

# IMPACT OF CUSTOMER SATISFACTION ON CUSTOMER LOYALTY AT BIG BAZAAR IN DELHI&NCR

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## ABSTRACT

*Retail stores play a vital role in economy of any nation. Study focuses on customer satisfaction and customer loyalty towards Big Bazaar. Brand loyalty develops with more customer satisfaction. Companies always try to improve their service quality to make customers satisfied with their services in order to maximize sale. More the customer is satisfied more he is loyal to company. The purpose of this research is to understand the customer's loyalty with respect to customer's satisfaction of Big Bazaar. The data has been collected from both primary and secondary resources. A structured questionnaire has been designed to collect data through a survey administered on 101 customers to find out the correlation between customer satisfaction and customer loyalty at Big Bazaar. The study finds that there is strong positive correlation between customer satisfaction and customer loyalty ( $r = 0.853$ ) and customer satisfaction has positive impact on customer loyalty. It is quite clear from the result that good customer satisfaction gives more customer loyalty.*

**Keywords:** Customers Satisfaction, Customer Loyalty, Retail, Correlation and Sale

## INTRODUCTION

India has one of the largest numbers of retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. Though the market has been dominated by unorganized players, the entry of domestic and international organized players is set to change the scenario. Organized retail segment has been growing at a blistering pace, exceeding all previous estimates. According to a study by Deloitte Haskins and Sells, organized retail has increased its share from 5 per cent of total retail sales in 2006 to 8 per cent in 2007.

India retail industry is expanding itself most aggressively, as a great demand for real estate is being created. India retailers preferred means of expansion is to expand to other regions and to increase the number of their in a city.

The company Big Bazaar belongs to Future Group. Where future group had a vision. Future Group's vision of inclusive growth for a harmonious society, points to a future in which the entire population can enjoy a better quality of life. We aim to serve as a catalyst that stimulates the use of inclusiveness as a powerful development tool. Future Group aims to create and sustain an environment conducive to the domestic growth of India by partnering with various stakeholders and playing a proactive role in India's development process.

Future Group believes in broad-based growth, the fruits of which are not concentrated in the hands of few but shared by the community as a whole. This is the way towards achieving the dual goal of profitable and socially responsible growth. Our initiatives in inclusive development include livelihood

issues, diversity management, skill development and protecting the environment, to name a few.

Modern Indian retail can help improve incomes and provide opportunities for growth to individuals with lower education levels or from the unorganised sector. With fair wages and benefits, opportunities for further development and growth and a better working environment, modern retail offers much more than most alternatives available to such individuals.

Future Group focuses on three key enablers for inclusive growth: employability, innovation and entrepreneurship. While employability helps create a qualified and skilled workforce, innovation and entrepreneurship help drive growth and generate employment.

## LITERATURE DESCRIPTION

**Harinder Makkar(2013)** Considered the social stimulation provided by mall, finding that the mall served as an outlet for social behavior. Future examination of this issue was made by Lotz, Eastlick and Shim (2000), who studied the similarities and differences between mall entertainment seekers and mall shoppers. Their results supported hypotheses that there are different motivations for individuals who visit a mall for entertainment activity versus those who visit for shopping purpose.

**Katriina Mattsson (2009)** In her study considered served characteristics of shoppers – such as functions shopping motivation, deal proneness, recreational shopping motivation, age, income and family size, to be significant influence on mall shopping frequency. Burns and Warren(1995) opined that since

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the store mix and product offerings of many regional shopping mall are very similar, often the primary discriminator between many of these centers in merely location. Making the choice to shop at the regional shopping mall other than the one nearest to one's place of residence, there fore , does not appear to be a logical choice in many instance. Such behavior, however , appears to be relatively common. It would appear , therefore the regional shopping mall choice may not allow based solely on the offering and location of the available shopping alternatives.

**Preeti singhal (2011)** In her article her mention about the situation dimensions affecting purchasing behavior of Hispanic customer in a mall at a some distance from their neighborhoods.

The Hispanic shopper (which would also include a target segment of immigrants) makes the (shopping) trip worthwhile by travelling with companions, consummating a purchase while at the mall, and buying food or behaviour during the visit. The Hispanic shopper also spend more time at the mall and visits more stores while there.

**Jiana Daikha (2015)** Stated that consumers are attracted to malls because of the presence of wellknown anchors - department stores which recognized names. Anchors generate mall traffic that indirectly increases the sales of less-known mall stores. Less known stores can free ride off the reputations of better-known stores. Mall developers internalize these externalities by offering rent subsidies to anchors and by charging rent premiums to other mall tenants. The results of this article suggested that mall developers are behaving rationally because they know that anchors attract customers to the mall and increase the sales of other mall stores.

**K.A. Varshini and Murugan Ramu(2018)** The undertaking "an investigation on inclination and fulfillment towards huge bazaar with reference to coimbatore city" obviously states that how they clients favor huge bazaar for their buy. The principle goal of the investigation is to examine why they clients inclines toward the composed retail search for their buy rather than a disorderly retail shops and their fulfillment level. The purpose of the study a questionnaire was constructed a survey taken from a 120 respondents as consider them as sample where the total population was infinite in nature.

The collected data is analysed and interpreted with the help of suitable statistical tools and accordingly the finding and suggestion are constructed which is consider to be the important part of the project.

