IDENTIFYING THE FACTORS IMPACTING CUSTOMER SATISFACTION IN FOOD RETAIL SUPERMARKETS AND NEIGHBORHOOD KIRANA STORES

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Abstract
Many research studies have been conducted in the area of retail servicesquality, but there has been no research that takes into account both retail store formatsand service quality which identifies the factors lead to customer satisfaction in food retail supermarkets and neighborhoodkirana stores. Customer satisfaction is defined as the extent to which a product or service meets or exceeds customers' expectations. The importance of such a study is immense in one of the fastest growing retail markets like India, where the impact of service quality and retail store features on customer satisfaction from the retail customers' point of view is a very crucial area of discussion. After extracting different variables of service quality and retail store features from studying a body of literature on services in food retailing.

The present study aims at both food retail supermarket and neighborhood kirana stores in Vijayawada and Guntur cities. For the purpose of this study, the population chosen is a mix of people from different demographics and economic backgrounds. A sample size of 200 was taken in Vijayawada and Guntur cities - 100 sample for each city where 50 samples for supermarket and other 50 for neighborhood kirana stores. Convenience sampling technique is followed as the customers are approached at food retail stores where they are conveniently available for administering the questionnaire and collection of data from the retail consumers. The study concluded the impact of 5 main factors on customer satisfaction in food retailing, which can help food retailers formulate strategies and marketing activities to attract and retain customers.

Key Words: Customer Satisfaction, Retail Service Quality, Food Retail, Retail Store Features.

1. Introduction
The retail market in India is one of the fastest growing markets in the world, with 1.2 billion people engaged directly and indirectly. The traditional grocery retail is not only the largest contributor to the total grocery retailing in India, it also accounts for nearly 10 percent of the total employment in the country. The projection for the retail industry in India shows high growth potential on grounds of policy reforms, rising disposable incomes and booming consumerism, anticipated strong gross domestic product(GDP) growth and the introduction of latest technologies in the country. Foreign direct investment (FDI) in the multi-brand retail segment is expected to bring in big ticket investments and open up vast opportunities for consumers, the farmers and the industry. Domestic enterprises have already ventured in the field of multi-brand retailing in the past few years. With the rapid primer of many new retail formats in the Indian market in recent times but with limited success, it is required for the Indian business to understand changing shopping behavior among consumers, especially with regard to their preferred points of purchase (POP).**Debasis Bhattacharya.&ShuvenduDey. (2014).**Indian retailing is steadily going through the process of conversion from traditional to modern retailing format. Any retail organization has three dimensions: the resource, the distribution and the consumer. Indian retailing is perceiving profound changes in each of these dimensions.**AditiBhatnagar and KirtiAgarwal (2015).Reichheld and Sasser1** have expressed that many of firms and industries are becoming serious and taking huge efforts on knowing the relationship and interdependence of customer satisfaction and service quality. Post liberalization, Globalization and Privatization in year 1991, Indian firms are very much keen on studying relationship between service quality and customer satisfaction.

The major development in food and grocery stores is theinterest of FII. In every region food trading is beingincreased. The corporate such as HLL, ITC, Birla, Godrejand Reliance are already working into food retail. Prices forfood purchased from stores rose 4.8% in the 12 months toJune after increasing 4.2% in May. Modern state of the foodretailing is not a demand led but the supply led one. Enormousgrowth is expected from the corporate players, which willhelp grow the entire food retail sector. Food retailers areoffering on-the-spot home-style gravies, dal, cooked riceand kneaded dough with options like grinding coffee freshat store, idli batter, paneer, curd and cut vegetables. At US$175 billion today, the food industry is likely to grow to US$400 billion by 2025.**SrivalliJandhyala (2012)**

2. Literature Review
The literature on format choice is limited in nature and is of more recent origin. The recent interest in store formats is mainly attributed to innovations in the mix that the retailers are coming up with, owing to the competition. A store format has been

defined as the mix of variables that retailers use to develop their business strategies and constitute the mix as assortment, price, and transactional convenience and experience (Messinger and Narsimhan, 1997).

Olsen and Skallerud (2011) this study shows the differential effects that store attributes can have on shopping value. This research extends previous research, which has focused largely on the main effects of store attributes (i.e. one-dimensional measures of store attributes), by finding support for significant interactions between the two types of shopping value and dimensions of store attributes.

