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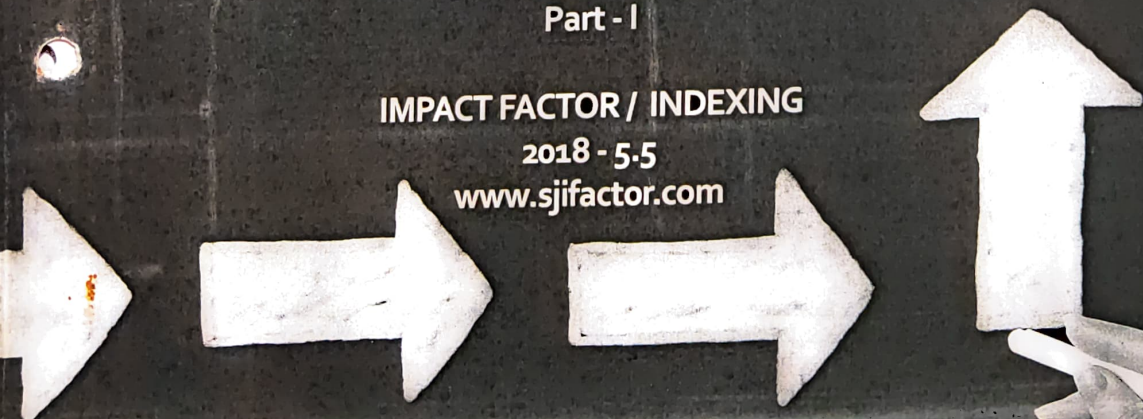
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4. Loyalty of Customers towards Vishal Mega Mart Panaji-Goa: A Case Study

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Abstract

The Indian retail industry is one of the largest among all other industries. The retail industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. Every retailer wants to create and retain a loyal customer who engages in continued profitable business with him. Against this background the paper tries to analyze the factors influencing customer satisfaction and customer loyalty towards Vishal Mega Mart, Panaji-Goa. The study is an attempt to acknowledge the shoppers' buying behavior and perceived store image that contributes to his/her store satisfaction and loyalty. The primary data from the customers of Vishal Mega Mart is collected through a structured questionnaire. The data is analyzed using descriptive strategies and percentage. The Study reveals that there is less awareness among the people about the offers and other shopping facility provided by Vishal Mega Mart and more publicity needs to be done for creating awareness the mega mart and achieving loyalty of customers.

Keywords: Customer loyalty, Customer satisfaction and Buying behavior.

Introduction

Retail being fourth largest industry in India. Retail industry accounts for over 10 per cent of the country's GDP and around 8 per cent of the employment. India is the fifth largest global destination in retail industry worldwide. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry.

The total concept and idea of shopping has undergone an attention drawing change in terms of format and consumer buying behavior, ushering in a revolution in shopping in India.

Modern retailing has entered into the Retail market in India as is observed in the form of bustling shopping centers, multi-storied malls and the huge complexes that offer shopping, entertainment and food all under one roof.

A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the services sector are going to be the key factors in the growth of the organized Retail sector in India. The growth pattern in organized retailing and in the consumption made by the Indian population will follow a rising graph helping the newer businessmen to enter the India Retail Industry.

In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the India Retail Industry to grow faster. Indian retail is expected to grow 16 per cent annually. The Food Retail Industry in India dominates the shopping basket. The Mobile phone Retail Industry in India is already a US\$ 16.7 billion business, growing at over 20 per cent per year. The future of the India Retail Industry looks promising with the growing of the market, with the government policies becoming more favorable and the emerging technologies facilitating operations.

Concept of Customer Loyalty

Every retailer wants to create and retain a loyal customer who engages in continued profitable business with him. Customer Loyalty is the measure of success of the retailer in retaining a long term relationship with the customer. Thus, customer loyalty is when a retailer receives the ultimate reward of his efforts in interacting with its customer.

Customer loyalty tends the customer to voluntarily choose a particular product against another for his need. The loyalty may be product specific or it may be company specific. When a loyal customer has repetitive requirement of the same product, such customers may be described as being 'brand loyal'. On the other hand he may also require different products of the same manufacturer. That is to say he makes significant purchases direct from the same supplier and that counts as the company specific loyalty.

Loyalty also means that customer is sticking to the retailer on certain grounds though he may be having other options also. It may be possible that the supplier may not have the best product or the customer may be having some problems with the retailer in respect of his supply of the product but the customer likes to ignore other options and prefers to continue with the same retailer as the customer thinks the retailer provides him more value and benefit than others. Such loyal customers tend to spend more money buy more, buy longer and tell more people

about the product or retailer. This type of long term customer loyalty can only be created by making the customers feel that they are number one priority with the retailer. Loyalty is demonstrated by the actions of the customer. But it doesn't mean that the customer satisfaction level can measure his loyalty. Customer loyalty is not customer satisfaction. Customer satisfaction is the basic entry point for a good business to start with. A customer can be very satisfied with the deal and still not be loyal. On the other hand a customer may not express satisfaction but wants to remain loyal to the retailer due to some reasons which keeps him benefited from that retailer. For the same degree of satisfaction, the loyalty level may also be different for different retailers.

