Organizational Retail Customers' Perceptions of the Influence of Service Quality Features on their Satisfaction and Loyalty

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Abstract - One of India's most rapidly expanding sectors in recent years has been retail. The main aim of the study is to Organizational retail customers' perceptions of the influence of service quality features on their satisfaction and loyalty. The present investigation is exploratory in character and was based mostly on field survey data. Primary sources dominated the data, all of which was gathered using a standardized, structured questionnaire. Challenges in recruiting and keeping consumers have increased dramatically for India's organized retail industry since the market opened to strong competition and the entry of private multinational firms.

Keywords: Customer Loyalty, Satisfaction, Retail Store, Perception, Service Quality, etc.

- X -

1. INTRODUCTION

One of India's most rapidly expanding sectors in recent years has been retail. There has been a dramatic shift in shopping over the last several decades, from mom-and-pop kirana shops in residential neighborhoods to megamalls in business districts. The retail market is projected to grow to almost US $ 900 billion by the middle of this decade, from its current level of around US $ 450 billion. The organized sector now controls 5% of this market. The level of client satisfaction with a company's goods and services is a key performance indicator in the field of marketing. The level of satisfaction a company's customers express with their experiences is a crucial performance indicator for business owners and managers. In marketing, the focus is often on ensuring happy customers. Simply said, this metric considers how well a company meets or exceeds the expectations of its customers. The company must maintain its current clientele while actively seeking out new ones. How well a company does in the market while delivering products and/or services may be gauged in part by looking at how satisfied its customers are. Satisfaction levels of customers are a leading indicator of repeat business and advocacy.

1.1.1 Retail Industry

With a global business measure of more than $6.6 trillion, retailing is the biggest private sector industry in the world economy, and recent research predicted

India as the top destination for retail finance professionals. As of right now, India ranks as the world's tenth largest advertiser market. According to McKinsey's "The ascent of Indian Consumer Market" research, the number of Indian consumers is expected to increase by a factor of four by 2025. Industry leaders predict that India would overtake the world's finest retail economies by 2042 thanks to the country's large talent pool, plenty of opportunities, vast marketplaces, and availability of valuable crude materials at affordable prices. Invigorating conditions exist for the Indian retail sector. Even though advertisements in Asian behemoths like China are becoming more pervasive, India has been ranked as the number one retail speculation target among the 30 emerging countries worldwide by AT Kearney's 2007 Global Retail Improvement Index (GRDI) for the third year in a row. Commercial real estate management firm CB Richard Ellis reports that India's retail sector is now the world's number-39 most popular retail destination. Increased profits are responsible for the recent growth spike, so it makes sense.

1.1.2 Customer loyalty

Many scholars have recognized the importance of maintaining loyal customers in today's competitive business environment. One of the most often discussed topics in marketing and management literature is customer loyalty. The concept of loyalty

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to one's customers is widely interpreted in the extant texts. Customer loyalty is defined as the likelihood of a repeat purchase of a product or service. It's giving customers a sense of entitlement, and when the perks are worthwhile, they'll stick around. The term "loyalty" is used to describe a customer's willingness to purchase a company's products and services repeatedly over time, as well as recommend such products to their friends and family. When a company consistently delivers value to its customers, they earn their devotion and encourage repeat purchases. From a business perspective, customer loyalty in the retail sector is measured by the length of time and frequency with which they use a certain system. A company's loyalty to its customers is the key to its success once it is up and running. The value of developing customer loyalty to businesses and their suppliers has been supported by a variety of experts. Developing loyal customers is crucial to a company's growth and success. One of the most important factors that may aid in an organization's long-term success is customer loyalty. Customer loyalty is crucial since it directly correlates to a company's continued existence and healthy growth. Therefore, a careful approach that seeks to retain current consumers is more important than a forceful one for an organization to maintain up a stable benefit level when membership level has reached immersion stage, the market has established, and competition is fierce. servicing a loyal customer cost just a fraction as much as servicing a new customer, as pointed out by Ndubisi (2005) and Pfeifer (2005).

