

Factor Influencing Customer Satisfaction at BBSM, Bharatpur, Chitwan

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Abstract

This study aims to examine the customer satisfaction against the price factors, service quality, time management to deliver goods to customer and the customer management practice in BhatBhateni Super Market (BBSM). The survey method was applied to collect data using structured questionnaire and the respondents were customers visiting for shopping at BBSM, Bharatpur, Chitwan. The sampling method was the random sampling technique. One hundred and ninety respondents were selected for this study. Out of 190 respondents, 39.12 % (n =76) were male customers and 60.88 % (n = 114) were female customers. The response rate of the survey questionnaire was 87.5 %. Univariate analysis were carried out by using different simple descriptive statistical tools. The Chi-Square test, Factor Reduction Model and Logistic Regression Analysis Model were multivariate statistical techniques employed to get the results. Previous studies on customer satisfaction show that it merely depends upon the price factors, service quality, time management to deliver goods to customer and customer management factor. The results showed that there was statistically significant association between the better customer relationship management and customer satisfaction at BBSM ($p < 0.05$, $B = .438$). But the results also showed that there is no significant association between customers centered service facilities and equipped technology used by BBSM ($p > 0.05$). The implication of this study will be beneficial to the board members of the company executives to formulate new customer-center strategy and also useful to the branch managers of BBSM all over the country.

Keyword: *Strategy, Customer Management, Association, Factor Analysis, Logistic Regression.*

1. Introduction

The degree of fulfilment of customer's expectation, needs and demands with the level of service is consumer satisfaction. Simon & Gómez (2013) define customer satisfaction as "a person's feeling of pleasure or disappointment from comparing a product's perceived performance in relation to his or her expectations" (p.15). The definition of the customer's satisfaction is embedded in reasonable price of the product, quality of the product, service after sales, and the behaviour of the staff of the company. Additionally, customer satisfaction is simply stated as a customer's evaluation of their purchase and consumption experience with a product, service, brand, or company (Kotler & Armstrong, 2012). More significantly, customer's satisfaction is deeply rooted in affecting customers' repeating purchase decisions

and subsequent company profits. Customer's satisfaction is now a prominent business performance metric. Again, the customer's satisfaction is a subjective measurement, which is rarely used in the performance measurement of stakeholders.

