CUSTOMER SATISFACTION TOWARDS STORE ENVIRONMENT IN SMART BAZAAR STORE IN MYSORE

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Abstract

Customer's expectations are high, and they are not met by the service provider up to the expectation of customers. It is true to retail sector also. The satisfaction level of customers also differs on retail services than to any other kinds of services. The present study makes an attempt to bring out such differences from the customers of modern retail formats in Mysore. Data was collected from Smart Bazaar store which is a well known modern retail format in Mysore. The study examined the importance of specific elements of changing store environment towards the measurement of satisfaction levels. The present empirical study found some interesting observations that the sample respondents were least satisfied with 'Free currency top up in bill counter', "Baby areas" and "Membership card" by assigning least weights and high level satisfied with 'Interior', 'product variety' 'computerized Bill'. Due to these results, the impact of these attributes on Customer satisfaction must not be underestimated.

Keywords: *Customer Satisfaction, Elements of Store Environment, Modern Retail Formats, Shopping Experience, Service Quality.*

INTRODUCTION

Modern retailing has created a place in the heart of consumer by performing various functions i.e., creates form utility, time, place, ownership and entertainment utility along with enjoyable environment, huge shopping space, air conditioning shopping rooms. Growth rate of modern retailing has increased in recent years because of growth in disposable income levels. Additionally, Indians have begun to prefer shopping at super markets due to higher standard of hygiene and attractive ambience. Mysore is one of the growing traditional regions of Karnataka where several modern retail outlets have been established and this include Mall of Mysore, Smart Bazaar, More, Nexus Mall, loyal world and the like. The study of customer satisfaction is the most important factor for marketing of any goods and services and customer satisfaction of service quality are increasingly used to forecast profitability and prospect for improved market share. Customer-driven strategies require satisfying customer preferences. So, an attempt has been made in this article to study the satisfaction of customers towards store environment of modern retail formats. Questionnaire was administered to gather data in this regard.

Retail Formats

The retail formats have been classified into two categories; malls, hyper/supermarkets and specialty stores are recognized as modern retail formats and discount stores, convenience stores and department stores are recognized as traditional retail formats (Deepika J, 2011).

Table 1 - Modern Retail – Features

Customers	Middle, Upper
Approach	Professional
Reach	Urban
Product Options	More
Prices	Comparable
Service	Self service
Positioning	One stop shop, variety of goods, Pleasant shopping experience

Source: *Adopted from Komal & chopra (2012), Organized and Unorganized Retailing in India, Insight to Retailing- in the 21st Century, Himalaya Publishing House, pp. 101.*

Modern retail formats which provide a wide variety of products and services to customers and offer an ideal shopping experience with an amalgamation of product, entertainment and service all under a single roof. Silent features of modern retail formats are summarized in table-1.

Customer Satisfaction

In marketing, customer satisfaction has long been recognized as a central concept. Realization of its importance has resulted in a proliferation research over the past few decades. Customer satisfaction means that the customer's needs are met, product and services are satisfactory, and the customer's experience is positive (Gitomer, 1998).

Bloemer et al (1998) defined satisfaction is occur through a matching of expectation and perceived performance. Researchers have also identified customer satisfaction, from a multi-dimensional nature and view overall satisfaction as a function of satisfaction with multiple experiences with the service provider (Sureshchandar et al., 2002).

Dimensions of Customer Satisfaction

Satisfaction according to Hokanson (1995) is affected by many factors which include friendly employees, courteous employees, knowledgeable employees, and helpful employees, accuracy of billing, competitive pricing, service quality, good value and quick service. For purposes of this study, we concentrate on 17 elements of different dimensions of customer satisfaction in the collection of data and analysis of results.

REIVIEW OF LITERATURE

Jain (2009) highlights that as compared to traditional stores, new format stores are pre-engineered retail outlets, characterized by well designed layout, ambience, display, self-service, value added services, technology based operations and many more dimensions with modern outlook and practices. They seem to attract and influence young minds by satisfying both hedonic and utilitarian needs. Consumers prefer modern retail formats due to its significant product attributes like improved quality, variety of brands and assortment of merchandise and store attributes like parking facility, trained sales personnel and complete security (Deepika J). There is a positive relationship between store satisfaction and store loyalty, a direct positive effect of store image on store loyalty and indirect positive effect of store image on store loyalty through store satisfaction (Bloemer et al). Customer prefers to shop at nearby small or medium outlets for frequently bought goods. However, the affluent and upper middle class customers have started buying these goods at large outlets. This is because; organised players like Big Bazaar, Family Mart are open all through the week and provide an international shopping experience at the same cost (T Radhika Vishvas and V Murugaiah).

