

Impact Of Product Attributes On Retail Customer Satisfaction

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Abstract

India today consists of dynamic consumers who are demanding and knowledgeable, increased levels of consumption and increasing population base. Retailing today is transforming a lot from the conventional ways of satisfying the customers. It is continuously searching for new ways to succeed and survive. While deciding the strategy and the distribution systems, the retailer has to consider the 'bottom-up' pressure exerted by the consumer. Whether the retailer is good or not will be decided by the customer based on what the 'new' the retailer can offer him both in terms of the large variety of products and the bundled services. The retailer has to therefore, constantly innovate new products and services to satisfy the changing needs of the customers. The present paper is an attempt to understand the influence of attributes of product on customer satisfaction.

Key words: Retailer, Customer Satisfaction, Product attributes.

1. INTRODUCTION

Consumers today expect a certain amount of convenience and comfort at the time of shopping. Various factors such as quality of the products, variety etc affects the customers shopping decisions. The knowledgeable and demanding customers are forcing the retail organization to offer products that meet and satisfy changing demands and expectations of the customers. This has resulted in providing specialized services by the retailers. Retailers apart from providing the various branded products they are also offering products on their own name. They are no more depending on the producers and manufacturers for the products they need to sell in the market. They themselves are coming out with their own brand names to serve the unique needs of their customers. Customer satisfaction explains about various products or services provided by the company are according to the expectations of the customers. Customer satisfaction is vital because it provides companies a metric which can be used to manage and improve their businesses. Today organisations are facing intensified cut throat competition. The question is how organisations can win customers by beating out its rivals in the market place? This can be achieved by performing effectively by performing higher than customer expectations. Customer focused companies aim at not just producing products but building customers; they are capable in not just product engineering but market engineering. How do customers make their choices from a wide range of products, brands, prices and providers? Customers assess which offer will deliver them the most value. They develop an expectation of the value and act accordingly. To what extent the offer fulfils the needs of the customers influences both satisfaction and repurchase decisions of the customers. Therefore, whether the buyer is happy depends on the performance of the products according to the expectations of the buyers. If the performance is

less than the expectations, it leads to customer dissatisfaction. If the performance matches the performance it results in customer satisfaction. If the performance is higher than the expectations, the customer is delighted.

OBJECTIVES OF THE STUDY:

1. To study about the various product attributes that influence customer satisfaction
2. To examine whether there is a variance in customer satisfaction related to product attributes belonging to different demographic variables.

HYPOTHESIS OF THE STUDY:

- There is significant impact of product attributes on satisfaction of the retail customers.
- There is significant variance in the levels of satisfaction of customers belonging to various demographic variables towards product attributes.

REVIEW OF LITERATURE:

The review of the related literature is an essential aspect of any research work. Review of related literature provides valuable guidance and explores the innovative insight for appropriate methodology and research design. The researcher carried a survey of the research studies on the topic related to the present research.

Panandikar S.C., Rajiv Gupte (2007) observed that price, product were the most influencing factors on customer satisfaction. Alisa Nilawan (2008) explored the level of customers' satisfaction towards Metro Mall. The findings of the study revealed that the reasonable price, product quality, modern decoration were the main factors that influence customers at Metro Mall, Sukhumvit station. G. BharathiKamath (2009) concluded that the retailers and the strategists should have the knowledge of the factors such variety of products and shopping convenience to formulate the strategies in order to retain the customers and improve loyalty towards their store. Bharat Goel and BhushanDewan(2011) studied factors influencing the preferences of the organized retail shoppers and found that there were six major factors that consumers prefer as far as the retail stores are concerned. They were shopping availability and variety of products, services, discounts and fair prices, quality of food and grocery items. Deepika (2012) analysed all the significant factors of retailing by studying the six emerging retail formats - malls, specialty stores, super/hyper markets, convenience stores, departmental stores and discount stores. The results revealed that the trend toward emerging retail formats are changing and consumers prefer these retail formats due to certain product attributes like improved quality and variety of brands. S. PankajKumar(2016) It was found that quality of the product to be the significant predictor of customer satisfaction and key for buying decisions of the customers. It was suggested that retailers need to offer wide range of qualitative products at competitive prices, proper display of merchandise, helps the retailer to remain competitive and increase sales and market share.R. Chandrakala, M. Sudhahar (2018) found that the major predictors of customer satisfaction were price and quality of the products, availability of different and exclusive products provided by the store. It was also found noticed that the different socio-economic variables had a significant bearing on the satisfaction of the customers.

METHODOLOGY:

The methodology used for the study was presented in the following heads.

➤ **Population**

The customers who regularly and occasionally make purchases from Spencer's retail outlets located in Guntur District were the population of the current research.

➤ **Sampling Unit**

The researcher has selected Spencer's retail outlet in Guntur district for the purpose of present research study. The mall culture in Guntur is in evolutionary stage. In 2014 Guntur was

announced as capital of newly formed state of Andhra Pradesh. This has resulted in great transformation of city. Spencer's which is one of the oldest retail formats in India has introduced the joy of hyper store shopping experience to the customers of Guntur since 2010 and has been successfully running the store till today. So, the researcher had made an attempt to study various product attributes that influence retail customer satisfaction.

