

CUSTOMER PURCHASE SATISFACTION AND LOYALTY LEVELS OF HOME APPLIANCES PRODUCTS IN HYPERMARKETS



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Abstract

Retail formats have been most affluent and hypermarkets are one such preferential format in India. Research has been in abundance on consumer electronics and fashion. Home appliances are indispensable in our day-to-day life and it is considered to be the nucleus of any household and it is vital to comprehend the customer psyche. The intention of this article is to focus on ascertaining customers' levels of loyalty and what sustains that develops the customer loyalty in home appliances at

hypermarkets. This article distinguishes the magnitude of customer loyalty at Hypermarkets. Nevertheless, there has been less focus on what value customers attach to customer loyalty in this context. This research surveyed 147 home appliance customers at hypermarkets at Chennai to assess their perceptions besides analyzing their purchase satisfaction and loyalty levels.

Keywords: Home Appliances, Hypermarkets, Purchase satisfaction, Loyalty.

Introduction

India is observing incredible growth in retail utilization which stems from a large amount of factors like increasing urbanization, augment in nuclear families, superior prosperity, striking socio-demography, global aspirations and fondness towards branded products. The organized segment is progressively mounting and more players are stepping in with ambitious plans for the morrow. On the other hand, there are equal amounts of bottlenecks that need to be faced like (i) inadequate infrastructure and distribution channels, (ii) inefficient supply-chain management, (iii) not on par with international standards, (iv) desperation for retail space, (v) shortage of trained manpower, and (vi) no fixed consumption pattern (web 1). In spite of all these growths and impediments customer satisfaction and loyalty matter most and especially the cosmopolitan city like Chennai have more hypermarkets that attract more customers to buy their Home Appliances under one roof. A customer satisfaction and loyalty level plays an indispensable role in Hypermarkets where a requisite study is necessitated to comprehend the present scenario thereby the common public can ascertain the contemporary facts that prevails in the market. The contribution of this article is replicated in the prospects to devise recommendations for management to enable them to adapt their business strategy with respect to certain dimensions of customer satisfaction and loyalty to fulfill the requirements of customers, and create an enduring relationships to attain customer satisfaction and loyalty.

Review of Literature

Rahim A. Ganiyu, (2017) reveals that customer satisfaction is powerfully related and has latent to enhance loyalty. The study revealed that frequent customers displayed more loyalty tendency to operators than non-frequent customers. Even though, there are many strategy for building and developing loyalty in the concerned industry, customers' satisfaction with the service quality accessible has been documented as the most significant strategies. Therefore, operators should

execute down to business strategies and strive for enduring relationship with customers by providing service quality that will augment customer satisfaction.

Iblasi et al. (2016) investigated the impact of social media as a marketing tool on purchasing choices; social media becomes a significant announcement tool that persons use to attach to other people or organization. The findings showed that all members of the study sample with dissimilar percentages spend long-time using social media websites which designates that these websites are a productive and rich place to tradition e-marketing and to pressure the consumers purchasing decisions. The study proved that there is a crush on using social media websites as a promotion tool on the stages of purchasing choice that is, need recognition, information search, alternatives assessment, purchase decision and post-purchase behaviour which cheering going toward using the social media in e-marketing.

Eswari & Subramanian (2016) examined the consumer behaviour in the direction of durable goods is necessary as it reflects the influence of brands, price, superiority, quantity, method of purchase, and so forth. The victory of the market or the collapse depends on the consumer's behaviour. Marketing problems tackled from the consumer's behaviour has a superior degree of likeness with behavioural problems. The exercise of durable goods is becoming gradually more admired in recent years in India. The foreword of different types of durables has also brought out many important changes in the tastes and preferences of eventual consumers in recent years. This study concluded that the women consumer behaviour and fondness have a huge impact on the home appliance products. It was suggested that the sales promotional actions occasionally may assist women consumers to buy more but it cannot remain equivalent.

Swati (2016) attempted to realize economical and employment impact on unorganized business manufacturers and intermediaries because of the entry of organized retailers. This study considered four categories of products such as home appliances, clothing, grocery, and gift articles. It was found that satisfaction factors considered by buyers for buying at unorganised retailers are consistency of product, fresh supply, and door delivery, suitable timings of store, simple product return policy, credit service and bargaining power. The entry of organized seller will develop infrastructure, equipment, supply chain giving consumer familiarity of buying products at lesser prices and employment opportunities. Finally, the study tried to recognize various satisfaction factors with regard to buying at organised or unorganised retail shops, savings from organised and unorganised retail shops and their fondness of purchase.