Objectives of the Study

The following are objectives of the study:

1. To understand shopping behavior of customers towards Vishal Mega Mart in Panaji.
2. To study perception of customers loyalty about Vishal Mega Mart in Panaji.

Study Design and Methodology

The study is conducted in capital city of Goa viz, Panaji.

i) Selection of the Sample

The study covers well known retail outlet operating in the state of Goa viz, Vishal Mega Mart (Panaji). Using convenient sampling technique we have selected and studied 118 customers using retail intercept technique.

ii) Data Source and Data Collection Instrument

Data required for the study is collected from primary and secondary sources. The primary data will be collected using a structured questionnaire with close ended questions and some of them measured seven point likertscale. The secondary data will be collected from books, journals, periodicals, e-journals, websites and other published materials.

iii) Data Analytical Tool

The data for the study is analysed using descriptive statistics, ratios and percentages.

iv) Selection of Parameters

The demographic variables like age, gender, marital status, educational qualifications, occupations, net monthly income, frequency of visit to retail outlet, distance of retail outlet from respondents home, since how long the respondent is visiting the retail outlet, number of family members are taken for the study. The data analysis is also done using different constructs viz, shopping behaviour, satisfaction, service quality and loyalty. The opinions of customers are

quantified using seven point likertscale. Ranking of the preference of retail formats is also obtained from the customers using closed ended questions.

v) Respondent Contact Method

Through Personal interview the information is sought using structured questionnaire.

vi) Scope of the Study

The study is restricted to analysing perception of customers with regards to building loyalty among customers in organised retail of an organised retail formats in the state of Goa.

vii) Implication of the Study

The present environment of increased competition with rapid market entry of new store concepts and formats has posed the managerial challenge of increasing store loyalty. The present research challenge is of a more in-depth understanding and an empirical estimation of this important type of consumer behaviour. Therefore it makes an attempt to study exact relationship between store, shopper, and situational factors along with store image, satisfaction and store loyalty in retail. For instance, one question that has been left unanswered concerns the issue whether there is a direct relationship between type of the retail format and store loyalty. This study is an attempt to acknowledge the shoppers' buying behaviour and perceived store image that contributes to his/ her store satisfaction and loyalty.

Table No.01 Analysis of perceptions about the Service Quality of Vishal Mega Mart Service

Dimensions of Service Quality	Overall N =118	Across Gender		Across Marital Status	
		Males (N = 61)	Females (N = 57)	Married N = 55)	Single (N = 63)
	Mean	Mean	Mean	Mean	Mean
Ambience	4.09	4.16	4.02	4.07	4.12
Assortment	4.72	4.77	4.67	4.78	4.67
Service	3.76	3.75	3.78	3.76	3.76
Convenience	4.30	4.35	4.25	4.30	4.31

Fig. No.01 Dimension of Service Quality

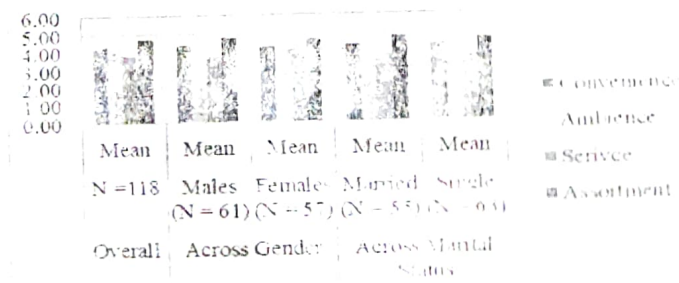


Table No.01 and Fig. No.01 represents the analysis of service quality of Vishal Mega Mart and four dimensions of the service quality viz. Ambience, Assortment, Service and convenience. Based on the responses analyzed across three categories i.e. overall respondents across gender and marital status. Surprisingly in all the three categories, Assortment is rated first with highest mean score, Convenience is rated second and Ambience is rated as last service.

Table No.02: Analysis of Dimension of Satisfaction (Vishal Mega Mart Shoppers)

Satisfaction Construct			
Descriptive Statistics			
	N	Mean	Std. Deviation
Price of goods.	118	5.39	0.49
Convenience.	118	4.51	0.50
Availability of goods.	118	4.97	1.17
Service quality.	118	4.27	1.08
Add on services provided.	118	2.94	1.12
Transparency in billing.	118	4.92	1.26
Sales person services.	118	3.74	1.22
Promotional offers and discounts.	118	4.08	1.79
Store layout and ambience.	118	3.80	1.26
Overall satisfaction with the store.	118	4.63	0.96
Valid N (listwise)	118		

