



Factors Affecting Customers' Satisfaction in Organised Food & Grocery Retail Stores in National Capital

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ABSTRACT

The study has tried to identify and analyze the factors/determinants affecting customers satisfaction in organised food & grocery retail stores in National Capital. Sample of 400 respondents were taken from National Capital comprising East, West, North and South Delhi by non-probability convenience sampling method. The factor analysis revealed 6 factors namely Employee-Interaction, Physical Aspects, Product Convenience, Shopping Convenience, Billing Convenience and Promotional Schemes responsible for customers satisfaction. Findings also concluded that retail store managers should focus on providing ample parking space, discounts, easily accessible location, welcome greetings to customers and cash back schemes/gifts for high satisfaction. Willingness to solve Queries, Helpfulness/Responsiveness of the staff, Enquiry Handling of Support Staff and efficient Complaint Redressal mechanism highly effect the customers buying and satisfaction that ultimately leads to customer loyalty.

KEYWORDS

Customer Satisfaction, Factors/determinants, Food & Grocery retail stores, loyalty

Introduction

India is one of the fastest growing retail markets in the world estimated to be US\$ 950 billion by 2018E making it world's most attractive future markets. Indian economy has undergone considerable deregulation and privatization in the recent years and Retailing has occupied a prominent position. It is one of the important business enterprises of its economy and accounts for 14 to 15 % of its GDP. The country has grown rapidly and benefited handsomely from globalization. There have been paradigm shifts in shopping patterns and retailing practices across different geographics and customers segments across the country in last one decade. The consumer psyche, needs and expectations have transformed over last few decades in india-from *Hattis* and *Haats* to *Haute Couture*, and from *Mela culture* to *Mall culture*.

Retail word has been derived from the french word 'Retailer' meaning to 'cut a piece off' or 'break the bulk'. It is defined as a distribution function which includes activities in buying products from suppliers and selling goods or services or both to the customers for their personal, family or household use.

Organized Retailing refers to trading activities undertaken by licensed retailers, i.e. those who are registered for sales tax, income tax etc. These include the corporate backed hypermarkets and retail chains, and also privately owned large retail businesses.

Literature review

Ganguli and Kumar (2008) concluded service quality has positive impact on customer satisfaction and customer satisfaction has strong influence on loyalty, which means satisfied customers continue their shopping with the same store and also recommend (positive word of mouth) the same retail store to others.

Ali, Kumar and Moorthy (2010) concluded that people like to purchase from the nearby outlets. The consumers get delighted with the cleanliness/freshness of food products and put this feature on the top, followed by price, quality, variety, packaging, and non-seasonal availability of the products.

Malik (2011) examined the various determinants of retail customer satisfaction in kurukshetra. The study found that customers prefer the organised retail outlets for providing variety of products, reasonable prices and convenient location.

Madan and Kumari (2012) conducted study on various fea-

tures of retail stores and found age, as a major influencing factor. The factors such as insufficient parking space/no parking space/paid parking space, no scheme/free gifts, poor discounts & coupons lead the customers to dissatisfaction. The customers prioritize the availability and variety of products, followed by reasonable price & convenient location and more often visit the stores due to these factors.

Patel and Desai (2013) found five factors namely Product Convenience, Employee Service, Shopping Convenience, Physical Features and Pricing that lead to customer satisfaction of organized retail stores. Among all, Shopping Convenience has the strongest impact on satisfaction, followed by Pricing, Product Convenience and Employee Service.

Objective of the Study

- To identify and analyze the factors affecting customers satisfaction in organised food & grocery retail stores.

Research Methodology

The data has been collected through primary sources with the help of an easy and understandable structured questionnaire. The sample of 400 respondents from national capital comprising East, West, North and South Delhi are taken by non-probability convenience sampling method. The factors responsible for customers satisfaction are identified with the help of Exploratory Factor Analysis. The data has been analysed with the help of SPSS 16.0.

Result & Analysis

Gender: Amongst the total 400 respondents, 164(41%) were male and female were 236(59%).

Age: 10.8% respondents were from 18-24 years of age, 45.5% were from 25-34 years, 31.2% were from 35-44 years, 11% were from 45 -54 and 1.5% were above the age of 54.

Education Qualification: 10.2% respondents were under graduate, 50.2% were graduate, 39.2% were post graduate and 0.2% others..

Profession: 37.2% were from private service, 12.8% were govt employee, 24.8% were self employed and 25.2% were non-working(home makers).

Monthly Income: 6.2% earned a monthly income of upto 15k, 21.2% had monthly income of 15to30k, 24.5% had

30to45k, 16.5% had 45to60k, 15.2% had 60to75k and 16.2% had above than 75k monthly income.

