and customer loyalty are also positively related in many cases, as there is a direct association between both of them. Hasty and Reardon, (1997), in their study revealed that client's income has an important impact on customers purchasing decisions, numbers of earning members and the bill of households are positively related with each other. Tate (1961), through his research study proved that high income groups are less conscious about grocery bill compare to less income groups.

According to Mishra, (2007), there is a strong relationship between customer satisfaction and loyalty towards customer's satisfaction. He stressed that various demographic components like sex, occupation, experience, education and many more have a direct impact on customer's loyalty and satisfaction.

According to Myers *et al.*, (2008), it was revealed that Gen Y is more involved in the searching of information for shopping, they scan and collect proper information before making any final purchase decision.

Vanamburg (2004), stress upon a strong relationship between age and customer satisfaction. His study says that mature people are more satisfied with products and services in terms of their expectations..

Dalwadi *et al.*, (2010), also reveal in their studies that customer loyalty, CRM, discounts, price off, after sales service, behavior of sales staff play an important role in building customer satisfaction in retailing.

Lovelock (2010), through his research says that store ambience is also a strong component, impacting customer's satisfaction. He further stressed that customer feels strong bond with one retailer or sales persons who always handles him properly, sweetly and appropriately.

Objectives

1. To explore how demographic variables influence customer satisfaction.
2. To identify the different demographics aspects necessary for a retail store.
3. To examine to what extend customer's demographics have an impact on their satisfaction.

4. To suggest measures for improving the quality and efficiency of retail store.
5. To analyze the influence of store's attributes on customer satisfaction.

Research Methodology

Both primary and secondary data have been for the study. In order to collect primary data, self-administered questionnaire was used. The questionnaire was administered to about two hundred and fifty people and out of which one hundred fifty responded correctly and completely. The respondents included 108 males and 42 females. The survey was carried out in a reliance smart retail store in Ghaziabad during one month period from July to August 2014. Investigator approached customers before the entry to a store and asked them to participate in the survey and fill in a set of questions related to their purchasing plans. Convenience sampling approach was adopted in order to collect the primary data, however questionnaire was administered diligently to avoid any possible bias. Percentage analysis, Chi Square Test, Descriptive analysis and Weighted score method have been applied for the data analysis. The individuals targeted for the collection of data for this research were customers of reliance smart in Ghaziabad city.

Snap shot of respondents 'profile

Sl. No.	Demographic Variables	No. of respondents (n-150)	Percentage
1	Age	1	1%
	Between 10-25		
	26-40	72	48%
	41-55	73	48%
	56-70	4	3%
2	Gender	108	72%
	Male		
	Female	42	28%
3	Marital Status	95	63%
	Married		
	Unmarried	55	37%
4	Education	7	5%
	Illiterate		
	Secondary	13	9%
	College	71	47%
	Masters & above	59	39%
5	Occupation	52	35%
	Salaried		
	Self Employed	10	7%
	Retired	16	11%
	Student	26	17%

	Housewife	46	31%
6	Income 0-20000	12	8%
	20000-40000	45	30%
	40000-60000	60	40%
	60000 & above	33	22%

Results and Analysis

1)

Gender and status of proper walking space inside the store

H0: There is an association ship between Gender and status of proper walking space inside the store.

H1: There is an association ship between gender and status of proper walking space inside the store.

2)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.229 ^a	3	.065
Likelihood Ratio	7.006	3	.072
Linear-by-Linear Association	.761	1	.383
N of Valid Cases	149		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.13.

The vakuue is 7.229 and the Asymp sig value is .065 which is greater than the critical value (P=0.05). Therefore null hypothesis is accepted it shows that Gender has no relationship with status of proper walking space inside the store.

ustomer’s frequency of Visit to store depends on the status of area

H0: There is a an association between Customer’s frequency of Visit to store depends on the status of area

H1: There is no association between Customer’s frequency of Visit to store depends on the status of area.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.646 ^a	12	.163
Likelihood Ratio	16.438	12	.172
Linear-by-Linear Association	.000	1	.999
N of Valid Cases	149		

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is .03.

As per the result the value is 16.646 and the Asymp sig value is .163 which is greater than the critical value (P=0.05). Hence null hypothesis is accepted and there is no significant relationship between status of the area and frequency of visit to the store.

3) **Gender and frequency of visit to store**

G

H0: There is a no significant relationship between Gender and frequency of visit to store.

H1: There is a significant relationship between Gender and frequency of visit to store.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.735 ^a	4	.151
Likelihood Ratio	7.545	4	.110
Linear-by-Linear Association	2.339	1	.126
N of Valid Cases	150		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .28.

