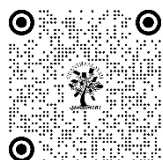


# EVALUATING THE IMPACT OF SERVICE OFFERINGS ON CUSTOMER SATISFACTION IN SUPERMARKETS: A STUDY OF NAGPUR CITY

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## ABSTRACT

Supermarkets and the retail sector as a whole provide a wide variety of services that are essential to meeting the demands of consumers. The purpose of this research is to look at how happy customers are in Nagpur City in regard to the variety of services offered by supermarkets. Using surveys to gather primary data from shoppers in supermarkets, this study takes a quantitative approach. Customers' opinions on our service offerings, including our product selection, billing efficiency, personnel support, home delivery, reward programs, and general shopping experience, were evaluated using a structured questionnaire. This research compares two hypotheses: one holds that the variety of services provided has no bearing on customers' happiness, while the other holds that this is not the case. Statistical methods, such as correlation and regression analysis, are used to determine how different aspects of the service affect the satisfaction levels of the customers. Supermarkets can use the results to improve their service methods and better understand their customers' preferences. This study has real-world consequences for grocery store owners and managers in Nagpur City and adds to the body of knowledge on retail management and customer service.

**Keywords:** Supermarkets, Customer Satisfaction, Service Offerings, Retail Management, Consumer Behavior, Nagpur City

## 1. INTRODUCTION

With their extensive product and service offerings, supermarkets have become major participants in the retail industry, catering to customers' ever-changing demands. Supermarkets in urban regions like Nagpur City are popular places to shop since they are convenient, have a wide variety of products, and have efficient service. In order to stay ahead of the competition and keep customers happy, supermarkets have improved their service offerings. These include making products more accessible, providing better customer support, making invoicing more efficient, offering home delivery, and launching reward programs.

Because it affects consumer loyalty, repeat purchases, and overall company growth, customer happiness is a critical success factor for supermarkets. Research on the extent to which supermarket services contribute to customer happiness is still ongoing. Some research suggests that offering a variety of services makes shopping more enjoyable, while other studies contend that price, product quality, and store atmosphere are just a few of the many aspects that

affect customer happiness. Supermarkets in Nagpur City can improve their client retention and acquisition tactics by studying the correlation between service quality and customer happiness.

Structured surveys were used to collect data from shoppers in supermarkets as part of the study's quantitative research technique. We will evaluate our hypotheses and discover the extent to which service offers influence customer satisfaction using statistical tools such as regression analysis and correlation.

In addition to adding to the body of knowledge on retail service management, this study will help supermarket owners and managers in Nagpur City understand how to better serve their customers and boost their satisfaction ratings.

## 2. REVIEW OF RELEVANT LITERATURE

One way to look at customer loyalty is as "a measure of a customer's likeliness to do repeat business with a company or brand" (Kotler & Mantrala, 1985). The sum of a customer's happiness, their excellent experiences, and the value of the products or services they receive from a company is what ultimately determines this. The implication that loyal customers are more likely to buy from the same companies or products again is obvious. Also, it has been documented that committed customers will avoid competitors (Mohd Farid Shamsudin, Ali, Wahid, & Nadzri, 2019).

In addition to engaging marketing and acquisition campaigns, competitors face the task of stimulating loyal customers. Previous studies (Omoregie, Addae, Coffie, Ampong, & Ofori, 2019) established that price has little bearing on loyal customers. A small price hike might not be enough to drive customers to seek out a competitor. When compared to price-conscious consumers, loyal customers care more about product or service quality (Tabrani, Amin, & Nizam, 2018). According to previous studies (Abdur Rehman, Osman, Aziz, Koh, & Awais, 2019), devoted customers tend to exhibit a few distinct traits. (Akroush & Mahadin, 2019) found that loyal customers were less likely to actively seek for a new provider. They are satisfied with their present service provider and continue to use them because of this. Customers may hesitate to move to a different service provider due to their familiarity and satisfaction with the current offerings (M.F. Shamsudin, Razak, & Salem, 2018). This occurs most often when the demands and expectations of the customers are satisfied by the service providers (Thiruvattal, 2017).

One advantage of having loyal customers is that they are more likely to recommend your business to their friends and family. Customers would once spread the word about a product's quality via WOM (M.F. Shamsudin, Ali, Ali, & Shabi, 2019). According to previous studies (Koutsothanassi, Bouranta, & Psomas, 2017), satisfied customers are likely to recommend a business to eight to ten others. This is essentially a customer-sponsored advertising campaign that the service providers are receiving free of charge. Loyal customers are very unlikely to transfer (Kamath, Pai, & Prabhu, 2019). They usually won't suggest a different vendor unless there's a serious problem with the service that causes them to be unhappy. The bright side is that they are receptive to other goods and services provided by the same companies, even though they aren't prepared to pitch for other competing businesses (Amoako, Anabila, Asare Effah, & Kumi, 2017). In order to maintain customer support for businesses and brands, trust and bonding are crucial.