Sharma & Garg (2015) revealed that purchasing behaviour of the consumers was manipulated by the store atmospherics and visual merchandizing. It also found that store atmospherics was one of the leading issues in shaping the consumer's purchasing behaviour. In contrast, store designing was not found significant in influencing consumer's purchasing behaviour. It was concluded that sanitation, lightening, music, displaying of items and dealing characteristics of the employees of the store has an optimistic relationship with the buying behaviour of the consumers. All these factors can be clubbed under store atmospherics. Likewise, outlook, entry, services and the general clothing of the store workers also has positive association with customers purchasing behaviour. All these factors can be clubbed under visual merchandizing. This can be said that these two features of the store can be taken concern of to improve the buying habits of the consumers.

Kamarposhi & Bagheri (2015) emphasized on some particular products and brands including durable goods, customer goods, and luxury and leisure goods and so on. It was found that allowing for the fact that brand subject and its linked aspects has newly found its importance in our nation

and most organizations have extraordinary attention to it, doing applied studies in this framework can be sensible. It has been found that those consumers who are withdrawn and traditional influence brand individuality, and marketers in interested community should pay extraordinary attention to these two aspects of their consumer individuality. These personality traits narrate to being extravert and withdrawn. This study concluded that brand personality concerns brand loyalty and two traits authenticity and mildness which are related to brand's magnetism and competence traits, influence establishing consumer loyalty to brand. Consequently, manufacturers of home appliances should institute brand individuality in their products consistent with their interested statistical world.

Mirabi et al. (2015) aimed to examine the factors affecting on the purchase intent of Bono brand tile customers. This study stressed that the purchase intention habitually is related to the manners, perceptions and attitudes of customers. Purchase behaviour is a key point for customers to access and assess the specific product. The study scrutinized the five factors of brand name, product quality, price, packaging and advertising as sovereign variables on customers' purchase target. Consequently, based on the findings of this study, the factors of product excellence, and brand advertising and name had the uppermost impact on customers' purchase intent, but the two factors of packaging and price didn't have an important brunt on customers' purchase target.

Tiwari et al. (2015) assessed the task of merchandising in escalating the customer's paces and satisfaction and in that way on retailer's sale. This study was especially towards to discover the association amongst merchandising, customer fulfilment, retailer's profit and the results were as expected from the truth that merchandising methods has an important impact on customer satisfaction which eventually leads to retailer's sale. A stores manager job became more critical these days as he has to constantly assess and develop the merchandising methods. Proper relevance of merchandising techniques will definitely assist stores in customer satisfaction and in that way retailer's sale. This study suggested that the retail stores should recognize the significance of merchandising and should think it significant for customer's contentment.

Vijayalakshmi & Mahalakshmi (2014) exposed that marketers need to structure superior promotional approach. Another finding was that respondents desire to purchase the home appliances products frequently during the festival and seasonal offer where the marketers required focusing on customer loyalty and satisfaction. It also discloses that demographic variables like income do not have noteworthy relationship with occurrence of purchasing the home appliances products. Overall study points out that marketers have a wide opening to expand their market share by framing good promotional strategies that brings in customer loyalty and satisfaction.

Brosekhan & Velayutham (2014) showed that consumers are becoming more educated, exploratory and moving out of villages to collect information and select their products. The change in consumer buying habits and spending power of the rural population is compelling companies to target marketing strategies to the rural areas. Nowadays, the consumers are more alarmed about value satisfaction for the money replaced, brand image and SERVPERF than ever before and it is for the companies to assemble the customers' prerequisite to convert them into extremely gainful marketing opportunities. This study concluded that it will allow the managers and front line employees in enthusiastic how consumer's influences, diverse marketing movements might be aimed to each type of persons, sellers also scrutinize buyer's level of contribution and numbers of brands accessible to establish consumers buying behaviour.

