



COMPARATIVE STUDY ON CONSUMER GRATIFICATION OF RETAIL ORGANIZATIONS – A CASE STUDY

Prof. Ravi Nagaich

Dr. A.C Shukla

Sarthak Nagori

Abstract

Indian Retail sector had emerged as one of the most dynamic and fast-paced industries, according to the report Indian retail sector had recovered 85% of the pre-covid revenue by the end of year 2020. Since the pandemic, intense competition has been increasing in almost every sector to gain market share and to fulfill the astonishing demands of the consumer. The present study is an attempt to rigorously examine the consumer gratification level of two big Indian Retail Organizations which are namely ABC supermarket and XYZ supermarket. A comparative study was performed on the basis of various social factors that had more impacted the consumer perspectives, which is necessary to succeed in the retail market. This paper is an attempt to analyze and compare the consumer gratification index of ABC and XYZ, based on various social factors. The primary data was collected from the consumers of different organizations, with the help of structured questionnaires. Data were statistically analyzed and examined with the help of software named as IBM SPSS. The major findings of the study is that ABC's gratification level among consumers is 3.7686 on a scale of 5, which is slightly more than that of XYZ's gratification level of 3.2793 on scale of 5, which inherently shows ABC's services are more favourable by customers.

Keywords : Retail, ABC, XYZ, Consumer Gratification, SPSS

1. INTRODUCTION

Retailing in India is going through an evolutionary stage and is one of the largest emerging sectors in India. The organized retail sector is currently valued more than US \$60 billion while projected to reach US \$1.75 trillion in 2026. Indian organized retail sector had proved to be the backbone of India in the Covid-19 pandemic and most of the population are dependent on the retailers due to ease of purchasing goods and quality inspection by consumers while purchasing. The Indian retail markets had around 20 million outlets and renowned as one of the largest retail markets in the world^[3]. The modern Indian consumer tries to seek more value for the same amount of money in terms of quality, pleasurable shopping environment, easy payment options, trial rooms for clothing products, feasible returns, exchange and refunds policies and competitive prices. The location of the store and hygiene are also major factors to be viewed from the consumer's perspectives. The Indian consumer market has higher disposable income and the development of the modern hypermarkets provide ideal shopping experience to customers with an amalgamation of wide variety of products, entertainment and services, all under single roof^[16].

2. LITERATURE REVIEW

India is termed as the nation of shopkeepers but it is dominated by small neighborhood grocery stores termed as kirana stores. Food and grocery constitute the major portion of Indian household consumptions. The understanding of the consumer behavior helps the modern retailers to focus and strengthen the elements of the retail offerings which is more valued by consumers^[16]. The growth of retail in India is reflected in the rapid increase in number of supermarkets, departmental stores and hypermarkets in the country^[14]. The retail industry has opened vast employment opportunities for youths in India in recent years^[17]. The consumer's importance rating decides the store environment. Retailers and suppliers also have a decisive role to play in order to understand the consumer behavior for buying the so that they may cater to this segment more profitably^[12]. Indian retail landscape has undergone significant transformations over last few decades where shift towards organized retailing is the major one. Particularly, food and grocery retailing, the largest chunk of the market is witnessing the shift with sudden growth of supermarkets and hypermarkets to enhance shopping experience of consumers with wider variety of brands and products to attract more consumers and subsequently increase in sales^[14].

Table -1 Findings from various research paper

S.No.	Author (year)	Title	Contribution
1.	P.Sankarakarthekeyan, V.T. Jayashree, Kumari P. (2019) ^[12]	Comparative study of shopping behavior (attitude) towards local versus foreign brands.	The observation is that most of the people are brand conscious. Most of the people buy branded products for their quality satisfaction.