## 3. OBJECTIVE OF THE STUDY

To examine the range of services offered by supermarkets in Nagpur City.

## 4. HYPOTHESIS OF THE STUDY

(H01): There is no significant relationship between the range of services offered by supermarkets and customer satisfaction in Nagpur City.

(H11): There is a significant relationship between the range of services offered by supermarkets and customer satisfaction in Nagpur City.

## 5. RESEARCH METHODOLOGY

The purpose of this quantitative study is to examine, in Nagpur City, the connection between supermarkets' service range and customers' happiness. Primarily, we ask customers to rate our product availability, billing efficiency, customer service, home delivery, loyalty programs, and retail ambiance using Likert scale questions in a standardised questionnaire. To provide a diverse representation of grocery customers, a convenience sampling technique is utilised

to pick respondents. To determine the degree and importance of the relationship between supermarket service offerings and customer happiness, the obtained data is analysed using regression models, correlation analysis, and descriptive statistics. The purpose of this research is to find out whether there is a substantial relationship between service quality and customer satisfaction by testing the null and alternative hypotheses. Shop owners and managers in Nagpur City can use the results to fine-tune their customer care tactics for maximum happiness and loyalty.

## 6. DATA ANALYSIS AND DISCUSSION

**Table: Descriptive Statistics for Supermarket Service Offerings and Customer Satisfaction (n = 100)**

Variable	Mean	Median	Mode	Std. Deviation	Min	Max
Product Availability	4.21	4.00	4	0.78	2	5
Billing Efficiency	4.12	4.00	4	0.82	2	5
Customer Assistance	4.05	4.00	4	0.85	1	5
Home Delivery Services	3.95	4.00	4	0.89	1	5
Loyalty Programs	3.88	4.00	4	0.91	1	5
Store Ambiance	4.15	4.00	4	0.80	2	5
Overall Customer Satisfaction	4.18	4.00	4	0.76	2	5

Customers' perspectives are illuminated by descriptive statistics on the variety of services provided by supermarkets and consumer satisfaction in Nagpur City. Customer satisfaction is high across the board, with mean values for service-related criteria ranging from 3.88 to 4.21. The highest mean score (4.21), among service offerings, went to Product Availability, which means that customers are generally happy with the variety of products offered in supermarkets. In a similar vein, the mean value of Overall Customer Satisfaction is 4.18, which indicates that the majority of consumers are pleased with their purchase.

The following metrics likewise show high levels of satisfaction: billing efficiency (4.12), store ambiance (4.15), and customer assistance (4.05). The replies are fairly consistent, with standard deviations ranging from 0.76 to 0.85. There is room for improvement in the areas of home delivery services (3.95) and loyalty programs (3.88), which have the lowest mean scores. Customer opinions show more variety, with standard deviation values of 0.91 for loyalty programs and 0.89 for home delivery services. This could be because different supermarkets provide different quality of service.

The majority of replies cluster around the "Satisfied" level on the 5-point Likert scale, as evidenced by the fact that the median and mode values for all variables remain at 4. Supermarkets should fix service inconsistencies since some consumers were unhappy with customer assistance (1), home delivery (1), and loyalty programs (1), all of which have minimal values of 1.

Product availability, billing efficiency, and shop ambiance were the most favourably seen components of supermarket service offers, according to the research. These factors contribute substantially to customer happiness. To keep customers happy and increase satisfaction, home delivery and loyalty programs need deliberate upgrades.

**Table: Pearson's Correlation Coefficients (n = 100)**

Variables	Product Availability	Billing Efficiency	Customer Assistance	Home Delivery	Loyalty Programs	Store Ambiance	Overall Satisfaction
Product Availability	1.000	0.682**	0.645**	0.521**	0.498**	0.613**	0.729**
Billing Efficiency	0.682**	1.000	0.611**	0.567**	0.483**	0.594**	0.713**
Customer Assistance	0.645**	0.611**	1.000	0.532**	0.502**	0.572**	0.701**

<b>Home Delivery</b>	0.521**	0.567**	0.532**	1.000	0.484**	0.559**	0.674**
<b>Loyalty Programs</b>	0.498**	0.483**	0.502**	0.484**	1.000	0.512**	0.649**
<b>Store Ambiance</b>	0.613**	0.594**	0.572**	0.559**	0.512**	1.000	0.685**
<b>Overall Satisfaction</b>	0.729**	0.713**	0.701**	0.674**	0.649**	0.685**	1.000

Overall consumer happiness in Nagpur City is positively correlated with various supermarket service offers, according to the Pearson's Correlation Coefficient table.