2. LITERATURE REVIEW

Kasc, M.Thangam & Parthasarathy, Karthikeyan (2023) The Indian retail industry is seeing unprecedented growth and success. Customers in India are ecstatic about the rise of organized commerce, which is bringing them out in droves to shopping centers and markets. Providing high-quality service has long been considered the foundation of successful retail strategies in today's highly competitive market. New service dimensions are being introduced by retailers to provide consumers with a differentiated shopping experience. It needs to be seen, however, whether clients can recognize these new service dimensions and are influenced to shop at the new store structure. To what extent service quality affects consumer loyalty in the organized retail sector is the goal of this article. Measures of service quality, consumer expectations, the role of influential retail variables, and more are examined in this article.Finally, this study discusses the relationship between service quality and consumer loyalty in the organized retail sector.

Sao, Ameet & Kumar, Amit & Bapat (2023) This study will add to the existing literature by providing empirical evidence for the significant influence of service quality and customer satisfaction on customer loyalty through an examination of these factors in the context of DLF Mall of India. The findings of this study may be used by managers of shopping centers to

improve service and customer happiness, which in turn may promote consumer loyalty. Research was limited to the Delhi-National Capital Region; therefore, the findings may not apply to the whole country. The elements that affect customer loyalty may be better understood if additional study were conducted in different parts of the nation. Learn how service quality, customer happiness, and customer loyalty are connected in the setting of a shopping mall with the help of this research. The findings stress the need of focusing on the demands of clients and offering them with a solution. To further understand the elements that influence consumer loyalty in the retail business, future research should look into doing comparable studies in different countries.

Shrestha, Purna (2021) In this study, we look at how NTC's service quality affects their customers' willingness to stay with the company. Parasuraman, Berry, & Zeithaml (1991) identified five characteristics of service quality; this work uses them all. These are: tangibles, dependability, assurance, empathy, & responsiveness. A systematic questionnaire was used to obtain the necessary data from NTC of Surkhet Valley customers for the research. In this study, we use multiple regression analysis to show that high quality across the board leads to satisfied and loyal customers. Additionally, "Reliability" is the most influential aspect of service quality on customer happiness, while "Empathy" is the most influential aspect of service quality on customer loyalty. The importance of "Customer Satisfaction" in keeping consumers happy with the service a firm provides is also highlighted in this article. This article indicates that providing high-quality service is the single most significant component in creating happy and loyal patrons. The outcomes of this research may be used by NTC's management to craft a customer service plan that increases profitability and strengthens brand loyalty.

Vu, Travis (2021) The importance of service quality and client satisfaction in shaping future purchases has been extensively acknowledged. These ideas are crucial for businesses to maintain a competitive edge and keep consumers happy over time. Several academic studies point to a strong correlation between these two factors, which in turn plays a major role in determining brand value and client loyalty. The purpose of this research is to shed light on the subject by conducting an empirical analysis of how service quality impacts clients' opinions and satisfaction. The SERVQUAL model, together with other measurement strategies, will be used to investigate and assess the situation in this research. Different research approaches are used to analyze the many root causes and subsequent impacts. The conceptual framework and the five aspects of assurance, tangibles, responsiveness, dependability, and empathy will form the basis for the study's main conclusions. Research shows that clients are dissatisfied when service providers are unprofessional, their appointments are disorganized, and the prices are not what they were expecting.

Comprehensive discussion and statistical proof will accompany the study's findings. Additionally, additional research is required to collect data that were unavailable in this study.

Rashid, Abdul & Rokade, Varsha (2019) The purpose of this research is to quantify aspects of retail service quality in Bhopal City, central India, among consumers who buy at organized food and grocery stores. Using a Convenience Sample and a Structured Questionnaire, we were able to gather data from 216 shoppers in the food and grocery industries. The Path Model was analyzed and validated using IBM SPSS 16 for Exploratory Factor Analysis (EFA) and Smart PLS 3.2.6 for Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM). Three factors— physical aspects, price, and payment—were shown to have no statistically significant effect on customer satisfaction using structural equation modeling. Additionally, there is a strong positive correlation between Customer Satisfaction and Customer Loyalty. If organized Food and Grocery Retailers in Central India want to gain a competitive edge, attract new customers, and keep existing ones, they can improve customer satisfaction and loyalty by focusing on the study's identified Service Quality Dimensions.