2.	Lumintang Y.G. (2018) ^[7]	Comparative analysis of consumer preferences between international over local brand in manado.	Style have a comparatively less significantly influence on consumer preferences in choosing an international brand.
3.	Sharma A.(2017) ^[13]	A comparative study of customer friendliness of two Indian e-commerce companies - a case study of Indian E-Commerce Sector.	Authentic products offering by the platforms catch more attention of the consumers.
4.	Sudhakar K. (2016) ^[18]	A comparative study between Flipkart and Amazon	Every age group people are interested in offers, if they are in need or not they want to purchase.
5.	Sivagami C.(2016) ^[16]	A study on comparative analysis in retail industry – a review	The retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services.
6.	Agarwal D.(2015) ^[1]	Comparative study of Flipkart. com, Snapdeal, E-bay: India's Leading E-business Portals	Provides information about an overall analysis of a leading ecommerce platform in India and thereby examines their strategies with respect to E-business and marketing.
7.	Rani S.(2013) ^[11]	Retail industry in India-a study on growth development opportunities and challenges	Retail Sector changing the way businesses are done in India buy and sell products and services.
8.	Prof. Faldu R. (2012) ^[9]	Comparative study of the selected apparel retail stores in the organized sector	Provides a framework within which the critical elements affecting consumers' willingness.
9.	Shemwell D.J. (1998) ^[15]	Customer-service provider relationships: An empirical test of a model of service quality, satisfaction and relationship-oriented outcomes	Satisfaction was found to be significantly related to the reduction in complaints of the customers.

3. METHODOLOGY

Methodology is defined as the set of methods which could be applied in the particular area of study to analyze the data collected and to reach a conclusion of the study. Techniques used in the present study is questionnaire technique, which consists of set of questions and proved to be an important research instrument to collect data from various respondents. A questionnaire had been framed to collect data from various consumers in different locations of stores owned by retail organizations in order to analyze them on the basis of influencing factors, which are being found with the help of various research papers and expert advices. After that, IBM Statistical Package of Social Sciences (SPSS) had been used to analyze and examine the collected data.

3.1. Questionnaire Framing

In order to analyze the consumer gratification level among two retail giants (*ABC Supermarkets* and *XYZ Supermarkets*), questionnaire had been framed based on different parameters, keeping in mind social perspectives of the consumers, so that

the data could be analyzed through IBM SPSS software. There are 8 factors which were found from the literature review.

Table - 2 Identified Factors based on Social Perspectives

Notation	Factors	References	Description
F1	Quality	Bingguang Li(2006) ^[2]	Product Quality offered in the store
F2	Advertisements & Promotions	Sivagami C.(2016) ^[16]	Way of attracting customers
F3	Technological Advancements	Agrawal D.(2015) ^[1] Smitha.V.G (2012) ^[17]	Ease in customers facilities
F4	Availability	Sharma A. (2017) ^[13] Agrawal D. (2015) ^[1]	Product availability at outlets

F5	Customer Services	Kumar A. Ghosh P. (2010) ^[3]	Staff for handling customer queries
F6	Hygiene	Kumari P.(2019) ^[12]	Sanitation facilities offered
F7	Location	Kusuma B. (2013) ^[5]	Situation of the store
F8	Returns and Re-funds	Sharma A.(2017) ^[13]	Return policies offered by the store

3.2. Paired Comparison Method

In the decision-making context, a paired comparison method is a tool to determine the weighted ranking of factors selected for the analysis. When the two factors are compared, the decision would be taken to assign the value from a scale of 1 to 3 to any pair of alternatives made, which were representing the element of the pair-wise preference matrix. This following method is based on assumptions, it is assumed that reciprocal condition must be satisfied, if there are ‘n’ number of factors considered then the alternatives found are $[n(n-1)/2]$. After the formation of the pair-wise comparison matrix, another matrix is formed based on the above matrix termed as standardized matrix. A standardized matrix is the ratio of the values assigned to the sum of particular column. After this, the average of the row formed in a standardized matrix is weightage of the particular factor. Subsequently, consistency ratio is to be calculated and value obtained must be less than 0.10 or less. Consistency ratio is an important aspect of the reliability of the data and if it exceeds value of 0.10, then the data need to be revised and repeating the whole process once again.