Turley and Milliman (2000) conducted a comprehensive synthesis of over 60 studies regarding the "atmospheric" variables of retail environments. They categorized the store environment into five specific sub-dimensions: external variables, general interior, layout and design, point-of-purchase and decoration, and human variables. Their research found that manipulating these environmental cues—such as background music and lighting—directly influences the time spent in-store and the total amount of consumer spending. This supports the article's focus on Entertainment, Music, and Interior as key factors for modern retail.

Dabholkar, Thorpe, and Rentz (1996) developed the Retail Service Quality Scale, which identifies five dimensions critical to the retail experience: physical aspects, reliability, personal interaction, problem-solving, and policy. This framework mirrors the four factors extracted in your study: Facilities, Convenience, Reliability, and Policy. Their findings suggest that "Physical Aspects" (store appearance and layout) and "Policy" (handling of returns and operating hours) are the strongest predictors of overall customer satisfaction in a supermarket context.

Childers et al. (2001) explored the dual motivations of consumers in retail environments: hedonic (enjoyment-based) and utilitarian (task-based). Their research highlights that while "ambience" satisfies hedonic needs, technological efficiency—such as fast checkout points and computerized billing—is essential for utilitarian satisfaction. This aligns with your finding that the Check Out Point received one of the highest satisfaction mean values (3.80) among respondents in Mysore.

Earlier review of study is indicated that factors of store environment in modern retail outlets lead to consumer satisfaction. The review of literature is highly helpful in the development of research objectives and formulation of hypothesis which has been discussed detail.

OBJECTIVES OF THE STUDY

While satisfaction and quality are different concepts, a relation between the two has been identified. Incidents of satisfaction, overtime, result in perceptions of quality in services (Rodwin, 1994). The objectives of the present empirical study are:

i. To identify and describe the factors of store environment in modern retail formats.

ii. To find out the association of factors related to store environment & customer satisfaction.

iii. To examine the significant relationship of factors related to store environment & customer satisfaction.

HYPOTHESES FOR THE STUDY

On the basis of above objectives, the following hypotheses can be developed:

1. H_{01} - There is no significant relation between the customer satisfaction towards the factors of store environment and gender.

2. H_{02} - There exists no significant relation between the customer satisfaction towards the factors of store environment and age groups.

3. H_{03} - There is no significant relation between the customer satisfaction towards the factors of store environment and level of income.

4. H_{04} - There exists no significant relation between the customer satisfaction towards the factors of store environment and frequency of visit.

Fig1: Research Framework
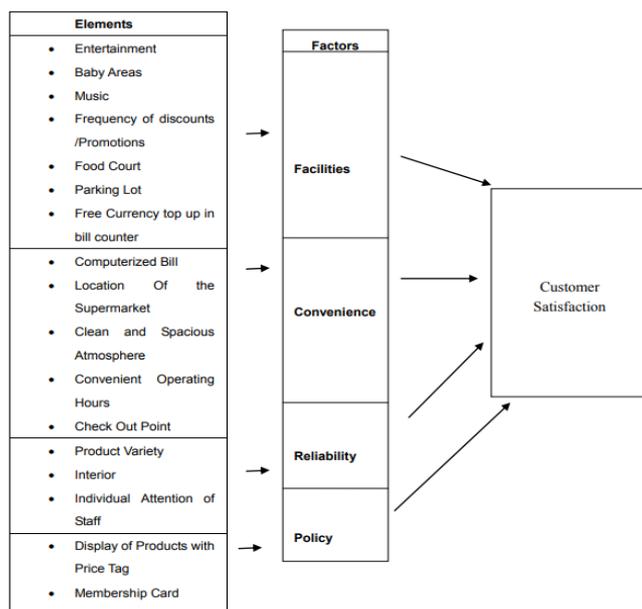
RESEARCH METHODOLOGY

i. The customers of all demography who visit modern retail formats in Mysore city have been taken as the sampling frame. Judgment sampling method is followed in the study.

ii. The data used in this study is primary in nature and has been collected by survey method from 50 respondents in Smart Bazaar store in Mysore. Structured questionnaires contained questions on the demography of the respondents and 17 variables on a 5-Point Likert scale were distributed to 80 respondents but all of them could not be used as there were 30 incomplete in some way.

iii. The secondary data were also collected from various journals, books and internet links supplement the primary data.

iv. Data thus obtained were analysed by using statistical tools with the help of SPSS. Factor analysis and ANOVA test are conducted to arrive at minimum number of factors and to find the association of demographic variables with factors respectively.

