

THE EFFECTS OF THE DEMOGRAPHIC CHARACTERISTICS ON CUSTOMER SATISFACTION TOWARDS CONVENIENCE STORES

Dr. Monalisa Khatre¹, Dr. Vijaylaxmi Iyengar²

¹ Assistant Professor, IIPS, DAVV, Indore

² Professor & Director, BM College of Management and Research Indore

ABSTRACT

Convenience stores or c-stores are nothing but the medium sized markets having variety of items in comparatively smaller quantities than the hypermarkets. They can easily be found at street corners just like the Kirana stores or by some fuel refilling station or at any busy intersections in the community. They have appreciable range of items that are frequently required by the customers like groceries, confectioneries, snacks, beverages, toiletries etc. They generally remain open for longer time period and in some countries they operate 24/7. Customers prefer to make trip to these type of stores when they are in need of multiple items of different variety and those can't be found at single grocery store. They are good with spending little more on purchasing than wandering to different stores so that they can get at cheaper price. But in this study convenience store is selected where customers get all the products in an organized way and where customers are satisfied with all the services provided by them in form of tangibility, reliability, responsiveness, assurance and empathy. Convenience store provides customers with a good service and comfort place to shop and this motivates consumers for repeatedly purchasing. Management Science Associates stated that people choose convenience store over traditional market segment for service quality products with low price, clear and transparent exchange policy and fresh products such as vegetables etc. In this study the effect of demographic traits of customers on their satisfaction with the convenience stores have been measured through the application of t-test and One Way ANOVA to check the mean difference between male and female, married and unmarried and age group of customers.

Keyword :- *Tangibility, Reliability, Assurance, Empathy, Responsiveness, Customer Satisfaction.*

1. Introduction

Convenience store focuses on optimizing categories and services constantly, in order to maintain continuous growth in increasingly competitive market. As convenience stores understand the needs and expectations of customers with the increasing range of varieties and want to satisfy their customers. Products and services are the major medium to connect convenience store enterprises with consumers. Consumers' opinions on convenience store enterprises directly depend on whether products and services can effectively satisfy consumers' demands. Therefore, leading convenience store have gained momentum in the market with coming out various multi brands.

Customer satisfaction is the best indicator of customer making purchase in the future which helps the stores gain competitive advantage and increase market share. Indeed, it has been argued by some authors that customer satisfaction is particularly relevant to the service sector where the building and maintenance of long term relationships is a key component of improved business. Satisfaction has also been linked with purchase intentions. Buyers purchase a brand which they feel will maximize their satisfaction, therefore if their expectations of a particular brand are high they are more likely to purchase it.

The working of customer's mind is a mystery that is difficult to solve and understanding of what customer satisfaction is a challenge for today's convenience stores. These issues are in the context of the convenience stores give us an insight into the parameters of customer satisfaction and their measurement. This crucial information will help us to construct the dimensions of satisfaction amongst the customers and customer loyalty in the long run, which is an essential part for any business. When expectation of customers, is harmonized the consequential emotion is satisfaction and when expectation does not match than the resultant feeling is dissatisfaction. There should be proper and complete communication system in place. A firm should know what customers' expectations are and implement their expectation to make the customer satisfied. There should be a broad altitude of surveys, customer feedback should be collected on regular basis. It is always costly to make new customers than to keep existing customers.

Customers' satisfaction for many years has been perceived as key in determining why customers purchase repeatedly from the same stores. These stores require to know how to keep their customers, even if they appear to be satisfied. Additionally, satisfied customers may come across for other providers because they believe they might receive better service elsewhere.