**R.Sangeetha (2018)** Customer Satisfaction is a measure of how products and services supplied by a company to meet or surpass customer expectation. Customer service and shopping comfort are at the core of Big Bazaar's philosophy. Innovation and initiative define its brand character. The concept of everything under one roof, competitive price, responsiveness, assurance, empathy, merchandise quality, store loyalty bring more customers to the store. Hence, an attempt has been made to reveal the customer satisfaction towards big bazaar with reference to Tirupur city

**Marri Sreenivasulu and Mamilla Rajasekhar** in their study "Customer Satisfaction and Brand Loyalty towards Corporate Retail Store - [A Case Study of Big Bazaar Retail Store in Bangalore City]", Brand loyalty is the consumer's emotionally-charged decision to purchase a specific brand again and again. Recent studies focused on loyalty concept in goods as well as services sector. Of late brand loyalty is receiving a great deal of attention in corporate retailing sector. So there is a need for introducing comprehensive brand loyalty model for this retail sector. Customers are satisfied because of the product quality, price, perceived quality, store environment and product design and customer are more loyal when he is more satisfied with service and products of Big Bazaar.

**Perna Garg and Dimple Vaswani(2015)** in their study "A study on relationship between service quality, customer satisfaction and loyalty in select private banks", banks should focus on service quality which leads to customer satisfaction which in turn will leads to build customer loyalty. There is good relationship between customer quality and customer satisfaction.

## METHODOLOGY

**Methodology used for Data Collection:** The data were selected from both primary and secondary sources. Data collection instrument which was used is in the form of questionnaire which is designed using Likert scale. The data were collected from 101 respondents of Big Bazaar in Delhi and NCR city. The techniques used for data analysis were correlation and regression. A structured questionnaire was used in study to collect data.

## OBJECTIVES OF STUDY

- (a) To study the relationship between customer satisfaction and customer loyalty at Big Bazaar.
- (b) To analyse the impact of customer satisfaction on customer loyalty at Big Bazaar.

**Table 1: Reliability Statistics of Customer Satisfaction and Customer Loyalty**

	Cronbach's Alpha	No. of Items
Customer Satisfaction	.873	11
Customer Loyalty	.891	11

**Table 2: Pearson Correlation Test between CS and CL Correlations**

		CS	CL
Pearson Correlation	CS	1.000	.853
	CL	.853	1.000
Sig. (1-tailed)	CS	.	.000
	CL	.000	.

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.853 <sup>a</sup>	.727	.724	3.96402	.727	260.915	1	98	.000

a. Predictors: (Constant), CS

**Table 4: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4099.874	1	4099.874	260.915	.000 <sup>b</sup>
	Residual	1539.916	98	15.713		
	Total	5639.790	99			

a. Dependent Variable: CL

b. Predictors: (Constant), CS

**HYPOTHESES**

- (a) **H<sub>A1</sub>**: There is significant relationship between customer satisfaction and customer loyalty at Big Bazaar.
- (b) **H<sub>A2</sub>**: There is significant impact of customer satisfaction on customer loyalty at Big Bazaar.

**RELIABILITY STATISTICS**

In this study, the main focus is to evaluate the impact of customer satisfaction on customer loyalty at Big Bazaar in Delhi / NCR. The questionnaire carried 11 statements on likert scale for both customer satisfaction and customer loyalty. The reliability analysis result showed that the Cronbach's Alpha was 0.873 for customer satisfaction and 0.891 for customer loyalty. The Cronbach Alpha indicates how well the items in a set are positively correlated to one another. Since, Cronbach's Alpha value were greater than 0.7, hence, the questionnaire was found to be reliable to be used for the study.

The Table 2 depicts that Pearson coefficient of correlation between Customer satisfaction and customer loyalty is 0.853.

The value of P value (sig) is .000 less than chosen significance level of .05, which means alternate hypothesis is accepted. So it is concluded that there is significant relationship between customer satisfaction and customer loyalty of Big Bazaar. Both are having strong correlation between them.

**Regression**

For further testing how much impact of service quality is there on the customer satisfaction, regression analysis is applied. This table 3 provides the R and R2 values. The R2 value (the "R Square" column) is .727, which indicates 72.7% of the total variation in the dependent variable i.e. Customer satisfaction, is explained by the independent variable i.e. Customer loyalty.

The Table No-4 explains how well the regression equation fits the data (i.e., predicts the dependent variable). This table indicates that the regression model predicts the dependent variable significantly well. Here, p is 0.000, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data).

**Table 5: Coefficients Statistics**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.530	2.286		2.420	.017
	CS	.864	.053	.853	16.153	.000

a. *Dependent Variable: CL*

The Table No.-5 provides us with the necessary information to predict customer satisfaction impact from service quality. The values in the “B” column under the “Unstandardized Coefficients” column are responsible to create regression equation.

Regression equation becomes:  $Y=5.530+ .864X$

Y= dependent Variable i.e. Customer Loyalty

X= independent Variable i.e. Customer Satisfaction.

The result is indicating that if Customer Satisfaction will be zero than customer loyalty will be not be zero(10.367) and if we will increase one unit in customer satisfaction than customer loyalty will increase by .864 units. It shows that Customer Satisfaction has significant influence on customer loyalty.

### Managerial Implications

The study provides some implications for retail stores to re design their service qualities for their customer’s satisfaction.. The stores have to focus on customer’s satisfaction. More the customers are satisfied more they will be loyal to stores. There are equal chances of repeat purchased based on consumer willingness,Gulati.U(2018)

### CONCLUSION

Based on the study it can be concluded that there is high correlation between Customer Satisfaction and Customer Loyalty of Big Bazaar.. It is quite clear from result that good customer satisfaction gives more customer loyalty. The impact of customer satisfaction on customer loyalty is 72.7 %. So customer satisfaction is very important for customer loyalty. Based on the study conducted it can be concluded that loyalty is only there when satisfaction of customer is there.

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