It is seen that the Chi-Square value is 6.735 and the Asymp sig value is .151 which is greater than the critical value (P=0.05). Therefore null hypothesis is accepted it shows that there is no significant relationship between gender and frequency of visit to the store.

4) **Occupation and frequency visit to store**

H0: Customer's Occupation does not have any relation with frequency of visit to store.

H1: Customer's Occupation does not have any relation with frequency of visit to store.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.666 ^a	16	.958
Likelihood Ratio	7.582	16	.960
Linear-by-Linear Association	.343	1	.558
N of Valid Cases	150		

a. 13 cells (52.0%) have expected count less than 5. The minimum expected count is .07.

It is seen that the main value is 7.666 and the Asymp sig value is .958 which is greater than the critical value (P=0.05). Therefore null hypothesis is accepted it shows that there is no significant relationship between occupation and frequency of visit to the store.

5) Gender and Staff behavior.

H0: There is no significant relationship between gender and staff behavior.

H1: There is a significant relationship between gender and staff behavior.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.840 ^a	4	.145
Likelihood Ratio	9.792	4	.044
Linear-by-Linear Association	5.532	1	.019
N of Valid Cases	150		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 3.08.

It is seen that the Chi-Square value is 6.840 and the Asymp sig value is .145 which is greater than the critical value (P=0.05). Hence null hypothesis is accepted and there is no significant relationship between gender and staff behavior.

6) Gender and Customers handling at cash counter

H0: Genders are sensitive with the process of handling at cash counter

H1: Genders are Indifferent with the process of handling at cash counter

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.700 ^a	3	.296
Likelihood Ratio	5.252	3	.154
Linear-by-Linear Association	.252	1	.616
N of Valid Cases	150		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 1.68.

The main value is 3.700 and the Asymp sig value is .296 which is greater than the critical value (P=0.05). Hence null hypothesis is accepted and there is no significant relationship between gender the process of how they are being handled at cash counter

7) Gender and handling at customer service desk.

H0: Genders are sensitive with the process of handling at customer service desk

H1: Genders are Indifferent with the process of handling at customer service desk.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.471 ^a	2	.014
Likelihood Ratio	7.863	2	.020
Linear-by-Linear Association	3.731	1	.053
N of Valid Cases	150		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.84.

The result value is 8.481 and the Asymp sig value is .014 which is greater than the critical value (P=0.05). Hence null hypothesis is accepted and there is no significant relationship between gender and how they are being handled at customer service desk.

8) Marital Status and frequency visit to store

H0: There is no association between Marital Status and frequency of visit to store.

H1: There is a association between Marital Status and frequency of visit to store.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.356 ^a	4	.253
Likelihood Ratio	5.701	4	.223
Linear-by-Linear Association	.002	1	.967
N of Valid Cases	150		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .37.

Main value is 5.356 and the Asymp sig value is .253 which is greater than the critical value (P=0.05). Hence null hypothesis is accepted and there is no significant relationship between marital status and frequency of visit to store.

Table 9. Percentage Analysis of variables of satisfaction

Sl. No.	Variables	Strongly disagree	%	Disagree	%	Mode rate	%	Agree	%	Strongly agree	%
1	I am satisfied with music played at store	5	5.3	29	19.3	41	27.3	59	39.3	15	10
2	I am satisfied with discounts offered at store	11	7.3	23	15.3	23	15.3	56	70	37	25
3	Communication of ongoing discounts at stores is satisfactory	10	7	21	7	44	29.3	70	47	05	3.3
4	Staffs of store are approachable	3	2	94	63	44	29.3	2	1.3	7	5
5	Staff's knowledge about products is satisfactory	5	3.3	4	3	44	29.3	94	63	3	2

6	I am satisfied with staff's behavior at store	9	6	8	5.3	19	13	71	47.3	43	47.3
7	Variety of fruits and vegetables are always available at store	11	7.3	17	11.3	22	15	68	45.3	32	21.3

Around **70%** of the respondents are agreed with the music played at store, **94%** of the respondents found staff knowledgeable at store, **70%** of the respondents are agreed the ongoing discounts and schemes at store are satisfactory. **68%** of the respondents are agreed that store always has variety of fruits and vegetables. And **71%** of the respondents are satisfied with staff behavior at store.