Kalaiselvi & Muruganandam (2013) attempted to find the influence of promotional schemes on consumer feelings and to discover the brand loyal consumers and also brand changers of consumer

home appliances only owing to promotional offers. It was found that whatever gorgeous promotional schemes may be, brand name participates a foremost role in purchasing the home appliances. Maximum of the consumers have attention in some of the promotional schemes such as price reduction, exchange system, warranty, etc. and also consumers desire price reduction at first, when compared to non- price schemes. It was concluded that most of the consumers have changed their home appliances at exchange scheme and also they are contented with the home appliances, acquired at the time of offer period.

Vijayalakshmi & Mahalakshmi (2013) identified by their study through data mining techniques may be the result of the fact that customers are contributing more to loyalty and have expanded their power. Another perspective is that the decision making might be influenced by the relative proficiency of customer satisfaction. Customers are more or less conversant as women are considered to be the most of the decision making areas. The improved capability of the customers has enhanced their strength in decision making and family purchase decision making process of home appliances.

Materials and Methods

Research Design: Descriptive research design was employed.

Objectives of Research: The objective was to analyse the apparent loyalty and satisfaction with retail purchase of home appliances at hypermarkets especially influencers like retail merchandise, touch points, store process, atmospherics, managers and frontline employees, pricing and promotions.

Sampling and data Collection: The population comprised home appliance consumers at Chennai. The frame comprised home appliance consumers at Chennai who purchased from hypermarkets. Random sampling (Malhotra and Birks, 2006) was employed. The sample size was 147 customers. Survey method was employed with the help of a structured questionnaire.

Data Analysis and Results

Retail Merchandise: Retail merchandise refers to “range of products offered for sale and the exhibit of those products in such a way that it arouses interest and attracts customers to make a purchase” (web 3.2). The mean ratings for Retailer merchandise is summarised in Table 1

Table 1 Mean Ratings for Retail Merchandise

Retail Merchandise	Mean	Position
First to carry new products	3.0061	2
Carry variety of products / models	2.8171	5
Carry merchandise that is different	2.9451	3
Carry original products	3.0244	1
Leader than a follower	2.8902	4
Source: Primary Data.		

“Carry original products” was rated highest and “Carry variety of products / models” was rated least with respect to retail merchandise.

Retail Touch Points: A Retail touch point refers to “all of the communication, human and physical

interactions retail customers experience during their relationship lifecycle with the organisation (retailer)” (web 3.3). The mean ratings for Retailer touch points is summarised in Table 2.

Table 2 Mean Ratings for Retail Touch Points

Retail Touch points	Mean	Position
Location of Store	2.8171	2
Number of Branches	2.6341	3

Size of the Store	2.8232	1
Store Online Presence (Website)	2.4451	4
Store Mobile Presence (App)	2.2561	6
Store's SMS	2.0793	7
Store's E-mails	2.3841	5

Source: Primary Data.

“Size of the Store” was rated highest and “Store’s SMS” was rated least with respect to retailer touch points.

Retail Pricing and Finance: Retail pricing refers to “the total price charged for a product sold to a customer, which includes the manufacturer’s costs plus a retail markup” (web 3.4). The mean ratings for Retail Pricing and finance is summarised in Table 4.3.

Table 3 Mean Ratings for Retail Pricing and Finance

Retail Pricing and Finance	Mean	Position
Pricing is affordable.	2.5122	4
Pricing is better compared to other retailers).	2.9512	1
Discounts given by Retailer are reasonable.	2.5122	4
EMI Option schemes in this Store are appealing.	2.8841	2
Retailer’s Tie-up with Financial Institutions are helpful	2.8232	3
Payment Modes (Cash, Debit / Credit card, Net Banking, Coupons) are convenient.	3.4451	6

Source: Primary Data

“Pricing is better compared to other retailers” was rated highest and “Payment Modes (Cash, Debit / Credit card, Net Banking, Coupons) are convenient” was rated least with respect to retailer pricing and finance.

Retail Promotions: Retail Promotions refer to “set of marketing activities undertaken

by the retailer to boost sales of the product or service” (web 3.5). The mean ratings for Retail Promotions is summarised in Table 4.

Table 4 Mean Ratings for Retail Promotions

Retail Promotions	Mean	Position
Gets customer attention.	2.7012	4
enhance confidence in purchase	2.9451	1
are exciting and tempting	2.7500	3
are honest and reliable	2.6951	5
Frequency is satisfactory.	2.9451	1

Source: Primary Data

“Enhance confidence in purchase” was rated highest and “honest and reliable” was rated least with respect to retailer promotions.