DeepikaJhamb and Ravi Kiran (2012)the results of the present study areindicative of the fact that there is a significant relationshipbetween modern retail formats, its attributes, changingpreferences of consumers across these retail formats andthe marketing strategies followed by the retailers foreffectiveness and enhancing the sales of the retail outlet. The results highlight that young consumers and high taxpayers prefer malls and specialty stores more forshopping purposes. On the other hand, older consumers and no tax payers have different preferences for shoppingfrom the modern retail formats as they prefer conveniencestores, discount stores and department stores. Productattributes and store attributes are the important drivers influencing consumers to visitthese retail formats.The results reveal that the trends toward modern retailformats are changing and consumers prefer modern retailformats due to its significant product attributes likeimproved quality and variety of brands, and storeattributes which enhance the shopping experience ofconsumers like good parking facility and trained salespersons.

S. P. Thenmozhi ., &D. Dhanapal (2011) In India consumers are showing a rapid change by shifting their buying from unorganized outlets to organized outlets. In the emerging Indian retail environment, this study has brought new insights into retail service quality. The managerial implications of the present study will thus help unorganized retailers to frame effective marketing strategies to face the competition.

Siu and Cheung (2001) they have applied RSQS to explore its usefulness in a departmental store chain in Hong Kong and concluded that six service quality dimensions were identified viz., personal interaction, physical appearance, promises, policy, convenience and problem solving.

Ram Mohan (2013) this study aims to identify the main factors that lead to customer satisfaction in food retail supermarkets.This study captures the 5 main factors that impact customer satisfaction in food retail supermarkets such as cleanlinessof the store, display of the products, store ambience, spacious shop floor, availability of brands, variety of products,convenient store location, easy to locate products,convenient store operating time andflexibility in payment mode, which can help food supermarket retailers formulate strategies and marketing activities to attract and retain customers.

3. Statement of the Problem
The present study is to understand the several factors impacting customer satisfaction in food retail supermarketsand neighborhood kiranaStores in Vijayawada and Guntur cities.

4. Objectives of the Study
- To study the main factors impacting customer satisfaction in food retail supermarkets andneighborhood kiranastores in the study area.

5. Research Methodology
The present study is conducted both in food retail supermarket and neighborhood kiranastores in Vijayawada and Guntur cities. The research design consists of a descriptive study involving a cross section study where food retail customers are surveyed at food retail stores using a structuredquestionnaire which was designed to capture the factors impacting customer satisfaction in food retail supermarkets. The period of the study is for duration of 3 months.

The sample size determines the accuracy of the data collected. For the purpose of this study, the population chosen is a mix of people from different demographics and economic backgrounds. A sample size of 200 was taken Vijayawada and Guntur cities - 100 sample for each city where 50 sample for supermarket and other 50 forneighborhood kirana stores. Convenience sampling technique is followed as the customers are approached at food retail stores where they are conveniently available for administering the questionnaire and collection of data from the retail consumers. Primary data and secondary data are used in this research. Primary data was collected through survey method.

6. Test of Hypotheses

Null Hypotheses	Sig. Value	Result
H0: There is no significant association between type of store and their opinions on door delivery	0.358	Accepted
H0: There is no significant association between type of store and their opinions on extended store hours	0.062	Accepted
H0: There is no significant association between type of store and their opinions on mail telephone orders	0.029	Rejected
H0: There is no significant association between type of store and their opinions on services with billing counter	0.452	Accepted
H0: There is no significant association between type of store and their opinions on sales promotional offers	0.042	Rejected
H0: There is no significant association between type of store and their opinions on handling queries.	0.855	Accepted
H0: There is no significant association between type of store and their opinions on sales person service	0.060	Accepted
H0: There is no significant association between type of store and their opinions on exchange of goods	0.067	Accepted
H0: There is no significant association between type of store and their opinions on credit facility	0.130	Accepted

7. Statistical Analysis

7.1 Level of customer satisfaction and service quality in organized& unorganized retail store

Table –1 Door Delivery

Crosstab								
			Door Delivery					Total
			Very Low	Low	Moderate	High	Very High	
Type of Store	Organized	Count	37	34	20	5	4	100
		% within Type of Store	37.0%	34.0%	20.0%	5.0%	4.0%	100.0%
	Un Organized	Count	42	38	14	1	5	100
		% within Type of Store	42.0%	38.0%	14.0%	1.0%	5.0%	100.0%
Total		Count	79	72	34	6	9	200
		% within Type of Store	39.5%	36.0%	17.0%	3.0%	4.5%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.375[a]	4	.358
Likelihood Ratio	4.626	4	.328
Linear-by-Linear Association	1.169	1	.080
N of Valid Cases	200		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 3.00.
Source: Primary data.