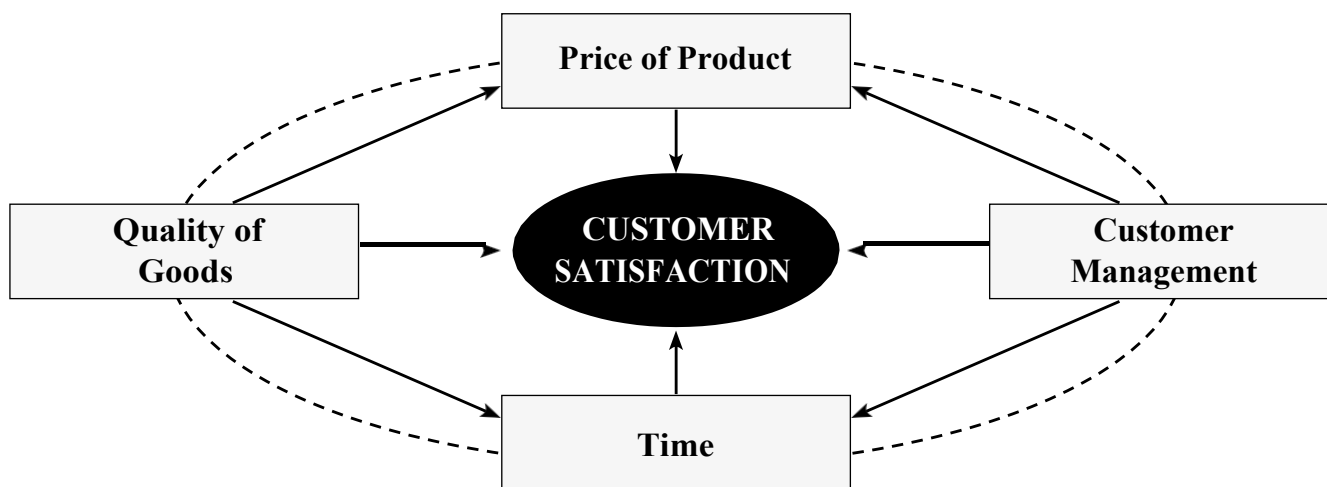


Figure 1. Factors affecting Supermarket customer satisfaction

Price of the products

Previous studies suggest that price, as a determinant element of satisfaction, is varied by super market store format. Price image has implications for store support, and strategic decisions related to selecting a target customer base and creating in-store environments (Hassan, 2018). Grocery pricing strategy, for example high-low (HILO) pricing, has a direct consequence on customer purchase habit in conventional grocery stores: large basket customers prefer a store which offers an everyday low-price format, while small basket shoppers desire a store that offers a HILO format. People who shop for economical brands also tend to select “economical” store formats. It was found that low prices were second most important store characteristic for supermarket shoppers; store location was the first (Baltas & Papastathopoulou, 2003).

1.1 Quality of product

Product quality and product features were considered the most important product choice criteria in a study of Greek grocery customers (Baltas and Papastathopoulou, 2003). Quality is seen as “a satisfaction-maintaining factor in the supermarket sector” in that improvements in quality have a small positive impact on satisfaction while reductions in quality of the same magnitude have a significantly greater chance of reducing satisfaction (Gómez, McLaughlin & Wittink, 2004, p. 273). For specialty store customers, merchandise quality is an important differentiating factor. Previous study found the result that, specialty store customers scored product quality higher in comparison to other store formats, the result demonstrates the importance of product quality for these customers. A similar study by King and Ring, 1980, also found product quality to rank considerably higher for specialty customers when compared to mass merchandiser and department store customers.

1.2 Management of customers

While the literature on customer perceptions of service and its impact on food store shopping experiences is sparse, empirical work drawing comparisons between specialty and department store customers provides guidance on the strength and direction of these characteristics to store support. Specialty store shoppers view service to be one of the most important determinants of store support. Sales associates play a pivotal role in a customer service situation, with the most important attributes being store clerk attitude and treatment of customers (Kotler & Armstrong, 2012). In a study of customer service in specialty and conventional grocery stores, customer perceptions of service were found to vary greatly. It was also found that customers who shop small grocery chains placed greater importance on service quality than patrons of large grocery store chains (Kirkup et al., 2004).

1.3 Time Management

Time management to check out the products is another influencing factor of customer satisfaction. Study in recent years have pointed to the checkout stand as a massive headache for retail customers. As shopping has migrated online, where a few clicks are all it takes to complete a transaction, consumers have grown less and less patient with a process that has remained much the same for years. Limitations in technology and the supermarket format have long prevented grocers from speeding up their checkouts. Customers are very busy today and do not want to spend more time in shopping goods and services (Cheriyah et al., 2013). The research study of Cheriyah, Sulistyowati, Cornelia & Viverita (2013) found that customer satisfaction is significantly positively associated with waiting time in the checkout process Super Market Stores.

BBSM is the leading brand for retail superstore in Nepal. It has all together 16 branches all over the Nepal and it is on process of expansion to other big cities too. There are many customers who go shopping in BhatBhateni Super Market (BBSM). Customer can get varieties of products from FMCG goods to luxurious goods below a single roof. Almost 120000 varieties of goods are available there. The BBSM branch of Chitwan was opened on Baisakh 11, 2073. The flow of customer to BBSM, Chitwan are high but the sales of the store is not as expected as the flow of customers.

