



# A Study On Determinants Of Customer Satisfaction To Shop In A Convenience Store in Visakhapatnam City

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**ABSTRACT:** A convenience store is a small retail outlet selling the regular and frequently purchased good from a nearby store. The outlet is called as a convenient store as the customers find it convenient to shop the regular goods from here. This kind of store offers products like routine and frequently essential purchased products like groceries, everyday items, snacks, and the like. The main objective of the study is to understand and analyze the determinants that satisfy the customers to shop in a convenience store. The main objective of the study is to understand and analyze the determinants that satisfy the customers to shop in a convenience store in Visakhapatnam city. A sample of size 202 was considered for the study. Percentage analysis and correlation are done to analyze the collected data. Various determinants of customer satisfaction for shopping in a convenience store were identified with review of literature namely, Product variety, product quality, Store location, Discount, parking facility, product price, movement in the store. The analysis sates that the Product variety has highest impact on customer satisfaction to shop from Convenience store followed by Shop location.

**KEY WORDS:** convenience store, customer satisfaction, product variety, store location

## I. INTRODUCTION

A convenience store is a small retail outlet selling the regular and frequently purchased good from a nearby store. The outlet is called as a convenient store as the customers find it convenient to shop the regular goods from here. This kind of store offers products like routine and frequently essential purchased products like groceries, everyday items, snacks, and the like.

Customers prefer to do purchase at convenient store as the purchasing can be done quicker and conveniently. They are easily accessible to customers, makes it easy purchase and easy exchange when required (Seiders, Berry, & Gresham, 2000).

These kind of stores provide convenience to the customers by providing easy accessibility to the customers, which are usually located nearby, instead of going to the supermarket for the purchase of essential items which is usually located not so near to the household. Such kind of store is available in urban and semi-urban areas, near petrol station and near residential areas, so that the customers find it convenient to reach these shops and purchase the goods that don't require much time and effort for purchase. Often these stores/ shops are opened for a long time, even in the late hours.

## II. OBJECTIVES OF THE STUDY

The main objective of the study entitled "A study on Determinants of Customer Satisfaction to Shop in a Convenience Store in Visakhapatnam City", is to understand and analyze the determinants that satisfy the customers to shop in a convenience store.

## III. RESEARCH METHODOLOGY OF THE STUDY

### 3.1 Data Collection

This study includes the collection of both primary and secondary data. Primary data is fresh data that is collected through questionnaire, interaction or observation methods. Though collection of this data is time taking but this method is more reliable. The secondary data is the data that already exists and can be collected from various published or unpublished articles, websites, books, magazines, newspapers, etc. This type of data can be collected easily and thus saves time and money. For the study of "A study on Determinants of Customer Satisfaction to Shop in a Convenience Store in Visakhapatnam City", both primary and secondary data

were collected. Primary data was collected by administering a structured questionnaire to the respondents. The answered questionnaire was collected back from the respondents to do the analysis. Secondary data was collected from various publications and websites.

### 3.2 Sampling technique

Convenient sampling method was used to choose the convenient shops from Visakhapatnam city and simple random technique was used to choose the respondents from the selected convenient stores across Visakhapatnam city namely, Rama tallies, VIP Road, Eenadu, East point colony and Doctors colony.

### 3.3 Sample unit

The respondents are randomly chosen customers visiting the convenient store in the above mentioned localities.

### 3.4 Sample Size

A sample of size 202 was considered for the study. The structured questionnaire with the filled in answers were collected from 211 respondents but 9 respondents didn't give complete answers and hence 202 respondents were considered for the study and analysis.

### 3.5 Statistical tool

Percentage analysis and correlation are done to analyze the collected data.

## IV. REVIEW OF LITERATURE

A customer is satisfied if the perceived performance of a product exceeds the expected performance of the product (Kotler & Keller, 2012). The retailers understand that the key to success of their retail store is customer satisfaction (Gomez, McLaughlin, & Wittink, 2004) and a satisfied customer is responsible for store sales performance as a satisfied customer shares positive experiences with other customers (Zairi 2000).

According to an investigation by Rustam & Octavia (2015), customers prefer a convenience store with low price products and the one with better and convenient location with adequate parking space. Also, a customer expects a comfortable store layout for a better shopping experience (Bloemer, Ruyser, & Wetzels, 1999).

A study by Tsiotsou (2006) identified the quality and performance of products as determinants of customer satisfaction. The timings of the store and its location also influence the customer satisfaction (Berry et al., 2002).

## V. DETERMINANTS OF LEVELS OF SATISFACTION OF CUSTOMERS OF CONVENIENT STORE

Various determinants of customer satisfaction for shopping in a convenience store were identified with review of literature namely, Product variety, product quality, Store location, Discount, parking facility, product price, movement in the store.