However, there are various factors which make customers to retail with the stores. These include a wider assortment of product choices, greater expediency, better prices, and enhanced income. Quality service is an essential element impacting customers' satisfaction level. It is also argued that customer value is a more viable element than customer satisfaction because it includes not only the usual benefits that most stores focus on the price that the customer pays. Product quality is an important determinant for the customers for choosing a product that helps in the building image of convenience stores. Quality belongs to the product perspective seen by the consumers. It is also fact that if product carries high quality then the price is also high as brands always bear heavy prices and this is known by customers and they are happy to pay high price if they get the best quality. The repeated purchases brings customer loyalty,(Uggla 2001).Consumers' perception influences the brand choice decision between local brands and national brands as they can differentiate the brands according to its prices. Quality is conceptualized in terms of the "superiority" or "excellence" of a product's performance.

1.1 KANO Model for Customer Satisfaction

The satisfaction of customers is increased by providing the best quality of products. Customer satisfaction according to Gupta and Zeithaml (2007) can be best measured by the customers' perception on service expected and achieved. Through Kano Model, the customer satisfaction can be best known as it is developed in the 1980s by Professor Noriaki Kano. The model addresses the three important attributes (as indicated in Figure: 1 below):

Figure 1: KANO Model for customer satisfaction

The importance of the customer satisfaction is accepted as major factor for organizational success and business sustainability; or else an organization will be considered unsuccessful without achieving required level of customer satisfaction, Ogunlana (2009).

It is essential to identify customer's need to keep the existence in today's competitive environment (Cheng et al. 2006). There are various reasons if customers are not satisfied even in terms of poor quality, delaying in services, price variations etc. (National Audit Office 2000; Health and Safety Executive 2002).

If customers are satisfied they communicate to others also about the products and retail shops and this led to the making size of customers bigger, (Dichter 1966). The customers get loyal to products and associated with the particular brand. (Reichheld and Earl Sasser, 1990; Zeithaml, 2000).

Customers refers and spread word of mouth in different situations which includes information about new product or diffusion of different products (Mahajan, Muller, and Bass 1995) or before buying a new product (Feick and Price 1987). Most of the stores use customer feedback systems to assess the customer loyalty and their chance of referring others. This is measured by customer surveys which measures satisfaction, intention to repurchase and intentions of word of mouth.

2. Rationale of the Study

The purpose of this study is to choose the convenience stores because today customers wants to purchase from one place where they perceive all the displayed products in an organized way. Other important reason for this study is to focus on marketing strategy of convenience stores as despite the growth in the industry, many convenience stores are facing closure. Perceived service quality has been identified as a critical factor in its success as well as it is an important predictor of customer satisfaction. The study has examined the effect of gender, marital status and age on customer satisfaction. Due to the growth in service sector, it is increasingly important to study and identified the inner feelings of customers for looking the convenience stores for their purchasing daily needs.

3. Literature Review

Ghafoor Awan and Rehman (2014) addressed Customer satisfaction and brand loyalty as marketing goals for many companies. This study investigated the impact of customer satisfaction on brand loyalty for durable goods. The results showed that the customer satisfaction has significant factor that affect brand loyalty. The results, evoked from this study indicated that companies striving for brand loyalty should focus on customer satisfaction and performance of brand.

Wayne D. Hoyer and Michael D. Johnson (2016) studied customer satisfaction and loyalty in the convenience store industry and to demonstrate how this system for improving store performance can be used to benchmark

performance and set priorities. Each store would then be able to monitor its level of customer satisfaction and benchmark against other stores in the chain, the immediate area, the entire chain, the region, and/or the entire convenience store industry. Thus this is impactful diagnostic tool for convenience stores.

Ali and Sankaran (2016) analyzed the customer satisfaction and loyalty of the online customers. The study has discussed briefly about the effects of customer loyalty and retention on customer satisfaction. The results of the survey revealed that while a good percentage of Norwegians are satisfied with online shopping only less than half of them stay loyal to their online sellers.

Arisha Fatima Rizvi & Almas Sabir (2018) in their study focused on customer satisfaction which has been a subject of great interest in order to maximize the profit levels of the organizations. The quality of service provided by the organizations has become an important aspect of customer satisfaction. The study has examined the relationship between customer satisfaction and service quality in retail sectors with respect to the service quality dimensions with special reference to the hypermarkets in the Kingdom of Saudi Arabia (KSA).