Table - 3 Paired Comparison Matrix

	F1	F2	F3	F4	F5	F6	F7	F8
F1	1	3	3	2	1	1	3	2
F2		1	2				1	
F3			1					
F4		2	2	1	1		1	1
F5	1	2	3	1	1	1	3	1
F6	1	3	3	3	1	1	3	3
F7		1	2	1			1	2
F8		3	2	1	1			1

Where, 1= Minor Difference, 2 = Moderate Difference, 3 = Major Difference

Table - 4 Standardized Matrix

	F1	F2	F3	F4	F5	F6	F7	F8
F1	0.20	0.193	0.167	0.20	0.162	0.214	0.231	0.185
F2	0.066	0.064	0.111	0.050	0.081	0.070	0.076	0.030
F3	0.066	0.032	0.055	0.050	0.053	0.070	0.038	0.046
F4	0.10	0.129	0.111	0.10	0.162	0.070	0.076	0.092
F5	0.20	0.129	0.167	0.10	0.162	0.214	0.231	0.092
F6	0.20	0.193	0.167	0.30	0.162	0.214	0.231	0.277

F7	0.066	0.064	0.111	0.10	0.053	0.070	0.076	0.185
F8	0.10	0.193	0.111	0.10	0.162	0.070	0.038	0.092

Table - 5 Weightage of each factor

W1	W2	W3	W4	W5	W6	W7	W8
0.194	0.069	0.051	0.105	0.162	0.221	0.091	0.108

The most important factor is the most influencing value or the value which is higher among all the weightage values. Here, ‘Hygiene’ is the most influential factor. Consistency Ratio (CR) value = 0.0483 < 0.10, which defines the reliability of the solution and can be considered as good solution.

3.3. Consumer Gratification Index

The Consumer Gratification index represents the satisfaction level of consumers purchasing goods from a particular organization and directly satisfied with the services offered by the organization. The higher value of Consumer Gratification Index (CGI) better is the organization performance towards the benefit of the customers.

CGI = Weightage of each factor * Mean value of each factor as per the responses of consumers,

$$CGI = \frac{\sum_{i=0}^N W_i * F_i}{N}$$

Where, F_i is the mean value of i_{th} factor calculated from the response filled by the consumers, and W_i is the weightage of i_{th} factor calculated from the pair-wise comparison method.

4. DATA COLLECTION AND ANALYSIS

4.1. Questionnaire Filling

In order to collect data, many cities were visited for taking responses, from the consumers across various stores of the particular organizations. After some regular visits, 52 samples were collected of each organization (ABC and XYZ) and the survey questionnaire was filled from them. Likert scale of 5 points had been used in the questionnaire.

Where, 1= Strongly disagree, 2= Disagree, 3= Somewhat Agree, 4= Agree, 5= Strongly Agree.

Interviewing technique had been used to fill the questionnaire form from the individuals to obtain relevant information. The questionnaire contains 29 questions based on the 8 factors found from various research papers. Then collected data is analyzed deeply with the help of SPSS software and the conclusive results were obtained from the analysis.

Table - 6 Statistical Analyses of Factors in ABC Supermarket

Factors	Maximum	Minimum	Mean	Standard Deviation	Rank
F1	5	2	3.7245	0.817	2
F2	5	1	3.6121	0.826	5

F3	5	1	3.5737	0.803	6
F4	5	2	3.6474	0.745	4
F5	5	2	3.7051	0.831	3
F6	5	3	4.2889	0.632	1
F7	5	1	3.3269	0.891	8
F8	5	2	3.5256	0.682	7

Table - 6 shows the statistical analysis of *ABC* supermarket and it could be inferred that factor F6 (Hygiene) had the highest value among all the factors and also having the lowest standard deviation among all the factors whereas factor F7 (Location) had the lowest value among all the other factors with the standard deviation being highest. Similarly, Table - 7 shows the statistical analysis of *XYZ* supermarket and it could be inferred from that factor F2 (Advertisements & Promotions) had the highest value among all factors and lowest standard deviation is of factor F6 (Hygiene).

