



A Study on Factors Influencing Customer Satisfaction & their Satisfaction Level in Supermarkets in Ahmedabad City

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Abstract: *The retail industry of India is growing at fastest pace and it stands fourth in world retail industry. The Indian Retail Industry is slowly & gradually inching its way towards becoming the next largest and booming industry across the world. At this point in time the Indian retail market is constantly increasing; on the ground that purchasing power of middle class families is rising. Having increased total income and changes in tastes and preferences towards modern retail markets, the purchasing power of customer has increased to large extent. The results of the study reveals that the customers perceive reasonable satisfaction with supermarkets and having low satisfaction with facilities like children play area, adequate dressing rooms, parking facility and also charge reasonable price and exchange of products. Hence, the retailer should understand the various factors influencing customers' satisfaction for converting the impulse buying to compulsive buying.*

Key Words: *Satisfaction, Customer, Retail, Industry, Indian, Supermarkets.*

I. INTRODUCTION

The economic growth and development of the country is mostly depending on its retail industry. For the development of Organized Retail in India numerous factors like liberal economic policies, increased per capita income, sound infrastructure facilities, increased consumerism, marketing strategies etc. are responsible. With the entrance of new players in the industry, Indian retail industry is growing and fast pace industry today.

According to a report published by economic times “Consumer and investor sentiment have seen an uptick, as the pro-reform government under Prime Minister Narendra Modi sets out on an ambitious goal of improving its Ease of Doing Business ranking from 142nd to 50th in the next two years.”

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

The Boston Consulting Group and Retailers Association of India published a report titled, ‘Retail 2020: Retrospect, Reinvent, Rewrite’, highlighting that India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015, driven by income growth, urbanisation and attitudinal shifts. The report adds that while the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent.

Retail spending in the top seven Indian cities amounted to Rs 3.58 trillion (US\$ 57.6 billion), with organised retail penetration at 19 per cent as of 2014. Online retail is expected to be at par with the physical stores in the next five years. India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. India's e-commerce market is estimated to expand to over US\$ 100 billion by 2020 from US\$ 3.5 billion in 2014.

Indian consumer now prefers modern retail formats for shopping as it provides more value in form of improved quality, better shopping environment, entertainment facilities, change or trial rooms for clothing products, return and exchange policies and attractive pricing. Customers are switching not only within formats but also across formats. There is a drastic change in the consumer spending patterns due to the contribution of several demographic factors namely rapid income growth, increasing urbanization, growing young population, higher level of education etc., Consumer spending has raised sharply as the younger population has seen a significant increase in its disposable income.

II. PROBLEM STATEMENT

Gaining profit is sole objective of every business units but not at the cost of customers. Satisfying customers should be the main objective of every business. Customer satisfaction is the major parameter in knowing the success of retail store; hence it is most important to measure it and to find the factors influencing the customer satisfaction. The purchase decisions are affected by numerous factors. Customer satisfaction is more complex and even more important for retailers today than in past. In India, there

is a need to go in for a study to identify the facets of modern retail formats that attract consumers’ to shop from the formats like malls, specialty stores, hyper or supermarkets, discount stores, convenience stores and department stores which this study tries to cover. Hence, the main objective of the study is to analyze customer satisfaction with supermarkets in Ahmedabad City of Gujarat State.

III. RESEARCH METHODOLOGY

This research study analyzes the customer satisfaction level and factors influencing it in supermarkets. To undertake this study survey method has been used. The study was conducted in in Ahmedabad City of Gujarat State. There are seven areas of the city is selected.. A sample of 25 customers from each area, constituting 175 sample customers is selected to analyze the customer satisfaction in supermarkets. Convenience sampling was used for the purpose of the survey, and a research sample was taken to measure customers’ satisfaction. The instrument used, is a five-point Likert scales, representing a range of attitudes from 1- highly dissatisfied to 5- highly satisfied to measure the level of satisfaction.

IV. CUSTOMER SATISFACTION

The variables like better quality, range of brands, assortment of merchandise, reasonable price, proper display of products, warrantee of products, Bundling offers, easy availability of products, proper packaging, exchange facilities, parking facility, trained Sales personnel, complete Security, children play area, nice in-store promotions, convenient shopping hours, adequate dressing rooms, cleanliness of store, pleasant ambience and better location have identified to analyze customer satisfaction in supermarkets. The overall mean score of the customer satisfaction is shown in table-1.