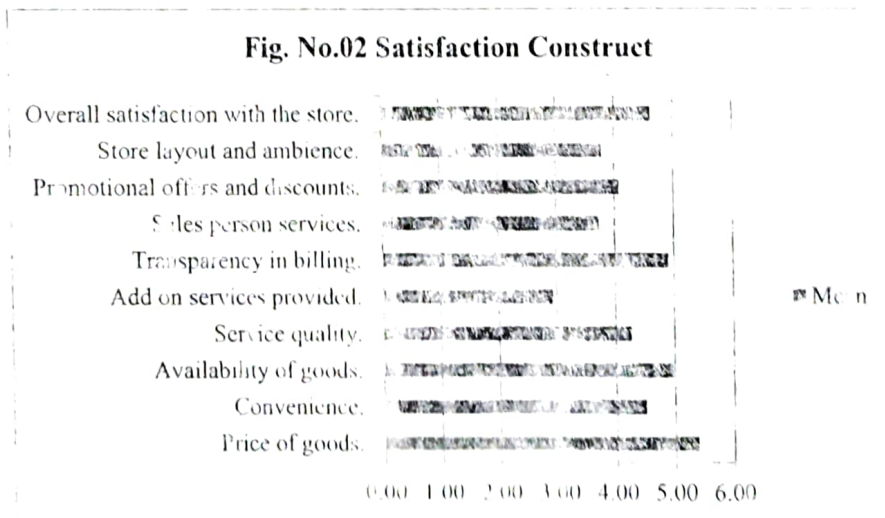


Table No.02 and Fig. No.02 represents the satisfaction of the Vishal Mega Mart shoppers with the service of the store. The mean score were very high for price of goods, availability of goods, transparency in billing and the overall satisfaction with the store. Hence all these areas

speaking about satisfaction of the consumers. However the mean scores are very low for add-on services, sales persons service, store layout etc. which needs attentions.

Table No:03 Analysis of Dimensions of Loyalty Construct(Vishal Mega Mart Shoppers)

Loyalty Construct			
Descriptive Statistics			
	N	Mean	Std. Deviation
I am proud to be customer of this store.	118	4.76	0.74
The store is keen on customer feedback.	118	4.32	0.84
I would eagerly recommend this store to my friends and colleagues.	118	4.33	1.00
I would continue to shop at this store even if I get better option to shop at other locations.	118	4.27	1.24
In case I see any sort of inefficiency, I would not hesitate to recommend any appropriate action.	118	3.84	0.99
Valid N (listwise)	118		

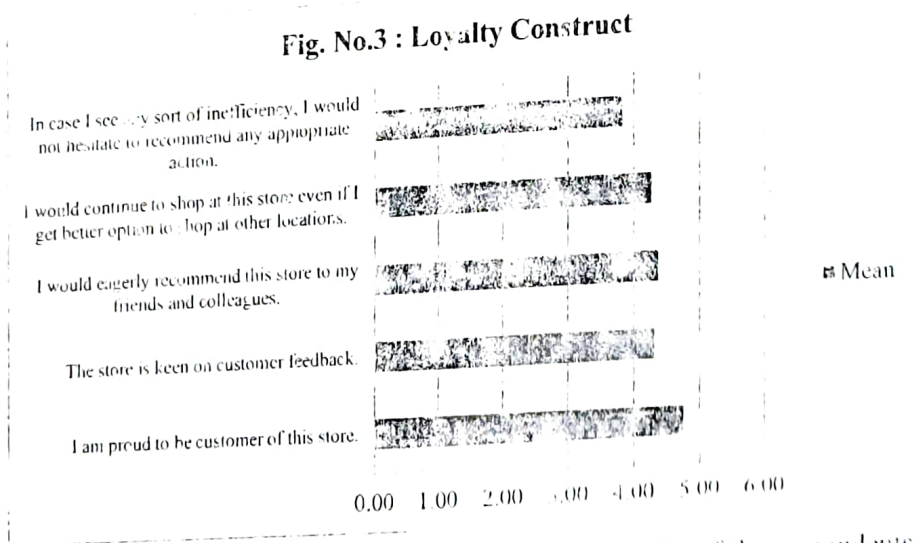


Table No.3 and Fig. No. 3 represents the analysis of loyalty of the respondents towards the store. All the five parameters used in the study have mean scores above 3.5 but less than 5.00. If we rate these loyalty on a seven point scale where 1 means very strongly disagree, 2 means strongly disagree, 3 means disagree, 4 means neutral, 5 means agree, 6 means strongly agree and 7 means very strongly agree. Since the mean scores are between 3.5 to 5.00. The response lies in between disagree and agree. Hence it can be interpreted that the loyalty is average.

Conclusion

Based on the analysis of buying behavior, it can be inferred that the consumers in Goa are variety seekers. However they are equally quality conscious and price sensitive.

With regards to Service Quality, people expect Mega Marts to offer assortments to consumers coupled with convenient shopping facilities.

With regards to evaluation of the customer's satisfaction and loyalty the responses were average. Therefore while concluding we would like to say that mega marts are new retail formats in Goa, there is very less awareness being created by Vishal Mega Mart.

Though Service provided by this retail store is a good, there is need for improving a various issues like , increasing the working hours. making available the products on the demand, reasonable pricing, parking facilities, attending to customers complaints etc.

Addressing these issues can give better scope for these modern retail formats to grow and prosper. The sector is witnessing the heat of competition in Goa. It is only through Quality Service, Better Satisfaction and Building Loyalty that a retail organization can be a growth story.

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