Impact of Service Convenience on Customer Satisfaction

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Abstract

Trends in the Indian retail market are changing and we are having super markets and hypermarkets opened by the giant International players like Walmart, Tesco, Shopper’s Stop and Pantaloons. These retailers are providing the customers with higher and higher level of services. One of the ways is to provide service convenience.

Key words retail industry, service convenience, customer satisfaction

Introduction

1.1.1 Indian Retail Industry and Service Convenience

Retail industry in India is one of the significant contributors to the Indian economy and accounts for 35% of the GDP. India has the highest number of outlets per capita in the World with a widely spread retail network but with the lowest per capita retail space.

Today, trends in the Indian retail market are changing and we are having super markets and hypermarkets opened by the giant International players like Walmart, Tesco, Shopper’s Stop and Pantaloons. These retailers are providing the customers with higher and higher level of services. One of the ways is to provide service convenience.

1.1.2 Service convenience.

The concept of convenience first appeared in relation to categories of products which Copeland (1923) defined as “intensively distributed products that require minimal time, physical and mental effort.” According to Seiders, service convenience consists of:

1. Decision Convenience: How quickly and easily a customer can decide to shop at the store?

2. Access Convenience: How easily the store is accessible in terms of distance to be travelled, parking facilities, etc?

3. Benefit Convenience: What core benefits a customer gets at store like finding a product and getting product advice?
4. **Transaction Convenience**: How quickly you can pay and get the bills or deal with any due or advance payments?

5. **Post-Benefit Convenience**: How effectively the store is handling the post purchase issues like replacement or return of products.

1.1.3 **Customer Satisfaction**.

In its simplest form, it is the relationship of perceived performance to expectation. It is anticipated that higher satisfaction levels increase customer loyalty, reduce price elasticity, insulate market share from competitors, lower transaction costs, reduce failure costs and the costs of attracting new customers and improve the firm’s reputation.

1.2 **Need of the study**

Although customers feel more satisfied when they are offered a higher level of product or service, but the key challenge in front of marketers is that the expectations of the customers are not constant and keep on increasing.

![Levels of product or service](image)

Fig 1: Levels of product or service

Thus, in order to provide higher levels of service and have sustained competitive advantage, organizations are making efforts in the field of service convenience.

In this project, we are studying the effect of various dimensions of service convenience on customer satisfaction and how various demographic variables affect this relationship.

1.3 **Review of literature**

The concept of convenience first appeared in the marketing literature in relation to categories of products. Classification of consumer products includes convenience goods: intensively distributed products that require minimal time and physical and mental effort to purchase.
Later product classification schemes also incorporated the convenience goods category. Thus, in early marketing usage, "convenience" denoted the time and effort consumers used in purchasing a product rather than a characteristic or attribute of a product. Focusing on resources such as time, opportunity, and energy that consumers’ give up to buy goods and services, some researchers began to view convenience as an attribute that reduces the non-monetary price of a product.

**Service convenience conceptualisation:** Feldman, Laurence P and Jacob Hornik (1981), propose two primary facets—consumers’ time and effort costs— that underlie the various convenience conceptualizations explicitly and implicitly proposed by research. Frameworks of convenience incorporate time savings, time flexibility, location and ease of transaction. Service convenience is best conceptualized in terms of the specific consumer activities required to purchase or use a service, because convenience evaluations become salient during key stages of the service experience.

Customers perceive time and effort costs associated with service purchase or use decisions (decision convenience), initiating service delivery (access convenience), experiencing the core benefits of the offering (benefit convenience), finalizing the transaction (transaction convenience), and re-establishing subsequent contact with the firm (post-benefit convenience). This conceptualization reflects a multistage, experiential consumption process in which evaluations of convenience vary at each stage.

### 1.4 Conceptual Model

![Figure 2: Conceptual Model](image-url)
Following are the key variables in this research:

A. There are five independent variables which define the offensive advertisements:
   1. Decision Convenience
   2. Access Convenience
   3. Benefit Convenience
   4. Transaction Convenience
   5. Post Transaction Convenience
B. Dependent Variable: Customer Satisfaction
C. Demographic Variables: Age, gender and social status

1.5 Research Methodology

1.5.1 Research design and sampling:

Research Design: This is an explanatory type of project where we have developed some hypothesis on the basis of existing literature before collecting data.

Sample Design: The information about customer satisfaction in apparel retail outlets was obtained via a survey with a sample of 100 respondents from different shopping malls like Westside, Pantaloons etc.

1.5.2 Objectives of the study

1. To identify the various dimensions of service convenience which significantly affect customer satisfaction.
2. To study how the various dimensions of service convenience and customer satisfaction differ with the change in demography of the respondents.

1.5.3 Hypothesis

H1: There is a significant and positive relationship between service convenience and customer satisfaction.

H2: There is no significant difference in the perceived service convenience and customer satisfaction with respect to age, gender and social status of the customer.

1.5.4 Scale used.

Likert Scale has been used to get the questionnaires filled.
1.5.5 Data analysis techniques.

1. **Descriptive analysis:** Measures of central tendency such as mean, standard deviation were worked out to study the nature and distribution of scores of various variables.

2. **Correlation Analysis:** The relationship between dimensions of independent variables was analysed by correlation matrix.

3. **Regression analysis:** The regression analysis was done to examine the significant effect of independent variables on the dependent variable.

1.6 Findings and conclusions

1.6.1 Findings.

1. There is a significant and positive relationship between all the dimensions of service convenience with customer satisfaction. Hence, we accept Hypothesis 1.

2. There is a significant difference in the perceived Customer Satisfaction and Decision Convenience with the age of the respondents. Hence, we reject H2.1

3. There is a no significant difference in any dimension of service convenience and customer satisfaction with the gender of the respondents. Hence, we accept H2.2

4. There is a no significant difference in any dimension of service convenience and customer satisfaction with the social status of the respondents. Hence, we accept H2.3.

1.6.2 Conclusions.

Customer satisfaction will increase if the convenience provided to the customer right from decision making to post consumption follow ups is high. Thus, marketers can use convenience component of their service as a strategic tool to have a sustained competitive advantage. However, as the customer expectations are dynamic and tend to increase with each experience, marketers need to be careful about the level of product/service they should provide for a particular category of product.

The study also concludes that the modern retail stores provide higher perceived decision convenience to youngsters; however, the senior citizens find them confusing. Consequently, senior citizens are relatively less satisfied when compared with the young population.
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