➤ **About Spencer's**

In Indian grocery business Spencer's since its inception has been a recognized and respected player with its quality goods and services catering the needs of upper middle class. It has continually helped reshape the retail landscape in India by making shopping more convenient and enjoyable activity for the consumer. Spencer's differentiate itself from its competitors by delivering its brand promise. It's unique brand positioning 'Makes Fine Living Affordable,' transformed its consumers' from a price-conscious purchaser to a global-minded and it has evolved from just another grocery retailer to being a world-class hypermarket retailer.

➤ **Sample Size**

A total of 915 questionnaires were distributed out of which 664 questionnaires were returned which are filled up in all respects.

➤ **Sampling Method**

The sample for the present study was drawn by using Convenience Sampling method as the researcher finds it easy and convenient to take exit interviews from the customers who are leaving the store.

➤ **Data Collection Methods**

The required data was obtained from both the primary and secondary sources of data.

PRIMARY DATA SOURCES:

Primary data was collected with the help of survey method using a questionnaire.

SECONDARY DATA :

The secondary data was obtained from Books, Journals, Periodicals, Abstracts, Directories, and Research reports, Conference Papers, Web Sites, Newspapers and Magazines.

ANALYSIS OF DATA AND INTERPRETATION OF RESULTS:

Table 1: Customer satisfaction towards product attributes

Factors of Product	Mean Scores	Standard Deviation
Quality	3.93	.570
Variety	3.64	.679
Latest products	3.39	.714
Branded products	3.53	0.684
Value of merchandise	3.63	0.76
Packaging	3.47	0.912

Mean scores showed that customers responded favourably to the statements related to quality and variety of products(mean=3.59). High mean score explains that customers give importance

for the quality and variety of the products. Out of different product qualities it was found that variety and quality of products affected customer satisfaction more.

This finding was in line of the studies conducted by Anu Singh and KaurTripat (2006) demonstrated that quality of merchandise was one of the main indicators of customer satisfaction, NavreenTariqand et.al (2011) value for money, GuptaHimanshu et.al (2012) various products and the range of products impact customer satisfaction.

Table II: Impact of product attributes on customer satisfaction

H_A: There is a significant impact of product attributes on organised retail customer satisfaction

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641 ^a	.0410	.310	.541

The results showed that the various product attributes of organised retail customer satisfaction impact the satisfaction of the retail customers. Therefore, the alternative hypothesis is accepted i.e.; there is significant impact of organised retail product attributes on customer satisfaction.

Table III: Comparison of Satisfaction of customers belonging to different demographics with respect to various attributes of product.

Demographic Variables		Satisfaction with Product attributes
AGE	Lambda	0.981
	F value	4.136
	p-value	0.006
Gender	Lambda	0.998
	F value	0.52
	p-value	0.669
Marital status	Lambda	0.999
	F value	0.144
	p-value	0.933
Educational Qualification	Lambda	0.979
	F value	4.7
	p-value	0.003
Occupation	Lambda	0.994
	F value	1.286
	p-value	0.278
Monthly Income	Lambda	0.996
	F value	0.964
	p-value	0.409

- The bundle of benefits that a customer considers in a product will differ based on the age of the customers. The calculated p value is 0.006 shows that there was a significant variance in satisfaction related to product attributes based on age of the customers.
- Whether men and women differ in their satisfaction related to product attributes was examined and found that there was no significant variance among the satisfaction levels related to different product attributes with respect to Gender of the customers.
- Marital status represents a mental state and this influences the perceived benefits and costs of their product preferences and their purchase decisions. An attempt was made to find out whether

the satisfaction of the customers will get influenced by their marital status. The calculated p value is 0.933 shows that there was no significant variance among the organised retail customer satisfaction related to different attributes of product based on their marital status.

➤ The expectations of the customers, their understanding and knowledge of the products depend on the education of the customers. This in turn influences their satisfaction. The calculated p value is 0.00. This shows that there was a significant variance in customer satisfaction among the various product attributes with respect to Educational qualification.

➤ Occupation is one of the significant factors that determine their satisfaction towards various products they purchase. As the calculated p value is 0.278 there was no significant variance in level of satisfaction of the customers towards different product attributes with respect to occupation.

➤ Income of the customers plays a significant role in determining the customer satisfaction as income of the respondents is important in making purchase decisions. The calculated p value is 0.409. Therefore, there was no significant variance in retail customer satisfaction related to product attributes with respect to income.

CONCLUSION AND SCOPE FOR FUTURE RESEARCH:

India today consists of dynamic consumers who are demanding and knowledgeable. Today, organised retailing has emerged as a separate function and the retailer has moved close to the customer with the emergence of various retail formats. In this competitive market scenario where customers are deciding the success and future of the organisations, satisfying customers is considered to be the most important element by the marketers to differentiate themselves with the rest of the competitive players in the market. Managers of the retail outlets will be largely benefited out of these studies as it will be of great use to them to know about the customer whom it is targeted to serve and to design right strategies to sell their products. But very insignificant papers have been found regarding organized retail marketing in Andhra Pradesh. As it is going to be a prospective sector research is required to study the existing customer satisfaction level of this sector by exploring the market perfectly.

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