Hamza and Saidalavi (2018) have explored the influences of benefits perceived in online shopping such as; price, convenience and wide choice among options towards customer satisfaction. The result showed that Indian customer is satisfied by the factors of convenience, wide range of products and low price. In this study, customers are significantly influenced by aforesaid parameters. This study has presented the model that would be referable for online retailers.

4. Research Gap

The researcher has reviewed many studies, which include Indian journals and international journals. The review of related literature regarding the customer satisfaction in terms of various parameters like safety, security, basic amenities, return policy, product range, quality, complaint handling process, number of billing counters etc. at convenience stores are analysed from different sources. Past studies were focused on service quality dimensions related to customer satisfaction with respect to other organized retail formats but this study is conducted on convenience stores where customers are purchasing frequently to provide valuable suggestions in order to increase the inputs as per expectations of customers. The study will be helpful in identifying future dimensions of customer satisfaction. The more satisfied or delighted the customer is, the more loyal they will be, increasing re-purchase and recommendation indicators. This is the reason and logic that this topic has been selected to know the customer satisfaction in terms of various parameters at convenience stores.

5. Objectives of the Study

1. To study the effect of gender on customer satisfaction towards convenience stores.
2. To study the effect of marital status on customer satisfaction towards convenience stores.
3. To study the effect of age on customer satisfaction towards convenience stores.
4. To suggest convenience stores for improvements.

6. Research Methodology

Research Design: In this study the research design is descriptive as those variables are studied which have an existence in the environment.

Sample Size: Total 400 consumers are selected from various demographics.

Sample Area: The Convenience Stores: Ondoor, reliance, Supermarket situated in Indore is selected as a sample area.

Sampling Method: Convenience sampling is chosen as those consumers are selected who have purchased from the selected convenience stores.

Instrument Scale: The scale is taken from the instrument developed by Lee and Joshi (2006) on customer satisfaction consisted of 8 items.

Data Statistical Tools: T-Test and One Way ANOVA were applied to check the mean difference for customer satisfaction.

7. Findings & Discussions

Reliability Test on Customer Satisfaction

Table 1: Reliability Statistics on Customer Satisfaction

Cronbach's Alpha	N of Items
.745	8

The above table shows the reliability of customer satisfaction with convenience stores is .745 for 08 items so it means that 74.5 per cent scale is reliable.

H₀₁: There is no significant difference in the satisfaction of male and female towards convenience stores.

Table 2: Gender and Customer Satisfaction

Parameter	Gender	N	Mean	SD	Value of t-Test	*Sig.
safety and security	Male	176	3.67	1.38	-1.426	.155
	Female	224	3.84	1.11		
Transparency in Product return policy	Male	176	3.40	1.09	5.343	.000
	Female	224	3.98	1.07		
product range & quality	Male	176	3.48	1.04	.587	.558
	Female	224	3.41	1.37		
basic amenities	Male	176	3.39	1.12	.862	.389
	Female	224	3.49	1.15		
complaint handling procedure	Male	176	3.65	1.07	.212	.831
	Female	224	3.63	1.15		
Availability of billing counters in numbers	Male	176	3.92	.999	.955	.340
	Female	224	3.81	1.13		
Overall appearance	Male	176	3.52	1.07	3.558	.000
	Female	224	3.91	1.10		
Checking in and checking out facility	Male	176	3.56	1.20	1.538	.125
	Female	224	3.36	1.37		

*5% level of significance

The above table exhibits the mean difference in male and female for the parameters of customer satisfaction with the convenience stores. For the variable safety and security, the p-value is .155 more than 0.05 so it is stated that no difference is found between male and female in terms of satisfaction with the convenience stores. For the variable Transparency in Product return policy, the p-value is .000 less than 0.05 so it is stated that difference is found between male and female in terms of satisfaction with the convenience stores. For the variable product range & quality, the p-value is .558 more than 0.05 so it is stated that no difference is found between male and female in terms of satisfaction with the convenience stores. For the variable basic amenities, the p-value is .389 more than