- **Product Variety:** The customers look for the assortment of products in a convenient store as they don't like to spend more time on purchase of regularly used items. Moreover, purchasing such regular various products helps them to save their time and energy.
- **Product Quality:** Customers have become knowledgeable and don't like compromising on the quality of the product. They expect fair return for the money they invest in the purchase of the goods.
- **Store location:** Customers visit the convenient store due to its accessibility and location benefits. Customers don't want to spend time travelling distance to buy the products which are not that expensive and which don't require time for making decision for the purchase. The same is stated by Chamoli et al., (2024)
- **Product Price:** Though the price of the products sold in the convenient store is not negotiable and at the same time they are already fixed, customers are usually satisfied with whatever price it is fixed. But the customers do consider the price of the products when compared to the other stores.
- **Movement in the store:** Customers feel comfortable if there is easy movement in the store while going through the product assortments for making purchase. But usually the space in the convenient store is limited.
- **Parking facility:** It is comfortable for the customers if the shop has parking area/ facility or has a space where the visiting customers can park their vehicles. Some convenient stores are located in a very busy area where the customers hesitate to stop their vehicles and make purchase. Such stores lose the customers due to parking issues.
- **Discount:** There are always customers who wait for the offers or discounts so that they can buy in volume and store the non-perishable goods.

## VI. RESULT AND DISCUSSION

The data collected from a total of 341 respondents was tabulated and analyzed to understand the determinants of customer satisfaction of convenient stores. These 341 respondents are the customers visiting the convenient stores located in the locality of Visakhapatnam city namely Rama tallies, VIP Road, Eenadu, East point colony and Doctors colony.

## 6.1 Demographic profile of the Respondents

**Table 6.1: Demographic profile of the respondents**

Demographic Profile of the Respondents	
Age (In years)	Respondents (In percentage)
Less than 30	36
30 to 45	27
45 to 60	19
More than 60	18
Profession	Respondents (In percentage)
Student	18
private job	28
Government job	9
Business	18
Retired	9
Homemaker	18
Family size	Respondents (In percentage)
Less than 4	55
4 to 6	36
More than 6	9
Monthly Income (In Rs.)	Respondents (In percentage)
less than 20k	9
20 to 35 k	13
35k to 50 k	23
50 k to 65 k	32
more than 65 k	14
no income	9

Source: Primary data

As shown in Table 6.1, Most of the respondents (36%) who visit the convenient store are less than 30 years old. Since it is convenient to visit the store due to its easy accessibility, even children are able to visit the store. Moreover, the goods usually purchased from such convenient stores are non-technical and don't require detailed information. This explains why most of the respondents are less than 30 years of age. 18% of the respondents visiting the store are retired and aged as due to the convenient location of the shop, even the retired people are able to visit the store.

The students (18%) also visit the convenient store as it is located nearby and they can visit just by walking. Most of the respondents visiting the convenient store are private job employees (28%) and homemaker (18%).

55% of the respondents belong to small family of size less with than 4 members in the family, 36% of the respondents belong to a family with size of 4 to 6 members, and probably they belong to a joint family.

Most of the respondents (32%) have monthly salary range of Rs. 50, 000 to Rs. 65,000 followed by (23%) the salary range of Rs. 35,000 to Rs. 50,000.

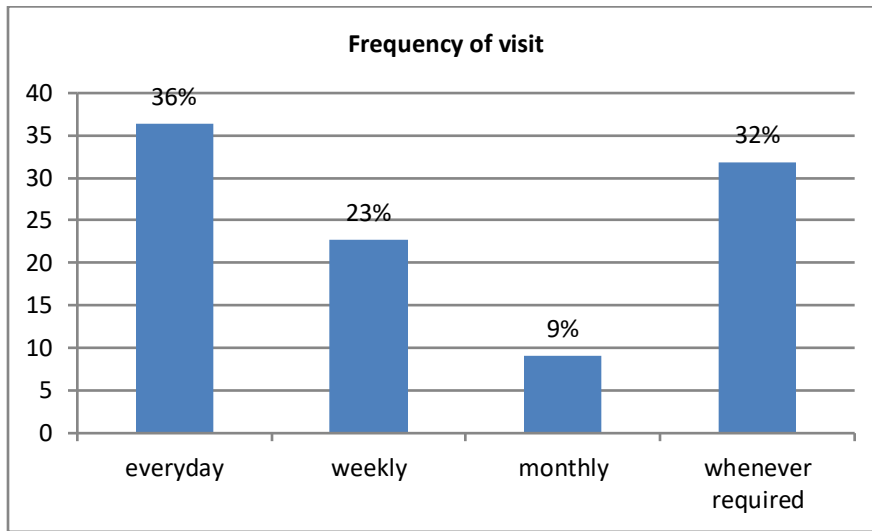
## 6.2 Frequency of visit

**Table 6.2: Frequency of visit**

Frequency of visit	Respondents (In percent)
everyday	36
weekly	23
monthly	9
whenever required	32