1.4 Purpose of the study

The primary purpose of the study was to examine the customers' satisfaction with BBSM located at Narayanagarh Chitwan. The specific purposes of this study were to examine the opinions and thoughts of regular customers for the cost of products, quality of goods; customer management approach and time management to customers. The secondary objective of this research is to measure the consumer satisfaction level towards BBSM at Chitwan District.

1.5 Statement of the problem

The customers are attracted to visit the store, but sales figure is not high as compared to the volume of customer flow (Kotler & Armstrong, 2012). Many people visit there for sightseeing and for fun. It is a big question for BBSM to have loyal customers. If the BBSM want loyal customers, the customers must be satisfied, and it should understand customers' need. Keeping in view of the above, the main problem of the study is: Are customers satisfied by the services provided by the BBSM in the selected districts of Nepal.

2. Research Methods

The survey method was used to collect data for this study where 190 random customers of BBSW were selected in different opening days and time. Thus collected primary data was tested for the reliability using Cronbach's Alpha, and various statistical tests were also applied. Chi-Square Test was computed to find the differences of their preference between the male and female respondents. The Binary Logistic Regression Analysis was used to find the association between the dependent variable (customer's satisfaction) and independent variables (price of the product, employees' behaviour with customers, discount rate, utilization of technology in buying and selling activities). The target population was one thousand ($n = 1000$) customers and sample population was one hundred and ninety ($n = 190$). The proportion of the sample population was $[(n/N \times 100)]$ 19 %. Two hundred and ten ($n=210$) respondents were requested to fill the structured questionnaire, but only one hundred and ninety ($n=190$) respondents filled the dispatched questionnaire. The response rate was $[190/210 \times 100]$ 90.47 %. Cronbach's Alpha was computed for reliability of collected data of this study. The proportion of the male respondent was $[76/190 \times 100]$ 39.12% ($n = 76$) and the female respondent was $[114/190 \times 100]$ 60.88% ($n=114$) had participated in this study. After computing reliability test of the collected data, the data analysis was carried out using different simple statistical tools (Cohen, Manion, Morrison, & Bell, 2011).

3. Results

Each survey instrument was examined by computing the factor analysis for the classification of variables or detecting structure in relationship between variables. There were methods based on the assumption that some variability in data was not explained by all the components. However, this study has limited the discussion to use of factor analysis for the data reduction which has focused only on Principal Component Model. The analysis has finalized the price of goods at BBSM, lower discount rate, discount rate at BBSM, facilities and quality of products, facility of furniture and waiting room, better BBSM employees behaviour, use of technology and clean environment, customer-centered services, varieties of new goods and sound customer management, facilities and equipped technology, varieties of goods and quality services and customer's facilities and management (see in the Table 2). After computing, factors loading of the survey instrument as the sub-scales of PCs (see in the Table 1). The analysis is based on the empirical literature of customer relationship management (CRM) system for improved business profitability, better customer-centered decision making, enhanced customer relations, and good quality of services and product offerings. The underpinning of the customer-oriented managing concept is that identification and satisfaction of customer needs lead to improved customer retention, which is based on corporate profitability (Mithas, Krishnan & Fornell, 2005).

3.1 Factors loading of variables

The survey instrument has been divided in to four parts namely Group A, B, C and D. Each group has questions measured in Likert scale. Factor Reduction Model was applied to find the close relationship among variables within a group and to segregate variables in respective group of each survey group. The groups are later given the name sub-scales. Following Table 1 shows variables of different groups of questionnaires with their factors loading, these factors loading were used to group the variable in to different subgroups.

Table 1. Factor loadings of each variable (N=190).