0.05 so it is stated that no difference is found between male and female in terms of satisfaction with the convenience stores. For the variable complaint handling procedure, the p-value is .831 more than 0.05 so it is stated that no difference is found between male and female in terms of satisfaction with the convenience stores. For the variable Availability of billing counters in numbers, the p-value is .340 more than 0.05 so it is stated that no difference is found between male and female in terms of satisfaction with the convenience stores. For the variable Overall appearance, the p-value is .000 less than 0.05 so it is stated that difference is found between male and female in terms of satisfaction with the convenience stores. For the last variable Checking in and checking out facility, the p-value is .125 more than 0.05 so it is stated that no difference is found between male and female in terms of satisfaction with the convenience stores. The result concluded that for all the parameters of customer satisfaction the p-value is .134 more than 0.05 so the null hypothesis 'There is no significant difference in the satisfaction of male and female towards convenience stores' is accepted at 5% level of significance.

H₀2: There is no significant difference in the satisfaction of married and unmarried towards convenience stores.

Table 3: Marital Status and Customer Satisfaction

Parameter	Gender	N	Mean	SD	Value of T-Test	*Sig.
safety and security	Married	289	3.77	1.27	.042	.966
	Unmarried	111	3.76	1.13		
Transparency in Product return policy	Married	289	3.61	1.12	3.404	.001
	Unmarried	111	4.02	1.06		
product range & quality	Married	289	3.54	1.14	2.189	.016
	Unmarried	111	3.20	1.43		
basic amenities	Married	289	3.43	1.14	-.423	.672
	Unmarried	111	3.48	1.12		
complaint handling procedure	Married	289	3.68	1.11	1.199	.231
	Unmarried	111	3.53	1.12		
Availability of billing counters in numbers	Married	289	3.89	1.05	1.115	.265
	Unmarried	111	3.76	1.13		
Overall appearance	Married	289	3.65	1.10	2.882	.005
	Unmarried	111	4.00	1.07		
Checking in and checking out facility	Married	289	3.57	1.23	2.883	.004
	Unmarried	111	3.13	1.42		

*5% level of significance

The above table exhibits the mean difference in married and unmarried for the parameters of customer satisfaction with the convenience stores. For the variable safety and security, the p-value is .966 more than 0.05 so it is stated that no difference is found between married and unmarried in terms of satisfaction with the convenience stores. For the variable Transparency in Product return policy, the p-value is .001 less than 0.05 so it is stated that difference is found between married and unmarried in terms of satisfaction with the convenience stores. For the variable product range & quality, the p-value is .016 less than 0.05 so it is stated that difference is found between married and unmarried in terms of satisfaction with the convenience stores. For the variable basic amenities, the p-value is .672 more than 0.05 so it is stated that no difference is found between married and unmarried in terms of satisfaction with the convenience stores. For the variable complaint handling procedure, the p-value is .231 more than 0.05 so it is stated that no difference is found between married and unmarried in terms of satisfaction with the convenience stores. For the variable Availability of billing counters in numbers, the p-value is .265 more than 0.05 so it is stated that no difference is found between married and unmarried in terms of satisfaction with the convenience stores. For the variable Overall appearance, the p-value is .005 less than 0.05 so it is stated that difference is found between married and unmarried in terms of satisfaction with the convenience stores. For the last variable Checking in and checking out facility, the p-value is .004 less than 0.05 so it is stated that difference is found between married and unmarried in terms of satisfaction with the convenience stores. The result concluded that for all the parameters of customer satisfaction the p-value is .690 more than 0.05 so the null hypothesis 'There is no significant difference in the satisfaction of married and unmarried towards convenience stores' is accepted at 5% level of significance.

H₀3: Age wise there is no significant difference in the customer satisfaction towards convenience stores.