Table - 7 Statistical Analyses of Factors in XYZ Supermarket

Factors	Maximum	Minimum	Mean	Standard Deviation	Rank
F1	5	2	3.1176	0.831	6
F2	5	1	3.8121	0.823	1
F3	5	1	2.9215	0.801	8
F4	5	2	3.2788	0.862	4
F5	5	2	3.1232	0.854	5
F6	5	3	3.5169	0.622	2
F7	5	1	3.4391	0.926	3
F8	5	2	2.9823	0.757	7

4.2. Correlation Analysis

Correlation signifies the degree to which two variables showing relation with each other, whether directly proportional or indirectly proportional or no relation with each other. To know the correlation between the identified factors used in this study, Pearson’s Correlation Method is used and Pearson’s correlation matrix had been created with the use of SPSS software. Pearson’s Correlation is an important tool because it measures the strength of the correlation found and also the direction of the linear relationship among two or more variables. The correlation found to be significant and positive among all the factors, which indicates the factors are strongly related and existent in the real world because of their significant level and strength. Table 6 and table 7 represent the Pearson’s correlation matrix for *ABC* and *XYZ* respectively.

Table - 8 Pearson’s Correlation Matrix among factors for ABC Supermarket

	F1	F2	F3	F4	F5	F6	F7	F8
F1	1							
F2	**0.487	1						

F3	**0.469	**0.750	1					
F4	**0.450	**0.678	**0.540	1				
F5	0.151	*0.385	*0.432	*0.277	1			
F6	0.246	0.252	*0.372	0.187	**0.262	1		
F7	**0.499	**0.570	**0.790	0.364	*0.352	*0.259	1	
F8	*0.347	0.491	**0.645	0.401	*0.414	0.265	**0.563	1

** .Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table - 9 Pearson’s Correlation Matrix among factors for XYZ Supermarket

	F1	F2	F3	F4	F5	F6	F7	F8
F1	1							
F2	**0.458	1						
F3	0.123	**0.657	1					
F4	0.179	**0.430	**0.467	1				
F5	**0.457	*0.672	*0.470	*0.399	1			
F6	0.149	0.243	*0.251	0.143	**0.203	1		
F7	*0.284	**0.576	**0.372	**0.441	*0.351	*0.213	1	
F8	0.173	0.398	**0.353	**0.473	0.171	0.215	**0.308	1

** .Correlation is significant at the 0.01 level (2-tailed).

*.Correlation is significant at the 0.05 level (2-tailed).

C. Calculation of Gratification Index

$$CGI = \sum_{i=0}^N W_i * F_i$$

where, $i = 1, 2, 3, 4, 5, 6, 7, 8$

Consumer Gratification Index for *ABC*’s

$$CGI = F_1 W_1 + F_2 W_2 + F_3 W_3 + F_4 W_4 + F_5 W_5 + F_6 W_6 + F_7 W_7 + F_8 W_8$$

$$CGI = (3.7245 * 0.194) + (3.6121 * 0.069) + (3.5737 * 0.051) + (3.6474 * 0.105) + (3.7051 * 0.162) + (4.2889 * 0.221) + (3.3269 * 0.091) + (3.5256 * 0.108)$$

$$CGI = 3.7686$$

Consumer Gratification Index for *XYZ*’s

$$CGI = F_1 W_1 + F_2 W_2 + F_3 W_3 + F_4 W_4 + F_5 W_5 + F_6 W_6 + F_7 W_7 + F_8 W_8$$

$$\begin{aligned} \text{CGI} = & (3.1176*0.194)+(3.8121*0.069)+ \\ & (2.9215*0.051)+(3.2788*0.105)+ \\ & (3.1232*0.162)+(3.5169*0.221)+ \\ & (3.4391*0.091)+(2.9823*0.108) \end{aligned}$$

$$\text{CGI} = 3.2793$$

5. CONCLUSIONS

This study compared the consumer gratification level between ABC Supermarket and XYZ Supermarket on the perspectives of social factors. Through this study, it had been conclusive that ABC Supermarket has higher consumer gratification index than XYZ Supermarket, this purely signifies that the consumers purchasing goods from ABC Supermarket are more gratified and their level of satisfaction is higher than the consumers purchasing from XYZ Supermarket. Although, various factors had incorporated in gaining the trust of consumers with various facilities offered by the store was the reason for improvement in sales. Meanwhile, in the time of pandemic situation, sanitation facilities had played a major role to attract consumers, keeping the surrounding area more hygienic and offering of strict temperature checks at the entrance was satisfying the consumers.