Groups	Variables	Factor loadings
A (Price Factor)	The price of the products in BBSM fluctuates time and again.	0.804
	I find goods in BBSM are cheap.	0.798
	The cost of product is equal with another store in BBSM	0.792
	Goods are cheaper in BBSM than other super markets	0.779
	The cost of products in BBSM is higher than other stores	0.714
	The discount rate of BBSM is leaser than other super markets.	0.714
	The discount rate of BBSM is equal to other stores.	0.63
	There is not price fluctuation in BBSM.	0.508
	The rate of discount on products is greater than other stores	0.484
B (Service Factor)	BBSM have enough inventory store for goods.	0.786
	BBSM has drinkable water for customers	0.786
	There is customer's waiting room at BBSM	0.783
	BBSM has money exchange facility.	0.703
	I feel comfort while buying at BBSM	0.667
	BBSM has no sound pollution.	0.633
	BBSM has sound pollution.	0.619
	BBSM has neat and clean environment.	0.58
	BBSM has verities in shopping goods.	0.556
	There is comfortable furniture for the customers while sitting.	0.531
	BBSM have quality food products.	0.481
	BBSM has the facility of using Visa Card.	0.324
C (Quality Factor)	BBSM has voice pollution.	0.938
	BBSM has neat and clean environment	0.824
	BBSM has verities of goods.	0.777
	BBSM has quality food service.	0.772
	There is no sound pollution in BBSM.	0.745
	BBSM has managed enough space for the customers.	0.735
	I feel comfort when I go to BBSM to buy goods.	0.726
	BBSM has well management for drinkable water to customers.	0.72
	BBSM has enough inventory store in BBSM.	0.715
	BBSM has comfortable waiting room.	0.585
	There are the facilities of money exchange.	0.439
BBSM accepts Visa Card for the payment.	0.398	
D (Customer Management)	New goods are available in BBSM.	0.842
	The BBSM takes a shorter time in money exchange.	0.799
	The employees of BBSM answer the customers' inquiry	0.972
	The employees' behaviour of BBSM is not good	0.753
	The BBSM understands customers' demands/needs.	0.732
	The customers of BBSM are satisfied service facilities	0.714
	The BBSM solves the problems of customers.	0.706
	New goods are available in BBSM.	0.62
	The BBSM service is punctual and quick.	0.582
	I will take the service of BBSM again.	0.576
	Sometimes. I take service from other super markets.	0.5
	Customers are available in BSSM Store.	0.492

Factors loading for different variables under four groups (sub scales) is shown in Table 1, variables with highest factor loading within the group are highlighted. Based on the Factor Loading, question in each group has been classified in to different subgroups as suggested by SPSS outputs. Table 2 shows the sub groups of different groups and their variation and different statistical values.

Table 2. Subscales of variables of each Principal Component (n =190)

Group	Subgroup	Variations	KMO	Mean	SD	Alpha
Group A (Price Factor)	Price of goods at BBSM	19.25 %	0.63	2.65	0.87	0.63
	Lower discount rate	16.99 %		2.69	0.85	0.62
	Discount rate at BBSM	12.72 %		2.73	0.79	0.61
Group B (Service Factor)	Facilities and quality of products	38.77 %	0.77	2.80	0.081	0.081
	Facility of furniture and waiting room	11.42 %		3.10	0.85	0.77
	Use of technology and clean environment	9.11 %		2.71	0.91	0.6
Group C (Quality Factor)	Better BBSM employees behaviour	32.26 %	0.71	2.65	0.87	0.63
	Customer centered services	13.23 %		2.73	0.85	0.61
	Verities of new goods and sound management	9.60 %		2.69	0.79	0.6
Group D (Better Customer Management Factor)	Facilities and equipped technology	22.02 %	0.62	2.80	0.84	0.78
	Verities of goods and quality service	13.55 %		2.80	0.102	0.65
	Customer's facilities and management	13.37 %		2.76	0.76	0.61