The above table represents that the chi square is not significant (sig. value > 0.05), no evidence to reject null hypothesis. It means that there is no significant association between type of store and customer opinions on door delivery.

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Table-2 Extended store hours

Crosstab			Extended store hours					Total
			Very Low	Low	Moderate	High	Very High	
Type of Store	Organized	Count	17	21	31	16	15	100
		% within Type of Store	17.0%	21.0%	31.0%	16.0%	15.0%	100.0%
	Un Organized	Count	14	34	36	10	6	100
		% within Type of Store	14.0%	34.0%	36.0%	10.0%	6.0%	100.0%
Total		Count	31	55	67	26	21	200
		% within Type of Store	15.5%	27.5%	33.5%	13.0%	10.5%	100.0%

Chi- square

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.978[a]	4	.062
Likelihood Ratio	9.148	4	.057
Linear-by-Linear Association	3.452	1	.063
N of Valid Cases	200		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.50.
Source: Primary data.

From the above table chi square is not significant (sig. value > 0.05), no evidence to reject null hypothesis. It means that there is no significant association between type of store and their opinions on extended store hours

Table –3 Mail/Telephone orders

Crosstab			Mail/Telephone orders					Total
			Very Low	Low	Moderate	High	Very High	
Type of Store	Organized	Count	37	29	20	5	9	100
		% within Type of Store	37.0%	29.0%	20.0%	5.0%	9.0%	100.0%
	Un Organized	Count	50	35	8	4	3	100
		% within Type of Store	50.0%	35.0%	8.0%	4.0%	3.0%	100.0%
Total		Count	87	64	28	9	12	200
		% within Type of Store	43.5%	32.0%	14.0%	4.5%	6.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.759a	4	.029
Likelihood Ratio	11.077	4	.026
Linear-by-Linear Association	7.783	1	.005
N of Valid Cases	200		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 4.50.
Source: Primary data.

From the above table chi square is significant (sig. value < 0.05), reject null hypothesis. It means that there is a significant association between the type of store and their opinions on mail and telephone orders.

Table –4 Services with billing counter

Crosstab								
			Services with billing counter					Total
			Very Low	Low	Moderate	High	Very High	
Type of Store	Organized	Count	6	19	38	19	18	100
		% within Type of Store	6.0%	19.0%	38.0%	19.0%	18.0%	100.0%
	Un Organized	Count	9	22	43	16	10	100
		% within Type of Store	9.0%	22.0%	43.0%	16.0%	10.0%	100.0%
Total		Count	15	41	81	35	28	200
		% within Type of Store	7.5%	20.5%	40.5%	17.5%	14.0%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.671[a]	4	.452
Likelihood Ratio	3.708	4	.447
Linear-by-Linear Association	3.171	1	.075
N of Valid Cases	200		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.50.			

Source: Primary data.

From the above table chi square is not significant (sig. value > 0.05), no evidence to reject null hypothesis. It means that there is no significant association between type of store and their opinions on services with billing counter.

Table –5 Sales promotional offers

Crosstab								
			Sales promotional offers					Total
			Very Low	Low	Moderate	High	Very High	
Type of Store	Organized	Count	3	23	41	19	14	100
		% within Type of Store	3.0%	23.0%	41.0%	19.0%	14.0%	100.0%
	Un Organized	Count	11	28	42	8	11	100
		% within Type of Store	11.0%	28.0%	42.0%	8.0%	11.0%	100.0%
Total		Count	14	51	83	27	25	200
		% within Type of Store	7.0%	25.5%	41.5%	13.5%	12.5%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.915[a]	4	.042
Likelihood Ratio	10.338	4	.035
Linear-by-Linear Association	6.141	1	.013
N of Valid Cases	200		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.00.			

Source: Primary data.