As per the analysis of factors, there is conclusive evidence that ABC Supermarket is ahead in competition with better strategies adopted and various methods incorporated to offer best value to the consumers as well as to increase sales of the store. All these factors amalgamation provides an extra edge over the competitors like XYZ Supermarket and they need to refresh their policies and adopt better strategies to compete in the market.

6. LIMITATIONS AND FUTURE SCOPE

- This study is focused with limited sample observations and this study could be taken to higher levels which seems to be future scope of the study.
- Consumers were hesitated to give their observations about the store which could be due to personal reasons or it could be due to new experience to them.
- Many consumers were visiting the store for the first time, therefore they had no idea about the offerings of the store.
- This study had been carried out on the basis of personal views of the respondents, not on any focused group peoples.

REFERENCES

1. Agrawal, D., Sheeba, P., (2015) "Comparative study of Flipkart.com, Snapdeal, E-bay: India's Leading E-business Portals"; *International Research Journal of Engineering and Technology (IRJET)*; Vol. 2 No.8; Page no :883-887.
2. Bingguang, Li, Michael, W., Riley, Binshan, Lin, Ershi, Qi, (2006), "A comparison study of customer satisfaction between the UPS and FedEx", *Industrial Management & Data Systems*, Vol. 106 Iss 2 pp. 182 - 199.
3. Kumar, A., Ghosh, P., and Tripathi, V., (2010) "Customer expectations of store attributes; A study of organized retail outlets in India"; *Journal of retrieval and leisure property*; vol.9; page no: 75-87.
4. Kumar, A., Shivashankar, G., Manjunath, S.J., (2012) "Organized retail strategy-a study at reliance mart"; *International journal of engineering and management research*; vol.2; issue-5; page no: 15-21.
5. Kusuma, B., Prasad, D., Rao, S., (2013) "A study on organized retailing and its challenges and retail customer services"; *Innovative journal of business and management*; vol.2; page no: 97-102.
6. Li, B.G., Riley, M.W. and Hsieh, C.T. (2004), "Assessing customer satisfaction in parcel delivery industry: an empirical study among university customers", *International Journal of Services and Standards*, Vol. 1 No. 2, pp. 172-92.
7. Lumintang Y.G.(2018) "Comparative analysis of consumer preferences between international over local brand in manado" *Jurnal Emba*; Vol 6, No 1, pp. 518-527.
8. Panda, A.,(2013) "Customer Patronage towards Food and Grocery Retail"; *Global Journal of Management And Business Studies*; Vol.3; No.9; Page no: 955-960.
9. Prof. Faldu, R., (2012) "Comparative study of the selected apparel retail stores in the organized sector"; *International journal of scientific and research publication*; vol.2; issue.5; page no: 86-92.
10. Prof. Nair, L., (2011) "Private Labels Brands in Food and Grocery: The Changing Perceptions of Consumers And Retailers in India"; *Journal of Arts and Science and Commerce*; Vol.2; Issue.1; Page no: 144-156.
11. Rani S. (2013) "Retail industry in India-a study on growth development opportunities and challenges"; *International journal of computing and corporate research*; vol.3; issue-6; page no: 111-125.
12. Sankarakarthikeyan, P., Jayashree, V.T., Kumari, P., (2019) "Comparative study of shopping behaviour (attitude) towards local versus foreign brands" Vol. 102 No. 2, pp. 89-97.
13. Sharma, A., Shukla, A.C., (2017) "A comparative study of customer friendliness of two Indian ecommerce Companies - A case study of Indian e-commerce sector"; *Industrial Engineering Journal*; Vol. 10 No. 11; Page no: 11-16.
14. Shashikala, R., Gangatkar, J., (2015) "A study on comparative analysis of consumer perception towards supermarkets and provision stores in Bangalore"; *International journal of engineering and management sciences*; vol.6; page no: 149-154.
15. Shemwell D.J.(1998) "Customer-service provider relationships: An empirical test of a model of service quality, satisfaction and relationship-oriented outcomes"; *International Journal of Service Industry Management*; Vol. 9 No. 2; Page No: 155-168.
16. Sivagami, C.,(2016) "A study on comparative analysis

in retail industry – a review”; Journal of Emerging Technologies and Innovative Research (JETIR); Vol. 3, No. 4; Page no:172-175.