ANALYSIS AND INTERPRETATION OF DATA

Mysore represents unique demographic where tradition-conscious shoppers are becoming increasingly digitally fluent. An investigation into the Smart Bazaar in Mysore revealed that 67% of respondents have shifted from departmental stores to supermarkets, primarily because modern formats provide "everything under one roof" and better discounts.

The demographic profile of the respondents of the survey conducted are given in the Table 2 indicates that 56% of the respondents are female, majority are adult, more numbers are high level income group and the behavioural characteristics of majority of them are more frequent visit to store. Only two classes of age groups, income level and frequency of visit have been considered as it would help in the interpretation of the data easily.

TABLE 2

Demography and Behavioural characteristics of the Respondents

Demography	Particulars	Frequency	Percent
Gender	Female	28	56
	Male	22	44
	Total	**50**	**100**
Age Group	Young	24	48
	Adult	26	52
	Total	**50**	**100**
Income Level	Low Income	16	32
	High Income	34	68
	Total	**50**	**100**
Frequency of visit	Less Frequent	14	28
	More Frequent	36	72
	Total	**50**	**100**

Source: Field Survey

The exploratory factor analysis and principal components (PCA) analysis were used to identify and extract the factors of the store

environment respectively. Various factors asked to the respondents are reduced to find out the important factors determining the level of satisfaction on the basis of their perception. In this study, the results of factor analysis are useful with the present study as Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy value is 0.721 (Table 3) which is more than 0.50.

TABLE 3 - KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.721**
Bartlett's Test of Sphericity	Approx. Chi-Square	465.579
	df	136
	Sig.	.000

The variables and factor loadings are summarized in table 4 where variables with higher loadings are considered more important and grouped in to four factors based on the Eigen values exceeding one. Eigen values for these four factors are 3.893, 3.278, 2.484 and 1.982 respectively. The extracted components which explain nearly 68.453% of the total variations and considerably reduce the complexity of the data set by using four components from seventeen variables, with only a 31.547% loss of information. The percentages of variance explained by the each factors are 22.900, 19.282, 14.613 and 11.658 respectively.

TABLE 4 - Factor Loadings-Rotated Factor Matrix

(Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalization)

Sl.no.	Variables/Statements	1	2	3	4
1	Entertainment	0.812			
2	Baby Areas	0.768			
3	Music	0.734			
4	Frequency of discounts/ Promotions	0.716			
5	Food Court	0.707			
6	Parking Lot	0.452			
7	Free Currency top up in bill counter	0.406			
8	Computerized Bill		0.851		
9	Location Of the Supermarket		0.742		
10	Clean and Spacious Atmosphere		0.708		
11	Convenient Operating Hours		0.685		
12	Check Out Point		0.647		
13	Product Variety			0.710	
14	Interior			0.684	
15	Individual Attention of Staff			0.675	
16	Display				0.855
17	Membership Card				0.610
	Total Variance or Eigen Values	**3.893**	**3.278**	**2.484**	**1.982**
	% of Variance	**22.900**	**19.282**	**14.613**	**11.658**
	Cumulative %	**22.900**	**42.182**	**56.795**	**68.453**

All the factors of store environment were given names on the basis of variables represented in each case is shown in the table 5 with respective values of loadings. The factors are considered to be more reliable as the Cronbach alpha values for all the extracted dimensions are more than 0.5.

TABLE 5 - Naming of Factors and Scale Reliability Analysis

Factors/ Dimensions	Name of Factors/ Dimensions	Variables/Statements	Loadings	Reliability (Alpha)
F1	**Facilities**	Entertainment	0.812	
		Baby Areas	0.768	
		Music	0.734	0.842
		Frequency of discounts/ Promotions	0.716	
		Food Court	0.707	

Factors/Dimensions	Name of Factors/Dimensions	Variables/Statements			
		Parking Lot	0.452	
		Free Currency top up in bill counter	0.406	
F2	**Convenience**	Computerized Bill	0.851	
		Location Of the Supermarket	0.742	
		Clean and Spacious Atmosphere	0.708	0.834
		Convenient Operating Hours	0.685	
		Check Out Point	0.647	
F3	**Reliability**	Product Variety	0.710	
		Interior	0.684	0.664
		Individual Attention of Staff	0.675	
F4	**Policy**	Display of Products with Price Tag	0.855	
		Membership Card	0.610	0.624

The analysis and interpretation of data has been presented under (A) Universal Analysis; and (B) Group Analysis.