Source: Primary data

Figure 6.2: Frequency of visit



Source: Primary Data

As given in Table 6.2 and shown in figure 6.2, most of the respondents (36%) visit the convenient store every day. Since the daily used products like dairy, snacks, fruits, vegetables and other such stuff can be purchased fresh and daily, the customers visit the store regularly. Moreover due to approachable location, its comfortable for the customers to visit the store regularly.

32% of the respondents visit the store whenever required. The customers don't have to plan to visit such store as the regularly used products can be purchased whenever there is a requirement.

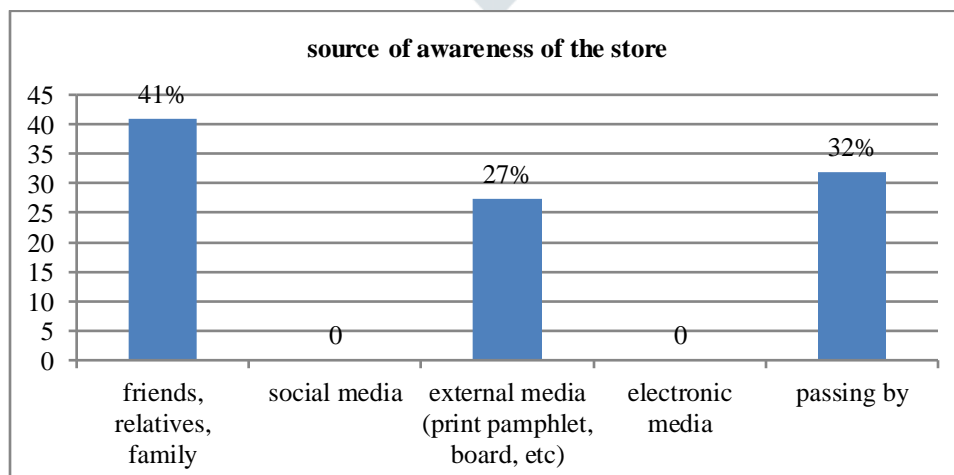
### 6.3 Awareness of the Store

Table 6.3: Awareness of store

Source of awareness of the store	Respondents (In percentage)
Friends, relatives, family	41
Social media	0
External media	27
Electronic media	0
Passing by	32

Source: Primary data

Figure 6.3 Sources of awareness of store



Source: Primary data

As given in Table 6.3 and shown in figure 6.3, most of the respondents (41%) got the awareness of the convenient store from friends, relatives or family members. Word of mouth is very effective for spreading the awareness and promoting the store. 32% of the

respondents came to know about the store while just passing by through that store. 27% of the respondents saw the printed pamphlet or small boards. But there is no awareness through social media or electronic media as these small convenient stores don't promote through these media.

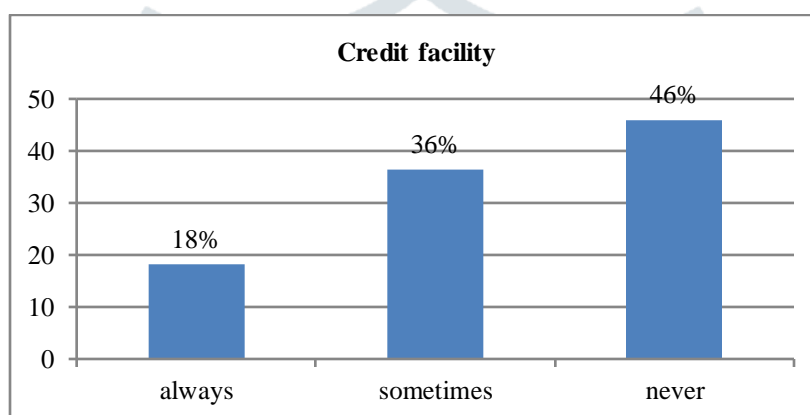
#### 6.4 Availability of credit facility

**Table 6.4: Availability of credit facility**

Credit	Respondents (In percentage)
always	18
sometimes	36
never	46

Source: Primary data

**Figure 6.4: Credit facility**



Source: Primary data

As given in Table 6.4 and shown in figure 6.4, 46% of the respondents said that they didn't get credit facility from the convenient store. But 18% of the respondents said that they get credit facility always and 36% said that they get this facility sometimes. Now days, the stores have started offering credit facility to the customers to compete with the other big retail outlets. These convenient stores try to attract those customers by providing such services which other established retail outlets don't provide. Such facility helps to snatch the customers who are looking for such financial help in their regular purchases.