Table-1
Mean Score for Customer Satisfaction

S.No	Attributes	Mean Score	Mean Score (%)
01	Improved quality	3.14	62.80
02	Variety of brands	4.19	83.80
03	Assortment of merchandise	3.56	71.20
04	Reasonable price	1.98	39.60
05	Proper display of products	4.01	80.20
06	Warrantee of products	2.12	42.40
07	Bundling offers	1.53	30.60
08	Easy Availability of products	3.47	69.40
09	Proper packaging	2.97	59.40
10	Exchange facilities	1.09	21.80
11	Good Parking facility	1.57	31.40
12	Trained Sales personnel	2.07	41.40
13	Complete Security	2.99	59.80
14	Children play area	1.03	20.60
15	Nice in-store promotions	3.43	68.60
16	Convenient shopping hours	3.98	79.60
17	Adequate dressing rooms	1.07	21.40
18	Cleanliness of store	2.32	46.40
19	Pleasant ambience	2.85	57.00
20	Better location	3.28	65.60
	Overall (N=175)	52.65	52.65

Source: Primary Data

Interpretations:

The above table-1 shows that the average mean score derived by all the sample respondents for customer satisfaction was 52.65%. Low mean score found for Adequate dressing rooms, Children play area, Good parking facility, Exchange facilities, Bundling offers, Trained sales person, Warrantee of products & Reasonable price. It entails that the respondents have low satisfaction with these parameters in the supermarkets in the study area. Though, the overall mean score derived by the respondents indicates that they have moderate satisfaction in the supermarkets.

**V. CUSTOMER SATISFACTION LEVEL**

The satisfaction level of customers after buying from supermarkets has been checked to find out the clearer picture regarding their overall satisfaction in the supermarkets. The customer satisfaction level in the supermarkets is understood to be normally distributed. The satisfaction level is divided into three categories, which are below average, average and above average levels, which have been defined as Low, Medium and High level of satisfaction respectively. The lower and upper limits of average level have been calculated as lower limit of average level = Mean – 1 standard deviation and upper limit of average level = mean + 1 standard deviation. The overall level of satisfaction experienced by the respondents in the supermarkets in the study area is shown in table-2.

Table-2
Overall Satisfaction Level

S.No	Level of satisfaction	No. of Respondents	Percentage
01	Low (Mean score < 32.01)	52	29.71
02	Medium (Mean score 32.02-73.02)	98	56.00
03	High (Mean score > 73.3)	25	14.29
	Total	175	100.00

Source: Primary data

Interpretations:

The above table-2 reveals that about 56% of the respondents are moderately satisfied followed by nearly 30% of the respondents having low satisfaction and 14% of the respondents perceived high level of overall satisfaction with supermarkets. Therefore, it can be inferred from the table that the customers perceive moderate satisfaction with supermarkets in the study area.

VI. ANOVA TEST

To examine whether there is significant difference between demographic variables such as sex, age, marital status, educational qualifications, occupation, income, residential area and number of dependents and level of satisfaction of the respondents with supermarkets in the study area, a null hypothesis is framed and tested with the help of ANOVA test.

Null hypothesis:

There is no significant difference between demographic variables (sex, age, marital status, educational qualifications, occupation, residential area, income and number of dependents) and level of satisfaction with Supermarkets. The result is given in table-3.

Table- 3
ANOVA Test

Variable		Sum of Squares	Df	Mean square	F	Result
Sex and level of perception	Between groups	3679	2	1839.50	1.51	Not significant
	Within groups	3643	3	1214.33		
	Total	7322	5			
Age and level of perception	Between groups	1839.5	2	919.75	1.52	Not significant
	Within groups	5458.5	9	606.50		
	Total	7298	11			
Educational qualification and level of perception	Between groups	1839.5	2	919.75	0.94	Not significant
	Within groups	8770.5	9	974.50		
	Total	10610	11			
Occupation and level of perception	Between groups	1839.5	2	919.75	1.16	Not significant
	Within groups	7152.5	9	794.72		
	Total	8992	11			
Income and level of perception	Between groups	2452.66	2	1226.33	2.27	Not significant
	Within groups	3245.33	6	540.89		
	Total	5698.00	8			

**Interpretations:**

The above table-3 shows that there is no significant difference between gender and customer satisfaction, age and customer satisfaction, educational qualification and customer satisfaction, occupation and customer satisfaction and income and customer satisfaction with supermarkets, which means that the all the customers perceive similar satisfaction with the supermarkets in the study area.

VII. SUGGESTIONS

The supermarkets in the study area can take following actions to increase customers' satisfaction.

- ➔ Supermarkets should adopt the efficient inventory management system so that customers can find the merchandise available at the time of requirement and profitable customers can be retained.
- ➔ Personnel of supermarkets should be trained to handle the customers' concerns and complaints effectively.
- ➔ Employees of supermarkets should have sufficient knowledge about products available in store with respect to weight, price etc.
- ➔ Availability of physical facilities should be improved
- ➔ Retail outlets should try to perform error free services
- ➔ The supermarket should arrange children play area, adequate dressing rooms, good parking facility and also charge reasonable price and exchange facilities to its customers.

VIII. CONCLUSION

The retail sector has played a significant role throughout the world in increasing productivity of consumer goods and services. There is no denying the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth. The India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The results of the study reveals that the customers are moderately satisfied with supermarkets and perceive low satisfaction with children play area, adequate dressing rooms, good parking facility and also charge reasonable price and exchange facilities. Hence, the retailers should understand the different factors influencing customers' satisfaction for converting the impulse buying to compulsive buying.

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