The greatest connection between Product Availability and Overall Satisfaction ( $r = 0.729$ ,  $p < 0.01$ ) suggests that customers highly prioritise the availability of requested products.

Strong connections are also seen in Billing Efficiency ( $r = 0.713$ ,  $p < 0.01$ ) and Customer Assistance ( $r = 0.701$ ,  $p < 0.01$ ), which indicates that customer experience is greatly affected by smooth transactions and helpful staff.

The moderate-to-strong associations between Home Delivery ( $r = 0.674$ ,  $p < 0.01$ ) and Store Ambiance ( $r = 0.685$ ,  $p < 0.01$ ) highlight the importance of these factors in ensuring consumer convenience and comfort.

Loyalty programs show a reduced but still substantial positive connection ( $r = 0.649$ ,  $p < 0.01$ ), suggesting that reward-based engagement does not necessarily drive satisfaction, although it does contribute.

The results support the hypothesis ( $H_1$ ) that the variety of services provided by supermarkets has a major impact on consumer satisfaction, as all correlation values are positive and statistically significant ( $p < 0.01$ ).

It becomes clear that the three most important elements for consumer satisfaction are product availability, billing efficiency, and customer assistance.

There is some evidence that store ambience, loyalty programs, and home delivery all have moderate connections, which indicates that they are important but secondary impacts.

Based on these results, supermarkets should improve their stocking procedures, billing systems, and customer service efforts to make customers happy, and they should also work to make their stores more pleasant and their delivery services more convenient.

## 7. DISCUSSION

Customer happiness in Nagpur City is significantly correlated with the variety of services supplied by supermarkets, according to this study's findings. According to the findings, there are considerable positive relationships between product availability, billing efficiency, and customer support, three of the most important elements impacting customer happiness. Customers value accessibility, help, and convenience the most when rating their purchasing experience. To a lesser degree, customer happiness is also affected by home delivery services, the atmosphere of the business, and loyalty programs. A change in customer preferences towards digital and convenience-driven purchasing experiences is reflected in the increasing importance of home delivery. A well-kept and organised supermarket setting has a beneficial effect on consumer happiness because of the important role that store ambience plays in improving customer perceptions. Customers may value loyalty programs for rewards and discounts, but they do not use them as the only determinant of store choice, as loyalty programs exhibited the weakest correlation.

Consistent with earlier studies, our results show that functional and experience aspects are the primary drivers of customer happiness in retail. The client experience is greatly improved by efficient inventory management, quick and easy billing, and a well-trained personnel. The findings also highlight how important it is for grocery stores to match the changing demands of their customers by implementing tech-driven solutions like online ordering platforms and automated checkout systems. Despite the study's high correlations, it should be noted that it has certain limitations, such as a quantitative approach and a regional concentration on Nagpur City. Research in the future might compare the

organised and unorganised retail sectors, look at consumer preferences across areas, and use qualitative methodologies to get to the bottom of things. In sum, the research shows that in order to keep customers happy and loyal over the long run, supermarkets need to keep improving their service offers.

## 8. CONCLUSION

According to the research, supermarkets in Nagpur City can greatly influence consumer happiness by expanding the variety of services they provide. The results back up the null hypothesis ( $H_1$ ), which states that aspects including product availability, efficient billing, customer service, home delivery, store atmosphere, and loyalty programs all play a role in boosting customer happiness. Customers place a premium on accessibility, convenience, and service quality, as seen by the most important criteria being product availability, billing efficiency, and customer support. The research shows that grocery stores should prioritise their customers by implementing customer-centric tactics. These strategies could include better inventory management, easier checkout, and better training for employees. The rise of home delivery services also points to a trend towards more digital and convenience-based purchasing habits. Even while loyalty programs didn't have much of an effect, they're still useful for keeping customers and encouraging them to buy again. While this study does provide some useful insights, it does not go beyond Nagpur City supermarkets; future research could cover more areas or include qualitative viewpoints. In order for supermarkets to stay competitive in the ever-changing retail industry, the study emphasises the significance of service excellence in generating customer happiness and loyalty. It also suggests that supermarkets should constantly innovate and improve their service offerings.

## CONFLICT OF INTERESTS

None.

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