3. METHODOLOGY

3.1 Research Design

The present investigation is exploratory in character and was based mostly on field survey data. Primary sources dominated the data, all of which was gathered using a standardized, structured questionnaire. However, a small number of secondary sources were also consulted in order to gather data on the current state of organized retail service providers in the Indian market and the results of the study. Participants were patrons of major shopping malls and supermarkets in the country's east, including Big Bazar, Vishal, Pantaloon, Reliance Retail, and others.

3.2 Data collection

A single, well-structured questionnaire was developed for use in gathering primary data. Individual information, purchasing habits, service quality, customer happiness, and loyalty were the five main topics covered in the survey's questionnaire. The pilot research verified the reliability and validity of the scale, and the final field survey used the same instrument. Perceived service quality, customer satisfaction, customer loyalty, and customer choice were all measured using a 5-point Likert scale, with 1 being a strongly disagree answer and 5 a strongly agreed response. Both in-person meetings and mail-in questionnaires were used to collect responses for the survey.

3.3 Hypothesis

H1:CS is acting as a mediating variable between RSQ and CL

H2: RSQ sufficiently affects CL in Indian organized retail

4. RESULTS

Table 4.1 provides insight into consumer profiles by providing information on the age, education level, and gender of the sample respondents.

Table: 4.1 Customer profile

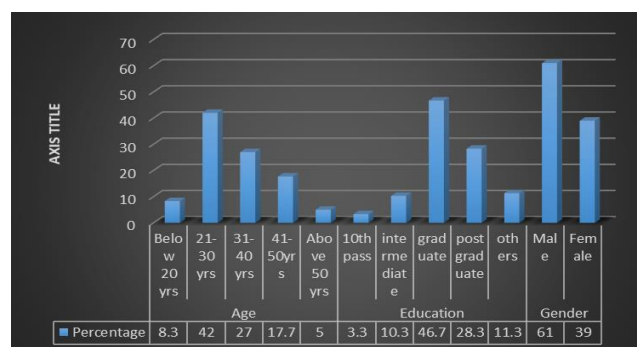| Parameters		Frequency	Percentage
Age	Below 20 yrs	25	8.3
	21-30 yrs	126	42.0
	31-40 yrs	81	27.0
	41-50yrs	53	17.7
	Above 50 yrs	15	5.0
Education	10th pass	10	3.3
	intermediate	31	10.3
	graduate	140	46.7
	post graduate	85	28.3
	others	34	11.3
Gender	Male	183	61.0
	Female	117	39.0

Figure 4.1 Customers' demographic profile chart

According to table 6.1, the bulk of the sample (42%) consists of young clients (aged 21-30). Only 8.3 percent of the sample are very young adults (defined as those aged 20 and under). This kind of conduct is indicative of a wider industrial pattern. Similarly, most of the responders (46.7%) had either a bachelor's or master's degree. This trend can be attributable to the fact that more college graduates and individuals who live in metropolitan areas are taking part in the poll. Once again, there are fewer female responders (39%) than male respondents (61%). Male members of the Odia community tend to take the lead in concerns of money and shopping at retail shops.

Brijesh Patel N[1]*, Dr. Reenu Shukla[2]

4.1 Distribution of respondents according to the stores they frequented

Table 4.2 Distribution of samples depending on stores as a whole

Name of the shop	Frequency	Percentage
BIG BAZAR	34	11.33
BRAND FACTORY	11	3.7
CITY STYLE	18	6
BAZAR KOLKOTA	26	8.7
RELIANCE FRESH	28	9.33
RELIANCE TREND	14	4. 7
PANTALOON	32	10. 7
THE WORLD	17	5. 7
CITYCENTRAL	12	4
BLACKBERRY	6	2
GITA FASHON	14	4. 7
KALAMANDIR	12	4

Name of the shop	Frequency	Percentage
SHOPPERS STOP	14	4. 7
VISHAL MEGAMART	12	4
METRO BAZAAR	9	3
MAX	4	1.33
AVANI	17	5. 7
LIFESTYLE	6	2
WESTSIDE	10	3.33

Table 4.2 shows that 11.3 percent of respondents shopped at Big Bazaar, 10.7 percent at Pantaloon, and 9.3 percent at Reliance Fresh. Bazaar Kolkata is where 8.7% of the population does their shopping. The next three most popular stores were Reliance Trend, Gita Fashion, and Shoppers Stop, respectively, with 6%, 5.7%, and 4.7% of respondents. Citycentral, Vishal Megamart, and Kalamandir each contributed 4% of replies, followed by Brand Factory (3.7%), Westside (3.3%), Metro Bazaar (3%), Lifestyle (2%), Blackberry (2%), and Max (1.3%).