Retail Store Process: Retail store process refers to “principles, processes and procedure of operating a retail store”

(web 3.6). The mean ratings for Retailer Store Process is summarised in Table 5.

Table 5 Mean Ratings for Retail Store Process

Retail Store Process	Mean	Position
creates an involvement	2.8841	5
demonstrations and explanations are adequate	3.0061	3
Unknown beneficial information is given	2.8049	6
Transactions are error-free	3.0183	2
Transactions are smooth and systematic	2.8902	4
Hours of Operation is convenient	3.0671	1

Source: Primary Data

“Hours of Operation is convenient” was rated highest and “Unknown beneficial information is given” was rated least with respect to retailer store process.

Retail Managers and Frontline Employees: Retail managers and frontline employees refers to

“employees (managers) who deal directly with customers, or who are directly involved in making a product” (web 3.7). The mean ratings for Retail Managers and front line employees is summarised in Table 6.

Table 6 Mean Ratings for Retail Managers and Frontline Employees

Retail Managers and Frontline employees	Mean	Position
are knowledgeable	2.6280	4
give individual attention	2.7561	2
are courteous and willing to help	2.8171	1
respond to queries quickly	2.7012	3
Source: Primary Data		

“Courteous and willing to help” was rated highest and “Knowledgeable” was rated least with respect to retail managers and frontline employees.

Retail Store Atmospherics: Retail store atmospherics refers to “controllable characteristics of a retail space that entice a customer to enter the store, and which are designed to influence a customer’s mood so as to increase the odds of a purchase being made” (web 3.8). The mean ratings

for Retail store atmospherics is summarised in Table 7.

Table 7 Mean Ratings for Retail Store Atmospherics

Retail Store Atmospherics	Mean	Position
is interesting	2.9512	4
is different from other stores	3.1341	3
Signage are clear and appealing	2.9512	4
Merchandise arrangement	3.3841	1
easy to navigate this store (layout)	3.3232	2
Source: Primary Data		

“Merchandise is arranged in customer friendly way” was rated highest and “Ambience is interesting / fresh, Signage are clear and appealing” was rated least with respect to retail store atmospherics.

In general Customer Satisfaction and Loyalty with Retailer: Customer satisfaction

indicates to “a measure of how products and services supplied by a company meet or surpass customers’ expectations during a purchase process” (web 3.9). The responses for overall satisfaction with retailer is summarised in Table 8

Table 8 In general Customer Satisfaction and Loyalty with Retailer

In general Customer Satisfaction	Freq.	%
Poor	0	0
Satisfactory	51	31.1
Good	103	62.8
Excellent	10	6.1
Total	164	100.0
Source: Primary Data		

Majority of the respondent have given highest rating for “Good” and Lowest rating for “Poor” with respect to overall satisfaction with retailer.

Perceived Loyalty towards retailer: Customer loyalty refers to the “likelihood of previous customers to continue to buy from a specific organisation (retailer)” (web 3.10). The mean ratings for perceived loyalty

towards the retailer is summarised in Table 9.

Table 9 Mean Ratings for Loyalty towards retailer

Loyalty towards Retailer	Mean	Position
Renew my visits to this Retail store.	2.6341	3
Recommend this Retail store to others.	2.7012	2
Spend more money in this Store in future.	2.7622	1
Source: Primary Data		

“Spend more money in this Store in future” was rated highest and “Renew my visits to this retail store” was rated least with respect to loyalty towards retailer.

Suggestions and Future Study

Hypermarkets need to concentrate on improving the Customer satisfaction and loyalty at the earliest: (a) stores need to carry a variety of products / models; (b) store needs to send SMS on a regular basis, (c) payment modes need to be more convenient, (d) promotions need to be honest and reliable, (e) beneficial information unknown to customer needs to be given in the store, (f) staff need to be knowledgeable, (g) ambience needs to be interesting and fresh, (h) signage needs to be clear and appealing, (i) store must endeavour to ensure that customer renew their visits to the store. As the retail industry in Hypermarkets are an emerging trend, a contemporary and effective study may reveal the Customer satisfaction and loyalty based on the accepted suggestions to further improve the quality of services.

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