Reliability of the data was confirmed by the computing reliability scales of the Cronbach’s Alpha as all the subgroups created using Factor loading have Cronbach’s Alfa greater than 0.6. Also, the adequacy of the sample was confirmed by the calculated value of KMO > 0.60. The first largest variation among the subgroup is embedded in the second group. Similarly, the second and third largest variation of the subgroup is embedded in the third and fourth group respectively. But, the least variation among the subscales (subgroups) is embedded in the variables in first part of the questionnaire as shown in the Table 2. The results show that the facility of furniture and waiting room has the highest mean value (3.10) signifying that customers were approximately satisfied with available furniture in the waiting room. But customers were neither satisfied nor dissatisfied with the price level of the products, quality of the products and customer management at BBSM Bharatpur because the mean values were found less than 3.00. It is concluded that customers were not really satisfied with the overall current price level of the products, quality of products, service of the employees to customers and customer management at BBSM in Bharatpur Chitwan of Nepal.

3.2 Results of Chi-Square on gender and costumers' intention to continue buying at BBSM in future.

To examine the association between gender and customer's intention to continue future recommendation to BBSM for their kith and kin and their self also, Chi Square test was conducted. Its cross tabulation is shown in Table 3 and test statistics value is presented in Table 4.

Table 3 Chi-Square Test between gender and students' intention to continue their buying at BBSM (n=190).

Gender	Continue buying products in future at BBSM		Total
	Yeah	No	
Male	44	36	80
Female	77	33	110
Total	155	82	190

Above Table 3 shows that out of 80 male customers, 44(55%) intended to continue their buying habits in future and 36 (45 %) customers did not intend to continue their buying habit. Again, out of 110 female customers, 77 (70 %) intended to continue their buying habits and 33 (30 %) female customers did not intend to continue their buying habits at BBSM. This result shows that there is association between gender and customers' intention to continue their buying habits at BBSM.

Table 4. Chi-Square table of association between gender and students' intention to continue their buying at BBSM (n = 190).

Particulars	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.506 ^a	1	0.034		
Continuity Correction	3.881	1	0.049		
Likelihood Ratio	4.489	1	0.034		
Fisher's Exact Test				0.047	0.025
Linear-by-Linear Association	4.482	1	0.034		

Here Chi Square Test is applicable because no cell has expected frequency less than five. The Table 4 provides that the value of Chi-Square is 4.506 at 1 degree of freedom with P-value value $0.034 < 0.05$. The Null hypothesis of “there is no association between gender and students' intention to continue their buying at BBSM” is rejected and signifying that there is no association.

3.3 Wholesome Binary Logistic Regression Model for relationship of customers' opinion on their satisfaction at BBSM.

Binary Logistic Regression Model was used to find the relationship between the level of customer satisfaction and quality of products, service quality, and employees' behaviour at BBSM Bharatpur Chitwan. There were twelve independent variables but only seven variables were found significant in the Wholesome Model of Binary Logistic Regression (BLR). So, the seven significant variables entered the Binary Logistic Wholesome Model.

Table 4. Summary of the significant predictors of the Wholesome Model of BLR (n = 190).

Independent variables	B	S. E.	Wald	df	Sig.	Exp (B)	95 % C.I for Exp (B)	
							Upper	Lower
Use of technology and clean environment	0.134	0.19	0.497	1	0.481	1.143	1.657	0.788
Better Behaviour of BBSM employees	0.155	0.219	0.501	1	0.479	1.168	1.795	0.76
Customer Centered Service	-0.096	0.18	0.286	1	0.593	0.908	1.293	0.638
Facilities and equipped store technology	-0.329	0.18	3.336	1	0.068	0.72	1.024	0.506
Verities of products and quality service	0.193	0.215	0.804	1	0.37	1.213	1.849	0.795
Better customer management	0.438	0.171	6.552	1	0.01	1.549	2.166	1.108
Customers' facilities at BBSM	-0.17	0.166	1.037	1	0.309	0.844	1.17	0.609
Constant	-0.642	0.168	14.59	1	0.175			