Table: 4.3 Customer response w.r.t shopping behaviour

Parameters	Levels	Frequency	Percentage
Shopping Companion	alone	31	10.3
	spouse	84	28.0
	other family members	81	27.0
	friends	84	28.0
	colleagues	20	6.7
Frequency of visit per month	upto 3 times	160	53.3
	4 to 5 times	114	38.0
	6 to 8 times	18	6.0
	more than 8 times	8	2.7
Preferred Time slot of visit	morning	10	3.3
	afternoon	86	28.7
	evening	204	68.0
Type of Outlet	multi brand outlet	217	72.3
	exclusive outlet	83	27.7

Parameters	Levels	Frequency	Percentage
Reason of visit	need based	222	74.0
	window shopping	78	26.0
Source of recommendation	self	68	22.7
	parents	41	13.7
	neighbor	13	4.3
	friends	79	26.3
	spouse	33	11.0
	children	9	3.0
	relative	27	9.0
	others	30	10.0
Mode of Payment	cash	152	50.7
	credit card	63	21.0
	debit card	85	28.3

Parameters	Levels	Frequency	Percentage
Television	never	21	7.0
	rarely	101	33.7
	always	178	59.3
Magazine	never	54	18.0
	rarely	117	39.0
	always	129	43.0
Newspaper	never	11	3.7
	rarely	88	29.3
	always	201	67.0
Radio	never	189	63.0
	rarely	73	24.3
	always	38	12.7

Parameters	Levels	Frequency	Percentage
Internet	never	42	14.0
	rarely	120	40.0
	always	138	46.0
Brochure	never	104	34.7
	rarely	131	43.7
	always	65	21.7

4.2 Testing Research Hypotheses

Table 4.4 Effects of Service Quality Variables on the Word-of-Mouth Promotion of Repeat Business

SQ Dimensions	Indices of Simple Linear Regression Analysis					
	R^2	F	B (Unstandardized Coefficient)	Std. Error	t	Remarks
Tangibles	0.65	109.378**	0.322	0.083	3.875**	H1a supported
Reliability	0.65	109.378**	0.012	.092	0.129	H1b rejected
Responsiveness	0.65	109.378**	0.285	0.071	4.016**	H1c supported
Assurance	0.65	109.378**	0.056	0.064	0.873*	H1d supported
Empathy	0.65	109.378**	0.341	0.069	4.942**	H1e supported
** p < 0.01, * p < 0.05						

Table 4.4 displays the results of a regression study indicating that all characteristics of service quality have a substantial influence on the Recommendation Factor of customer loyalty in the retail industry. How much of the overall variance in the dependent variable (recommendation) can be accounted for by the independent variable (dimensions of service quality) is shown by the R2 value (coefficient of determination). The R2 value in Table 4.5 was 65%, which was quite high. The reliability of the regression equation as a predictor of the independent variable customer loyalty is then shown by its "F" value. The F value is statistically significant at the 0.01% level (p <0.01), indicating that the regression model fits the data well and makes accurate predictions of the outcome variable of customer loyalty. Customer loyalty may be predicted from several characteristics of service quality using the unstandardized coefficients (B), which provide the data needed to assess the significance of service quality's role in the model.