17. *Smitha, V.G., (2012) “Factors influencing the buying behavior of organized retail consumers”. Indian journal of marketing; vol.12; page no: 23-33.*

18. *Sudhakar, K. , Syed, H. (2016) ,“A Comparative study between Filpkart and Amazon India”, Anveshana’s International Journal of Research in Regional Studies, Law, Social Sciences, Journalism and management practices, Vol.1, No 3, pp.108-117.*

AUTHORS

Sarthak Nagori, Research Scholar, Ujjain Engineering College, Ujjain-456010 (MP) India.
Email: 12sarthaknagori@gmail.com

Prof. Ravi Nagaich, Professor, Department of Mechanical Engineering , Ujjain Engineering College, Ujjain -456 010 (MP) India
Email: ravi.nagaich@gmail.com

Dr. A.C. Shukla, Associate Professor, Department of Mechanical Engineering, Ujjain Engineering College, Ujjain-456010 (M.P), India. Email : apratuls@rediff.com

STUDENT CHAPTER GUIDELINES

- 1) Rs. 500/- fees as Student Member.
- 2) Student Member will remain as Student Member so long as he is the Student of the Institute from where is applied for membership.
- 3) As Student Member applies for Life Membership as an when he is eligible, he will be getting a discount of Rs. 250/- on the Life Membership fees. (as resolved in NC Meeting No. 138)
- 4) Student Membership automatically comes to an end as Students leaves the Institute from where he applied for Membership.
- 5) A Student Chapter share of 50% will be given to the Institute by IIIE NHQ every time there is an enrolment of Student Members in a batch. This Student Chapter share is expected to be utilized for Student Chapter activities at their Institute and expenses be documented and audited in the Institute audits.
- 6) Institute / college should propose IIIE NHQ for opening of Student Chapter with a minimum of 25 members.
- 7) IIIE NHQ will provide the certificate of Student Member.
- 8) Student Membership form can be downloaded from IIIE website www.iiie-india.com
- 9) All the Student Chapters of the specific region will be mentored by their local chapter.
- 10) All the activities performed by the Student Chapters should be reported to the Local Chapter in form of news so as to publish it in the IIIE Newsletter.

GRADUATESHIP EXAMINATION IN INDUSTRIAL ENGINEERING

The Indian Institution of Industrial Engineering (IIIE), a National Body dedicated to the advancement of the profession of Industrial Engineering. An ISO 9001:2008 certified Institution, IIIE conducts Graduateship Examination every year through a nation-wide network of 33 Chapters and Centres. It provides an opportunity to individuals aspiring to acquire professional qualification for career advancement while contributing to the productivity of the nation. A pass in the Graduateship Examination is deemed at par with a Bachelor's Degree in Industrial Engineering, from a recognized Indian University.

The Institution also publishes a monthly "Industrial Engineering Journal" which is informative and useful to the students, Professionals and Academicians in the field of Industrial Engineering. One who wishes to qualify through the Graduateship Examination of this institution can enroll as a student member (qualifications required are given below). For detailed information about the Syllabus and Application Form, Examination and Project work are available on IIIE website www.iiie-india.com / iiieexamdept@gmail.com .

QUALIFICATIONS REQUIRED FOR STUDENT MEMBERSHIP

- H.S.C (Std. XII with Science) with two years working experience.
- Graduate in Science with one year working experience.
- Diploma in Engg. / Technology (3 years course) with one year working experience.
- Has completed and passed first two years of a regular degree course in Engineering / Technology.
- Degree in Engineering / Technology of a University of India or equivalent qualification recognized by All India Council for Technology Education (AICTE) as equivalent.

Controller of Examinations