Before carrying out Binary Logistic Regression, some pre-required tests were conducted, the Omnibus Tests [Chi-Square = 15.421, df = 7, p = .031] and associated P-value found less than 0.05, the present model shows a decrease in deviance in prediction from the base model, showing that this model is better fit compared to the base model. Hosmer and Lemeshow Test [5.641] shows that p = 0.687 > 0.05 is insignificant which is good to support for the regression model fit. Again, the model summary table shows the values of 2Log Likelihood (213.274), Cox and Snell R² and Nagelkerke R² [8.30 % (Cox and Snell) and 11.60 % (Nagelkerke)] variance of the model was explained by the independent variables. Also the result shows that overall model gives 65.7 % percent correct prediction. The classification table shows that the base model though, predicts correctly the number of satisfied customers but it does not correctly predict the number of dissatisfied customers. Thus, it predicts satisfied customers with 90.2 percent accuracy and predicts 22.2 percent accuracy of dissatisfied customers at BBSM.

Results show that, out of 150 satisfied customers, this model predicts that 101 customers are satisfied and 49 are dissatisfied. Again, out of 25 dissatisfied customers, this model predicts that 11 customers are satisfied and 14 are dissatisfied (see in the Appendix 1). The results show that there is positively statistically significant correlation between the better customer relationship management and customer satisfaction at BBSM (p < 0.05, B= .438). Again, when the independent variable the better customer management increases one unit, customer satisfaction can be predicated to increase around 1.459 times if other variables are controlled. This study has supported the findings of Mithas, Krishnan & Fornell (2005). The study along with the current study summarized that the use of CRM applications is positively associated with improved customer knowledge and improved customer satisfaction. This study also shows that gains in customer knowledge are enhanced when firms share their customer-related information with their supply chain partners.

But the results show that there is no significant relationship between customers centered service, facilities and equipped technology used by BBSM, use of technology and maintain clean environment, varieties of new and quality products and facilities and quality products of BBSM (p > 0.05). This study has supported the empirical findings of Mithas, Krishnan & Fornell (2005) because both studies found that customer relationship management was likely to have a positive effect on customer satisfaction, for example, CRM applications enable firms to customize their offerings to each customer and also help firms to gain customer knowledge which support firms improve their customer satisfaction in future.