Table 4.5 The Relationship Between Service Quality Dimensions and the Customer Complaint Rate

SQ Dimensions	Indices of Simple Linear Regression Analysis					
	R^2	F	B (Unstandardized Coefficient)	Std. Error	t	Remarks
Tangibles	0.056	3.473*	-.047	.151	-.309	H1f rejected
Reliability	0.056	3.473*	.382	.167	2.284*	H1g supported
Responsiveness	0.056	3.473*	-.298	.129	-2.312*	H1h supported
Assurance	0.056	3.473*	-.119	.117	-1.020	H1i rejected
Empathy	0.056	3.473*	.264	.125	2.108*	H1j supported
** p < 0.01, * p < 0.05						

As can be shown in Table 4.5, a regression analysis revealed a very significant relationship between the Grievance Factor of customer loyalty and all characteristics of service excellence in the retail industry. How much of the overall variance in the dependent variable (Grievance) can be accounted for by the independent variable (dimensions of service quality) is represented by the R2 value. The R2 value in the table was 56%, which was quite high. The reliability of the regression equation as a predictor of the independent variable customer loyalty is then shown by its "F" value. The F value is statistically significant at the 0.01% level (p <0.01), indicating that the regression model fits the data well and makes

accurate predictions of the outcome variable of customer loyalty.

Table 4.6 Analyzing the Role of SQ Factors in Predicting Customer Loyalty for Future Businesses

SQ Dimensions	Indices of Simple Linear Regression Analysis					
	R^2	F	B (Unstandardized Coefficient)	Std. Error	t	Remarks
Tangibles	0.250	19.550**	.134	.141	.950*	H1k supported
Reliability	0.250	19.550**	-.051	.157	-.325	H1l rejected
Responsiveness	0.250	19.550**	.336	.120	2.788*	H1m supported
Assurance	0.250	19.550**	.014	.109	.132	H1n rejected
Empathy	0.250	19.550**	.274	.117	2.338*	H1o supported
** p < 0.01, * p < 0.05						

All aspects of service quality have a considerable influence on the Future Business Factor of customer loyalty in the retail sector, as shown in Table 4.6, which presents the findings of a regression study. Since the F-value was less than 1%, the R2 value of 0.25 suggested that the service quality dimensions explained around 25% of the overall variance in the dependent variable (Future business). Customer loyalty may be predicted from several characteristics of service quality using the unstandardized coefficients (B), which provide the data needed to assess the significance of service quality's role in the model.

Table 4.7 Analyzing the Role of Service Quality Dimensions on the Rivalry Element of Customer Loyalty Using a Regression Model

SQ Dimensions	Indices of Simple Linear Regression Analysis					
	R^2	F	B (Unstandardized Coefficient)	Std. Error	t	Remarks
Tangibles	0.091	5.899**	-.238	.139	-1.712	H1p rejected
Reliability	0.091	5.899**	.100	.154	.651	H1q rejected
Responsiveness	0.091	5.899**	-.130	.118	-1.099	H1r rejectedd
Assurance	0.091	5.899**	-.179	.107	-1.669	H1s rejected
Empathy	0.091	5.899**	.105	.115	.912*	H1t supported
** p < 0.01, * p < 0.05						

The results of a regression analysis are shown in Table 4.7, demonstrating that all aspects of service quality have a considerable influence on the Competition Factor of customer loyalty in the retail industry. The table shows that the R2 value is the proportion of total variation in the dependent variable (Competition) that can be attributed to changes in the independent variable (dimensions of service quality). The R2 value in the table was 91%, which was much higher than chance. The reliability of the regression equation as a predictor of the independent variable customer loyalty is then shown by its "F" value. The regression model is a good match for the data about responders, as the F value is statistically significant at the 0.01 level (p <0.01). The outcome variable of customer loyalty is strongly predicted.

Brijesh Patel N[1]*, Dr. Reenu Shukla[2]

5. CONCLUSION

Challenges in recruiting and keeping consumers have increased dramatically for India's organized retail industry since the market opened to strong competition and the entry of private multinational firms. The quality of service provided by retailers was shown to be the primary factor in determining whether customers would return. Satisfaction is up among retail consumers, but it isn't translating into increased loyalty. Once again, the variables that influence consumers' decision to visit a retail store do not disrupt the established correlation between service quality and repeat business. It was observed that only customers' vocations were a significant determining factor in retail business strategies to attain competitive advantages. It is pointless to create a product for consumers without first learning their needs and wants. This means it's more important than ever to provide service that lives up to customers' expectations.

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