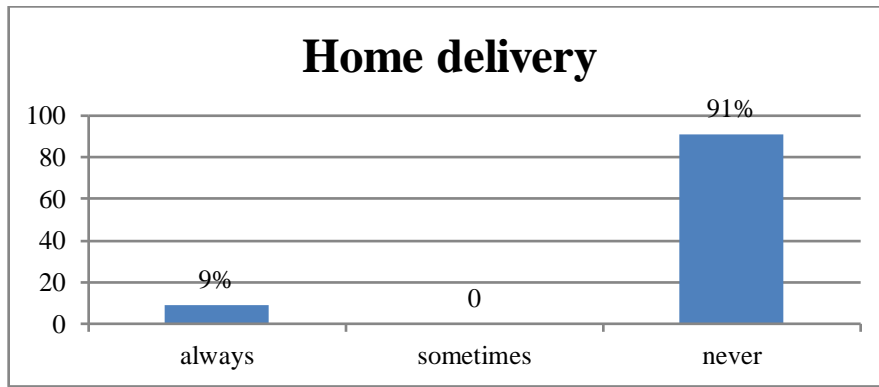
#### 6.5 Home Delivery

**Table 6.5: Home Delivery**

home delivery	Respondents (In percentage)
always	9
sometimes	0
never	91

Source: Primary Data

Figure 6.5: Home Delivery



Source: Primary Data

As given in Table 6.5 and shown in figure 6.5, majority of the respondents (91%) stated that they are never given the facility of home delivery. Only 9% have stated that they are given the facility of home delivery of the products purchased. Some of the small retail outlets have started to differentiate their services by offering the facility of home delivery.

### VII. FINDINGS AND CONCLUSION

Table 7.1: Descriptive analysis of the respondents

Descriptive Statistics			
	Mean	Std. Deviation	N
Product Variety	3.9554	1.31694	202
Product Quality	3.9158	1.17089	202
Store location	3.4455	1.23768	202
Product Price	1.8119	.94856	202
Movement	2.1733	1.35847	202
Parking facility	3.9653	.82485	202
Discount	1.4505	.64648	202
Customer satisfaction	3.4010	1.10296	202

Table 7.2: Pearson coefficient of Correlation

	product variety	product quality	store location	Low Product price	movement	parking facility	Discount	customer satisfaction
product variety	1.00							
product quality	0.89**	1.00						
store location	0.87**	0.80**	1.00					
Low Product price	0.48**	0.50**	0.73**	1.00				
movement	0.55**	0.57**	0.78**	0.98**	1.00			
parking facility	0.63**	0.58**	0.77**	0.56**	0.59**	1.00		
Discount	0.26**	0.26**	0.62**	0.89**	0.85**	0.57**	1.00	
customer satisfaction	0.79**	0.66**	0.76**	0.47**	0.50**	0.64**	0.32**	1.00

\*\*correlation is significant at 0.01 level

The table 7.2 gives the coefficient correlation of different determinants on customer satisfaction. The correlation coefficient of all determinants with customer satisfaction is significant at 0.01 level of significance. The correlation coefficient between product variety and customer satisfaction is 0.79, which means there is a positive correlation between product variety and customer satisfaction. This value is the maximum among other coefficients hence product variety has maximum impact on customer satisfaction. This is justified by seeing the mean of 3.95 as shown in table 7.1. The customers seeks for product varieties to be available under one store as the products purchased from convenient store are not expensive products and they don't want to waste much time in purchasing them from multiple stores.

The correlation coefficient for product quality and store location is 0.66 (with mean 3.91) and 0.76 (mean 3.44) respectively and they also have positive impact on customer satisfaction (as shown in table 7.1 and 7.2). Store location has more impact as this being convenient store, location is given more importance as customers visit such store to save their time Chamoli et al., (2024). At the same time they don't want to compromise with the product quality (Barreto, Silveria, 2023).

The correlation coefficient of fair product price and discount is 0.47 (mean 1.81) and 0.32 (mean 1.45). Though these are also positively related but they don't have much impact on customer satisfaction as compared to other determinants. This is because the customers are aware that the prices of the products purchased from convenient stores are not that expensive. But customers always expect for a low price. Customer go to discount shops for low price and discount offers and also that they get varieties of products there (Brennan and Lundsten, 2002).

The correlation coefficient of parking facility and movement in shop is 0.64 (mean 3.96) and 0.50 (mean 2.17). Parking facility has more impact on customer satisfaction as customers when compared to the movement in the shop. Customers cannot visit the store if they are not able to park their vehicles and they choose to visit other store with better parking facility.

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