(A) Universal Analysis:

Table 1 presents the degree of satisfaction level of sample respondents towards store environment. It was observed that the sample respondents perceived a highest mean value of 3.86 towards "product variety" with a deviation in mean value of 0.95. It was also observed that the sample respondents assigned higher mean value of 3.80 to the element "check out point" and lowest mean value of 2.18 for element "Free currency top up in bill counter". It is also interesting to note that higher differences in satisfaction level were evidenced among the sample respondents towards store environment elements except "product variety". To conclude, the sample respondents have higher level satisfaction towards Location of the supermarket, Entertainment, Parking lot, Clean and Spacious atmosphere, Display, Interior, Convenient operating hours, computerized bill by assigning the mean value of more than 3.

TABLE 6 - Satisfaction towards Store Environment

Factors/ Dimensions	Name of Factors/ Dimensions	Variables/Statements	N	Mean	S.D
F1	**Facilities**	Entertainment	50	3.06	1.41
		Baby Areas	50	2.74	1.44
		Music	50	2.80	1.34
		Frequency of discounts/ Promotions	50	2.82	1.24
		Food Court	50	2.94	1.19
		Parking Lot	50	3.04	1.35
		Free Currency top up in bill counter	50	2.18	1.34
F2	**Convenience**	Computerized Bill	50	3.50	1.14
		Location Of the Supermarket	50	3.30	1.27
		Clean and Spacious Atmosphere	50	3.44	1.20
		Convenient Operating Hours	50	3.32	1.19
		Check Out Point	50	3.80	1.18
F3	**Reliability**	Product Variety	50	3.86	0.95
		Interior	50	3.64	1.03
		Individual Attention of Staff	50	2.92	1.29
F4	**Policy**	Display of Products with Price Tag	50	3.28	1.05
		Membership Card	50	2.78	1.37

Source: Field Survey

(B) Group Analysis:

The group analysis of the perceptions of the sample respondents towards store environment has been presented under: (I) Gender; (II) Age; (III) Income and (IV) Frequency of visit to store. One-way ANOVA was used to find the association between the demography of respondents and the factors of store environment.

I.   Customer Satisfaction and Gender - Hypothesis 1

The result, obtained through ANOVA, in table 7 gives the association of gender with the store environment factors. It is seen that at 5% significance level, the opinions of male and female customers do not significantly differ with the dimensions *Convenience, Reliability and Policy* being the significance value stands at >0.05 and calculated values of F are less than the table value (0.646,1.480 and 3.167 < 4.03). So, H_{01} is accepted with respect to these factors. Whereas the opinions of male and female customers differ significantly with the dimension of *Facilities* as the significance value of that stands at <0.05 and calculated value of F is more than the table value (9.362>4.03). Hence, null hypothesis as regards *Facilities* is rejected.

TABLE 7 - ANOVA (Gender)

		Sum of Squares	df	Mean Square	F	Sig.
Facilities	Between Groups	7.268	1	7.268	9.362	0.004
	Within Groups	37.266	48	0.776		
	Total	44.534	49			
Convenience	Between Groups	0.555	1	0.555	**0.646**	**0.425**
	Within Groups	41.265	48	0.860		
	Total	41.821	49			
Reliability	Between Groups	1.044	1	1.044	**1.480**	**0.230**
	Within Groups	33.865	48	0.706		
	Total	34.909	49			
Policy	Between Groups	3.263	1	3.263	**3.167**	**0.081**
	Within Groups	49.442	48	1.030		
	Total	52.705	49			

Source: Field Survey (Table value @ 5% level of significance=4.03)

II.   Customer Satisfaction and Age - Hypothesis 2

Table 8 highlights the association of sample respondents from the viewpoint of their age with the dimensions of store environment. It was interesting to note that at 5% significant level, the perceptional differences in satisfaction level did not vary significantly. This means that the opinions of both young and adult customers towards these elements are the same as the significance value stands at >0.05 and calculated values of F are less than the table value (0.211, 0.216, 0.014 and 0.006 < 4.03). So, H_{02} is accepted with respect to these factors.