From the above table chi square is significant (sig. value < 0.05), reject null hypothesis. It means that there is a significant association between type of store and their opinions on sales promotional offers.

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Table –6 Handling Queries

| | | | Handling queries | | | | | Total | |
| Crosstab | | | | | | | | |

			Very Low	Low	Moderate	High	Very High	Total
Type of Store	Organized	Count	3	20	38	22	17	100
		% within Type of Store	3.0%	20.0%	38.0%	22.0%	17.0%	100.0%
	Un Organized	Count	6	20	35	24	15	100
		% within Type of Store	6.0%	20.0%	35.0%	24.0%	15.0%	100.0%
Total		Count	9	40	73	46	32	200
		% within Type of Store	4.5%	20.0%	36.5%	23.0%	16.0%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.335[a]	4	.855
Likelihood Ratio	1.355	4	.852
Linear-by-Linear Association	.269	1	.604
N of Valid Cases	200		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 4.50.			
Source: Primary data.			

From the above table chi square not significant (sig. value > 0.05), no evidence to reject null hypothesis. It means that there is no significant association between type of store and their opinions on handling queries

Table - 7 Sales person Service

| Crosstab | | | | | | | | |

			Very Low	Low	Moderate	High	Very High	Total
Type of Store	Organized	Count	6	20	40	13	21	100
		% within Type of Store	6.0%	20.0%	40.0%	13.0%	21.0%	100.0%
	Un Organized	Count	11	24	44	14	7	100
		% within Type of Store	11.0%	24.0%	44.0%	14.0%	7.0%	100.0%
Total		Count	17	44	84	27	28	200
		% within Type of Store	8.5%	22.0%	42.0%	13.5%	14.0%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.062[a]	4	.060
Likelihood Ratio	9.410	4	.052
Linear-by-Linear Association	6.667	1	.010
N of Valid Cases	200		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.50.
Source: Primary data.

From the above table chi square not significant (sig. value > 0.05), no evidence to reject null hypothesis. It means that there is no significant association between type of store and their opinions on sales person service.

Table –8 Exchange of goods

Crosstab

			Exchange of goods					Total
			Very Low	Low	Moderate	High	Very High	
Type of Store	Organized	Count	22	23	27	10	18	100
		% within Type of Store	22.0%	23.0%	27.0%	10.0%	18.0%	100.0%
	Un Organized	Count	14	40	25	11	10	100
		% within Type of Store	14.0%	40.0%	25.0%	11.0%	10.0%	100.0%
Total		Count	36	63	52	21	28	200
		% within Type of Store	18.0%	31.5%	26.0%	10.5%	14.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.775[a]	4	.067
Likelihood Ratio	8.880	4	.064
Linear-by-Linear Association	.788	1	.375
N of Valid Cases	200		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.50.
Source: Primary data.

From the above table chi square not significant (sig. value > 0.05), no evidence to reject null hypothesis. It means that there is no significant association between type of store and their opinions on exchange of goods.

Table -9 Credit facility

Crosstab

			Credit facility					Total
			Very Low	Low	Moderate	High	Very High	
Type of Store	Organized	Count	29	34	13	10	14	100
		% within Type of Store	29.0%	34.0%	13.0%	10.0%	14.0%	100.0%
	Un Organized	Count	35	24	22	12	7	100
		% within Type of Store	35.0%	24.0%	22.0%	12.0%	7.0%	100.0%
Total		Count	64	58	35	22	21	200
		% within Type of Store	32.0%	29.0%	17.5%	11.0%	10.5%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.116[a]	4	.130
Likelihood Ratio	7.197	4	.126
Linear-by-Linear Association	.564	1	.453
N of Valid Cases	200		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.50.
Source: Primary data.

From the above table chi square not significant (sig. value > 0.05), no evidence to reject null hypothesis. It means that there is no significant association between type of store and their opinions on credit facility

8. Limitations of the Study

Geographical limit is restricted to only Vijayawada and Guntur. Responses could be biased because the research is conducted in open market place where several variables such as mood, feelings act on research settings; andconsumer is a focal point in this market research and his/her buying motives are difficult to judge precisely and accurately.

9. Conclusion

This study captures the 5 main factors that impact customer satisfaction in food retail supermarkets as well as neighborhood kirana stores, which can help food retailers formulate strategies and marketing activities to attract and retain customers.

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