Reasons of customers' choice to BBSM

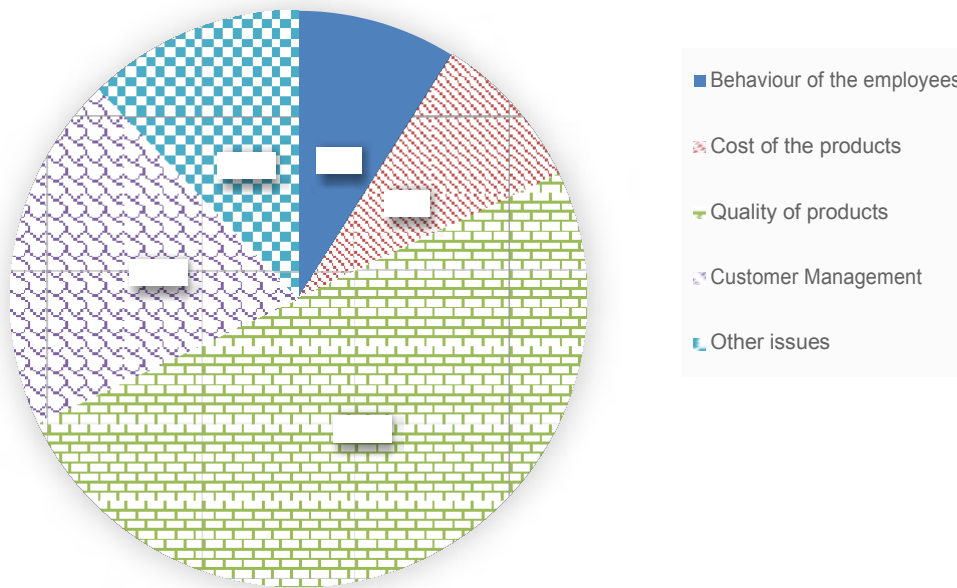


Figure 1. The reasons of choosing BBSM by the customers

The results show that quality of products is the first reason (50%) of choosing BBSM, Consumer Management (20 %) is the second reason of choosing the BBSM, Other reason (12 %) is the third main reason of choosing BBSM, Behaviour of employees (9 %) is the fourth reason of choosing BBSM and the last reason of choosing BBSM is cost of product (9 %). Seventy-one (n=70) males and one hundred and one (n=101) females go to buy their goods.

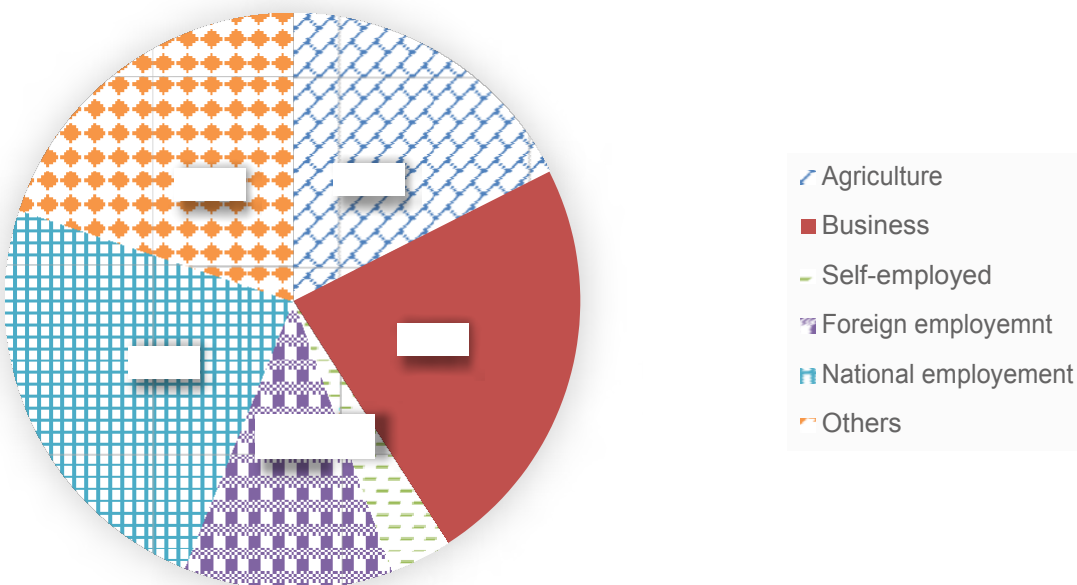


Figure 2. Profession of BBSM customers

The highest percentage of profession who did shopping at BBSM Bharatpur was from the households from National Service (24 %), the second highest profession of the customers was business (23 %), the third profession of the customers was self-employed (20 %), the fourth highest profession was customers was agriculture (18 %), the fifth highest profession of the customers was foreign employment (12 %) and the least percentage of profession was others (3 %).