TABLE 8- Satisfaction towards Store Environment: Age Analysis

ANOVA (Age)						
		Sum of Squares	df	Mean Square	F	Sig.
Facilities	Between Groups	0.195	1	0.195	**0.211**	**0.648**
	Within Groups	44.339	48	0.924		
	Total	44.534	49			
Convenience	Between Groups	0.187	1	0.187	**0.216**	**0.644**
	Within Groups	41.634	48	0.867		
	Total	41.821	49			
Reliability	Between Groups	0.010	1	0.010	**0.014**	**0.905**
	Within Groups	34.899	48	0.727		
	Total	34.909	49			
Policy	Between Groups	0.006	1	0.006	**0.006**	**0.940**
	Within Groups	52.699	48	1.098		

	Total	52.705	49			

III. Customer Satisfaction and Income - Hypothesis 3

Table 9 shows the association of customers of different monthly income with the store environment dimensions. It was evidenced that the respondents of high income group and low income group have the same opinion towards three dimensions *Facilities, Convenience and Reliability* at 5% significance level and calculated values of F are less than the table value (1.165, 0.032

and 1.531 < 4.03). So, H_{03} is accepted with respect to these factors. Whereas the perceptional differences were found among high income group and low income group with respect to the factor: *Policy* being the significance value stands at <0.05 and calculated value of F is more than the table value (6.957>4.03). Hence, null hypothesis as regards *Policy* is rejected.

TABLE 9 - Satisfaction towards Store Environment: Income Analysis

ANOVA (Income)						
		Sum of Squares	df	Mean Square	F	Sig.
Facilities	Between Groups	1.055	1	1.055	**1.165**	**0.286**
	Within Groups	43.479	48	0.906		
	Total	44.534	49			
Convenience	Between Groups	0.028	1	0.028	**0.032**	**0.858**
	Within Groups	41.793	48	0.871		
	Total	41.821	49			
Reliability	Between Groups	1.079	1	1.079	**1.531**	**0.222**
	Within Groups	33.830	48	0.705		
	Total	34.909	49			
Policy	Between Groups	6.672	1	6.672	6.957	0.011
	Within Groups	46.033	48	0.959		
	Total	52.705	49			

IV. Customer Satisfaction and Frequency of visits - Hypothesis 4

Respondents were grouped into 2 categories of visit frequency, such as more frequent and less frequent. For the "more frequent" group, customers were defined to visit the related supermarkets almost daily or minimum 3 times in a month. For the "less frequent", customers spent 1 or 2 times a month to do their shopping. According to Table 10, it is seen that at 5% significance level, the perceptions of customers of both the group do not vary significantly with these dimensions and calculated values of F are less than the table value (0.260, 0.040, 1.021 and 2.451 < 4.03). So, H_{04} is accepted with respect to these factors.

TABLE 10 - Satisfaction towards store environment: Frequency of visit analysis

ANOVA (Frequency of Visit)						
		Sum of Squares	df	Mean Square	F	Sig.
Facilities	Between Groups	0.240	1	0.240	**0.260**	**0.613**
	Within Groups	44.295	48	0.923		
	Total	44.534	49			
Convenience	Between Groups	0.035	1	0.035	**0.040**	**0.842**
	Within Groups	41.786	48	0.871		
	Total	41.821	49			
Reliability	Between Groups	0.727	1	0.727	**1.021**	**0.317**
	Within Groups	34.182	48	0.712		
	Total	34.909	49			
Policy	Between Groups	2.560	1	2.560	**2.451**	**0.124**

		50.145	48	1.045		
	Within Groups	50.145	48	1.045		
	Total	52.705	49			

Source: Field Survey (Table value @ 5% level of significance=4.03)

MAJOR FINDINGS

a. All the group of customers is having least satisfaction towards 'Free currency top up in bill counter' by assigning least weight.

b. All the group of customers is extremely satisfied with 'Check Out Point' and 'Product Variety' by assigning highest weights.

c. Higher perceptional differences were evidenced among the sample respondents towards 'Baby areas'.

d. Least perceptional differences were evidenced among the sample respondents towards 'Product Variety'.

e. There is significant relation between the customer perception towards the dimension of '*Facilities'* and gender.

f. There is significant relation between the customer perception towards the dimension of '*Policy'* and level of income of respondent.

CONCLUSION

The best way to beat the competition is to use the four P's (product, price, place and promotion) as all part of consumer incentives. Elements of store environment are some important guideline for the modern retail formats to modify their strategies which leads to customer satisfaction which in turn leads to customer loyalty. In this direction, this survey examined the perceived level of customer satisfaction towards Smart Bazaar store environment in Mysore city and it is found that all the group of customers are having less satisfaction towards "Free currency top up in bill counter", "Baby areas" and "Membership card" by assigning least weights. So policy makers should concentrate much on these elements so that to improve the level of customer satisfaction towards these elements.

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