Table 4: Age and Customer Satisfaction

Parameter	Gender	N	Mean	SD	Value of T-Test	*Sig.
safety and security	18-30 Yrs	126	3.50	1.04	3.846	.010
	31-40 Yrs	135	4.02	1.08		
	41-50 Yrs	85	3.74	1.11		
	More than 50 Yrs	54	3.79	1.15		
	Total	400	3.77	1.23		
Transparency in Product return policy	18-30 Yrs	126	3.43	1.02	8.926	.000
	31-40 Yrs	135	3.62	1.22		
	41-50 Yrs	85	4.07	.997		
	More than 50 Yrs	54	4.14	1.01		
	Total	400	3.73	1.12		
product range & quality	18-30 Yrs	126	3.57	.932	2.158	.093
	31-40 Yrs	135	3.48	1.32		
	41-50 Yrs	85	3.43	1.36		

	More than 50 Yrs	54	3.07	1.41		
	Total	400	3.44	1.24		
basic amenities	18-30 Yrs	126	3.45	1.02	1.889	.131
	31-40 Yrs	135	3.43	1.24		
	41-50 Yrs	85	3.27	1.17		
	More than 50 Yrs	54	3.74	1.01		
	Total	400	3.44	1.14		
complaint handling procedure	18-30 Yrs	126	3.69	.998	.380	.767
	31-40 Yrs	135	3.59	1.25		
	41-50 Yrs	85	3.57	1.10		
	More than 50 Yrs	54	3.72	1.08		
	Total	400	3.64	1.12		
Availability of billing counters in numbers	18-30 Yrs	126	3.85	.952	.882	.451
	31-40 Yrs	135	3.97	1.12		
	41-50 Yrs	85	3.74	1.11		
	More than 50 Yrs	54	3.79	1.15		
	Total	400	3.86	1.07		
Overall appearance	18-30 Yrs	126	3.61	.987	5.855	.001
	31-40 Yrs	135	3.55	1.22		
	41-50 Yrs	85	4.03	1.01		
	More than 50 Yrs	54	4.09	1.05		
	Total	400	3.74	1.10		
Checking in and checking out facility	18-30 Yrs	126	3.73	1.15	3.839	.010
	31-40 Yrs	135	3.41	1.31		
	41-50 Yrs	85	3.34	1.46		
	More than 50 Yrs	54	3.07	1.41		

	Total	400	3.45	1.30		
--	-------	-----	------	------	--	--

* 5% level of significance

The above table exhibits the mean difference among age group of customers for the parameters of customer satisfaction with the convenience stores. For the variable safety and security, the p-value is .010 less than 0.05 so it is stated that difference is found among age group of customers in terms of satisfaction with the convenience stores. For the variable Transparency in Product return policy, the p-value is .000 less than 0.05 so it is stated that difference is found among age group of customers in terms of satisfaction with the convenience stores. For the variable product range & quality, the p-value is .093 more than 0.05 so it is stated that no difference is found among age group of customers in terms of satisfaction with the convenience stores. For the variable basic amenities, the p-value is .131 more than 0.05 so it is stated that no difference is found among age group of customers in terms of satisfaction with the convenience stores. For the variable complaint handling procedure, the p-value is .767 more than 0.05 so it is stated that no difference is found among age group of customers in terms of satisfaction with the convenience stores. For the variable Availability of billing counters in numbers, the p-value is .451 more than 0.05 so it is stated that no difference is found among age group of customers in terms of satisfaction with the convenience stores. For the variable Overall appearance, the p-value is .001 less than 0.05 so it is stated that difference is found among age group of customers in terms of satisfaction with the convenience stores. For the last variable Checking in and checking out facility, the p-value is .010 less than 0.05 so it is stated that difference is found among age group of customers in terms of satisfaction with the convenience stores. The result concluded that for all the parameters of customer satisfaction the p-value is .935 more than 0.05 so the null hypothesis 'Age wise there is no significant difference in the customer satisfaction towards convenience stores' is accepted at 5% level of significance.