Table: 10 The Score and Rank summary of dependant variables

In this table, based on the range allotted (1- Strongly Disagree to 5- Strongly Agree), the score of each variable was multiplied with the total number of respondent and the mean weighted score was calculated. The ranking result is furnished below:

Sl. No.	Customer Satisfaction	Weighed score	Rank
1	I am satisfied with music played at store	2.68	2
2	I am satisfied with discounts offered at store	2.43	4
3	Communication of ongoing discounts at stores is satisfactory	2.74	1
4	Staffs of store are approachable	2.43	4
5	Staff's knowledge about products is satisfactory	2.07	6
6	I am satisfied with staff's behavior at store	2.38	5
7	Variety of fruits and vegetables are always available at store	2.60	3

From the above table, it is seen that the Overall satisfaction and staff's knowledge about product at store stands first; staff behavior at second, offered discounts at third equally with approachable staff, availability of fruits and vegetables at store is fourth, music at store at fifth and communication of ongoing discounts at store stands sixth among the customers.

Table 11: Relationship between dependant and independent variables

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Variables	Age	Educational Qualification	Occupation	Income	Frequency of visit	Marital Status
I am satisfied with music played at store						
a) Chi-Square (Pearson Correlation)	11.958	7.352	12.462	9.101	7.884	5.146
b) Asymp. Sig (2 sided)	.216	.833	.712	.694	.952	.273
I am satisfied with discounts offered at store						
a) Chi-Square (Pearson Correlation)	7.648	20.564	21.524	18.384	16.899	5.510
b) Asymp. Sig (2 sided)	.812	.057	.159	.105	.392	.239
Communication of ongoing discounts at stores is satisfactory						
a) Chi-Square (Pearson Correlation)	.23.928	14.474	41.063	16.412	16.316	3.422
b) Asymp. Sig (2 sided)	.021	.271	.001	.173	.431	.490
Staffs of store are approachable						
a) Chi-Square (Pearson Correlation)	13.922	10.693	47.577	17.489	10.006	4.920
b) Asymp. Sig (2 sided)	.306	.555	.000	.132	.866	.296
Staff's knowledge about products is satisfactory						
a) Chi-Square (Pearson Correlation)	16.420	8.183	46.581	20.846	8.904	27.15
b) Asymp. Sig (2 sided)	.059	.516	.000	.013	.711	.438
I am satisfied with staff's behavior at store						
a) Chi-Square (Pearson Correlation)	17.373	10.427	55.81	19.600	17.869	.955
b) Asymp. Sig (2 sided)	.136	.579	.000	.075	.332	.917

The table indicates that there is no association between the demographic variables with the customer satisfaction.

Suggestions

On the basis of the findings the following suggestions can be recommended.

- 1) Availability of products should be the main focus area for store. Products like food items, apparels, kitchen appliances, life style and electronic items should be easily available at the store. It has been seen that the consumers generally move from one store to another in lack of items available at store.
- 2) The retail outlet should focus on consumer demographics and create awareness among individuals of different occupations, qualifications, and different income segments.
- 3) The retail store should stress upon a good and attractive offers and schemes to their customers on special events and occasions to hold their interest. The research findings reveal that customers are not very happy with ongoing offers and discounts at store, henceforth designing of lucrative and attractive offers is suggested.
- 4) The retail policy makers are advised to increase more billing and baggage counter for the convenience of customers especially on weekends and holidays. There should be more billing counters so that customers do not have to wait long in queue for their turn.
- 5) Schemes like Wednesday bazaar, CRM, loyalty cards, membership discounts etc. must be more promotes to attract more traffic towards the store.
- 6) The store ambience should be improved in Reliance Smartin regards of cleanliness, proper parking facility and store space etc.
- 7) Furniture bazaar and food bazaar should be more focused and promoted as customers are still not aware that there is furniture available at Reliance Smart.
- 8) Reliance Smart should provide home delivery facility for the customers who shop more than Rs 5000.
- 9) Reliance smart should appoint a greater number of sales staffs to improve the service quality to satisfy their customers.
- 10) The quality of fruits and vegetables should be improved as majority of customers are not satisfied with non-availability of food stuffs in evening at store.
- 11) Staffs of retail outlets should be trained to handle the customer's complaints effectively.

Conclusion

The time has gone when customers were going only to the shops nearby to their residence. Increased per capita incomes, convenience of getting all useful items under one roof, freedom of approaching several brands in a visit and payment through cards are few of the factors responsible for inclination of consumer's preference towards organized retail in India. The purpose of this

study was to test the association between demographics and consumer satisfaction. Research findings indicate that the satisfaction with demographic variables was negatively related with respect to demographics. Females exhibited less satisfaction level than men and married class have shown more loyalty and satisfaction than unmarried. This study explores the demographic factors affecting consumer satisfaction in retail in Ghaziabad city. From the research findings it is clear that retailers should recognize the demographics differences in determining the customer's satisfaction while designing their programs. Previous studies revealed that there is no significant difference in satisfaction level of respondents belonging to different age, education, qualification, occupation and income. Elangovan and K. Sabitha, (2011)

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