Customers' monthly income of BBSM customers

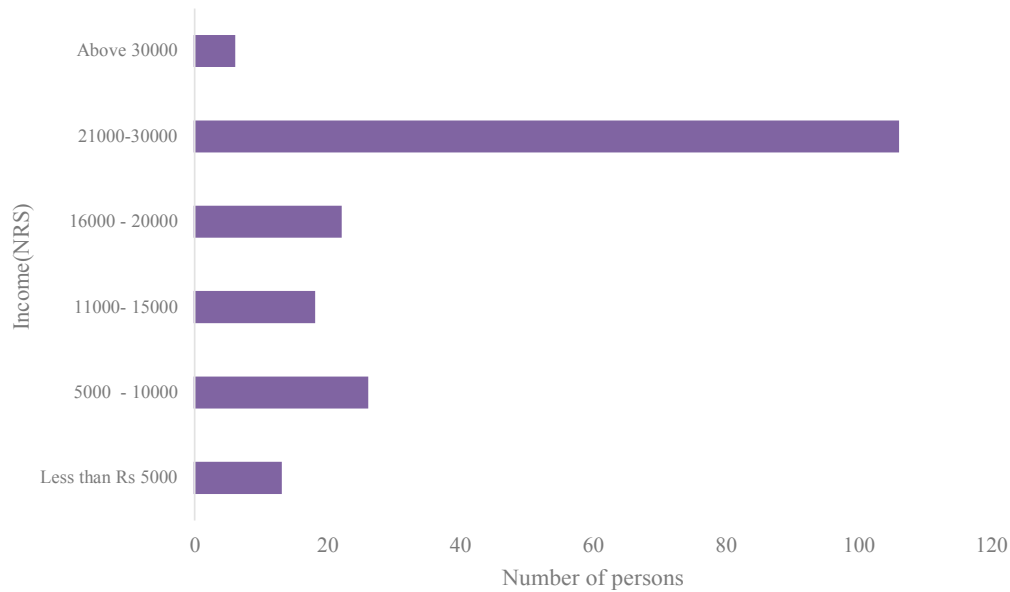


Figure-3: Customers' monthly income

The results show that the highest number of BBSM customers' monthly income was ranked from NRS 21000 to NRS 30000. Again, the least percentage of BBSM customers' income level was more than NRS 30000 per month (see in the Chart 1).

4. Discussion and Conclusion

The primary objective of this study was to examine the customers' satisfaction at BBSM Bharatpur Chitwan of Nepal. The quantitative approach was used as research methodology and the survey study was used to as research method. The survey questionnaire was used to know the opinions and experiences of the sampled customers on their satisfaction based on service quality, price level, employees' service and customer relationship management. The target population was one thousand and the sampled customers were one hundred and ninety which is 19 % as the sampled population. The proportion of the male and female population was $[76/190*100]$ 39.12 % (n =76) and the female respondent was and $[114/190*100]$ 60. 88 % respectively.

The total sample customers participated in this study was one hundred and ninety-one where the response rate was 84.88%. The results show that there is positively statistically significant relationship between use the better customer management and customer satisfaction at BBSM Bharatpur Chitwan ($p < 0.05$, $B = 0.438$). Again, when the independent the better customer management increases one unit, customer satisfaction can be predicated to increase around 0.438 times if other variables are controlled. The current study has supported the findings of ROH, AHN & HAN (2005). Both studies summarized that the CRM system success model that consists of CRM initiatives: process fit, customer information quality, and system support; intrinsic success: efficiency and customer satisfaction; and extrinsic success: profitability. The results show that the main reason of choosing BBSM by the customer was quality of products. The results further show that there is no significant relationship between customers centered service, facilities and equipped technology used by BBSM, use of technology and maintain clean environment, verities of new and quality products and facilities and quality products of BBSM ($p > 0.05$). The monthly incomes of the majority of customers was fallen on NRS 21000 to 30000. The results

further show that there is association between the gender and customers' intention to continue their buying habits at BBSM Bharatpur Chitwan. The profession of the respondent was summarized as the national service (24 %), business (23 %), self-employed (20 %), agriculture (18 %), foreign employment (12 %) and other profession was (3 %). This study is based on customer relationship management which is a combination of people, processes and technology that seeks to understand a company's customers. CRM has evolved from advances in information technology and organizational changes in customer-centric processes. Companies that successfully implement CRM had gained the rewards in customer loyalty and long run profitability.

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APPENDIX 1

Observed		Predicted QN16		Percentage Correct
		Yeah	No	
QN16	Intention to recommend	150	49	90.2
	Does not intend to recommend	25	11	22.2
Overall Percentage				65.67