8. Suggestions

On the basis of findings, some suggestions are given:

- ❖ The convenience stores must concentrate on providing customer friendly information to the queries and problems of customers, the convenience stores must train their employees to be more accountable for giving information about the services that can be performed to customers and that leads to their satisfaction.
- ❖ Further, the employees must be willing to lend their help to the customers. The convenience stores must provide trust to the customers with regard to safety. Further, they must provide best interest at heart to show more empathy to the customers.
- ❖ It is stated that stores' physical environment affects the ways in which shoppers interact with merchandise and it ultimately affects how much money customers spend. Thus, in order to improve the physical appearance of the stores, the owner of the convenience stores must improve the various aspects of the stores such as; shelf placement, lighting, lay out etc. so as to encourage the customers to buy from the stores.
- ❖ The convenience stores must keep a check on important factors such as on time delivery, after sales services which are very important with regard to convenience stores under study in order to improve problem solving dimension and establish its relationship with customer satisfaction.

9. CONCLUSIONS

The study found that for the parameters of customer satisfaction with the convenience stores like; safety and security, transparency in Product return policy, product range & quality, basic amenities, complaint handling procedure, Availability of billing counters in numbers, Overall appearance and Checking in and checking out facility, both male and female have similar experience in terms of satisfaction. In the same way, no differences are found for the customer satisfaction between married and unmarried. Age wise also no differences were found so it could be explained that all the parameters are essential in measuring the customer satisfaction. The customers look all these variables and then decide to purchase repeatedly from the same stores. It provides the internal satisfaction and they accustomed for purchasing even if they do not need.

10. References

- [1]. Abdul Ghafoor Awan and Asad-ur-Rehman (2014) Impact of Customer Satisfaction on Brand Loyalty- An Empirical Analysis of Home Appliances In Pakistan. *British Journal of Marketing Studies*. 2, (8), 18-32.
- [2]. Ali and Sankaran (2016) Antecedents and Consequences of Brand Loyalty. *Jhandel Wewnętrzny* (5) (370), 200-212.
- [3]. Arisha Fatima Rizvil & Almas Sabir (2018) The Relationship between Customer Satisfaction and Service Quality with Special Reference to the Hypermarkets in Saudi Arabia. *Research in Economics and Management*. Vol. 3, No. 3, pp. 45-56.
- [4]. Deutsch, M. (2015) A study of the impact on brand loyalty of customer experiences within the context of online communities. *International Journal of Research in Marketing*, 21 (1), 241–63.
- [5]. Hamza V. K and Saidalavi K (2018) A Study on Online Shopping Experience and Customer Satisfaction. *Advances in management*. 4 (1), 62-73.
- [6]. Hoyer and Johnson (2016) Quality, Satisfaction and Loyalty in Convenience Stores – Monitoring the Customer Relationship. White Paper.
- [7]. Munyaradzi, W. and Saman Khajehzadeh (2016). The Antecedents of Customer Loyalty: A Moderated Mediation Model of Customer Relationship Management Quality and Brand Image. *Journal of Retailing and Consumer Services*. (30) 262-270
- [8]. Rashed Al Karim (2013) Customer satisfaction in Online Shopping. A Study into the Reasons for Motivations & Inhibitions. *Journal of Business and Management*. 11 (6), 13-20
- [9]. Sulieman (2013) Measurement of service quality from the customer's perspective – An empirical study, *Total Quality Management*, Vol. 18. No. 4, p.435-449.
- [10]. Sunattha Krudthong (2017) A Service Quality Gap Analysis: A Case Study of a Small-Sized Hotel in Bangkok, Thailand. *International Journal of Management and Applied Science*, Volume-3, Issue-10, pp. 67-79.
- [11]. Zuroni Md Jusoh Goh Hai Ling (2016) 'Factors Influencing Consumers' Attitude towards e-commerce Purchases through Online Shopping', *International Journal of Humanities and Social Science*. 2 (4), 223 -230.