Factor Analysis

The adequacy of the data is evaluated on the basis of the results of Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy and Bartlett's test of sphericity.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy .845		
Bartlett's Test of Sphericity	Approx. Chi-Square	4.236E3
	Df	435
	Sig.	.000

The KMO measure of sampling adequacy is .845 which indicates that the present data is suitable for factor analysis. Similarly, Bartlett's test of sphericity is significant (p<0.05) which indicates sufficient correlation exists between the attributes to proceed with the analysis.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.715	22.383	22.383	6.715	22.383	22.383	3.258	10.861	10.861
2	2.730	9.101	31.484	2.730	9.101	31.484	3.083	10.277	21.139
3	1.836	6.121	37.605	1.836	6.121	37.605	2.866	9.552	30.691
4	1.677	5.590	43.195	1.677	5.590	43.195	2.525	8.416	39.107
5	1.431	4.772	47.966	1.431	4.772	47.966	2.014	6.713	45.819
6	1.341	4.471	52.438	1.341	4.471	52.438	1.986	6.618	52.438

Extraction Method: Principal Component Analysis

	Component					
	1	2	3	4	5	6
Willingness to solve Queries	.923					
Helpfulness/Responsiveness	.907					
Enquiry Handling of Support Staff	.857					
Complaint Redressal	.665					
Easy & Spacious Layout of the Store		.754				
Ambience (AC, Cleanliness, Music)		.720				
External Appearance		.570				
Trolley Facility		.558				
Price Charged for the Products			.696			
Non-seasonal Availability of Products			.648			
Products are Value for Money			.641			
Packaging of Products			.604			
Freshness and Cleanliness of Products			.563			
Latest Variety of Products Available			.500			
Quality of Products			.434			
Well Display of Products			.413			
Queues/Waiting time at Counters				.741		
No. of Check-out Counters				.715		
Membership Cards				.582		
Product Exchange policy				.465		
Variety of Mode of Payment					.680	
Accuracy of Bill Receipt					.676	
Easy & Prompt Billing					.548	
Parking Space						.639
Discount						.594
Location of the Store/Accessibility						.542
Greetings/Welcome on Entry						.538
Cash-back Schemes/gifts						.407

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Table -2 present the highest loadings after rotation of attributes into factors. Varimax with Kaiser Normalization rotation method has been used for factor rotation and Principal Component Analysis (PCA) method has been used for factor extraction. Only those factors having loading value greater than 0.4 have been taken into consideration for interpretation.

Factor-1

The rotated component matrix has revealed that respondents have perceived this factor to be the most important factor with the highest explained variance of 22.38 %. Four (04) statements out of 28 load on significantly to this factor. Researcher have named this factor as **Employee-Interaction** and it includes-willingness to solve Queries, Helpfulness/

Responsiveness, Enquiry Handling of Support Staff and Complaint Redressal.

Factor-2

It is the 2nd most important factor with explained variance of 9.101%. 04 statements are loaded in this factor and it includes-Easy & Spacious Layout of the Store, Ambience (AC, Cleanliness, Music), External Appearance and Trolley Facility and has been named as **Physical Aspects**.

Factor-3

The 3rd factor accounts for 6.121 % of the variance. Eight(08) statements are loaded on this factor has been named as **Product Convenience**.

Factor-4

The 4th important factor consist 04 statements loaded on this factor and accounts for 5.590% of variance. The label is **Shopping Convenience**.

Factor-5

This factor accounts for 4.772 % of the variance. Three (03) statements are loaded on this factor has been named as **Billing Convenience**

Factor-6

It contains the 05 statements, labelled as **Promotional Schemes** and accounts for 4.471 % of the variance.

Table- 3 Factors Labelling

Employee-Interaction	Physical Aspects	Product Convenience	Shopping Convenience	Billing Convenience	Promotional Schemes
Willingness to solve Queries	Easy & Spacious Layout of the Store	Price Charged for the Products	Queues/Waiting time at Counters	Variety of Mode of Payment	Parking Space
Helpfulness/Responsiveness	Ambience (AC, Cleanliness, Music)	Non-seasonal Availability of Products	No. of Check-out Counters	Accuracy of Bill Receipt	Discount
Enquiry Handling of Support Staff	External Appearance	Products are Value for Money	Membership Cards	Easy & Prompt Billing	Location of the Store/Accessibility
Complaint Redressal	Trolley Facility	Packaging of Products	Product Exchange policy		Greetings/Welcome on Entry
Latest Variety of Products Available Quality of Products Well Display of Products		Freshness and Cleanliness of Products			Cash-back Schemes/gifts

The **Cronbach's alpha** value has also been obtained to test the reliability of the items loading into each factor. The Cronbach's alpha value of **Employee-Interaction** is .888 (04 attributes loaded into factor), **Physical Aspects** has Cronbach value of .744 (04 attributes loaded into factor), **Product Convenience** has Cronbach value of .784 (08 attributes loaded into factor), **Shopping Convenience** has Cronbach value of .691 (04 attributes loaded into factor), **Billing Convenience** has Cronbach value of .527 (03 attributes loaded into factor) and **Promotional Schemes** has Cronbach value of .624 (05 attributes loaded into factor) indicates that the factors are consistent and reliable.

Findings & Conclusion

With the help of Exploratory Factor Analysis, six factor namely: Employee-Interaction, Physical Aspects, Product Convenience, Shopping Convenience, Billing Convenience and Promotional Schemes were identified which affects the customers satisfaction of organised food & grocery retailing. It has been concluded that organised retail store managers should focus on all the factors responsible for the customers satisfaction. Efforts should be made towards improving the weaker factors. The statements like Willingness to solve Queries, Helpfulness/Responsiveness of the staff, Enquiry Handling of Support Staff and efficient Complaint Redressal mechanism highly effect the customers buying and satisfaction that ultimately leads to customer loyalty. They should more focus on providing ample Parking space, discounts, easily accessible location, welcome greet to the customers and cash back schemes/gifts to build more satisfied customer group.

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