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SERVICE CONVENIENCE AND CUSTOMER SATISFACTION: A STUDY IN THE FOOD AND GROCERY RETAIL CONTEXT OF NAGPUR CITY

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ABSTRACT:
In one sense, convenience is about elevating the human experience. It is something that goes beyond the four walls of the organization and includes both customers and the workforce. Service convenience, as conceptualized by Berry et al. (2002, p. 4), is defined as the "consumers' time and effort perceptions related to buying or using a service." The five service convenience constructs used are access, decision, benefit, transaction and post benefit convenience. We expect that service convenience will lead to overall satisfaction. The sample was selected from the Nagpur because the scope of research is limited to supermarket and grocery stores of Nagpur City. We have collected responses through a structured questionnaire fromtotal163 respondents. We can conclude that access convenience, benefit convenience and decision convenience are the important factors of service convenience for the consumers of Nagpur City. Transaction convenience and Post Benefit convenience are not considered as important factors of service convenience for the consumers. For customers in the order of importance for greater satisfaction look for benefit convenience followed by decision convenience and access convenience. Transaction and Post-benefit convenience are not seen as important service convenience factors effecting customer satisfaction.

KEYWORDS: ***access convenience, benefit convenience, decision convenience, transaction convenience, post-benefit convenience, customer satisfaction.***

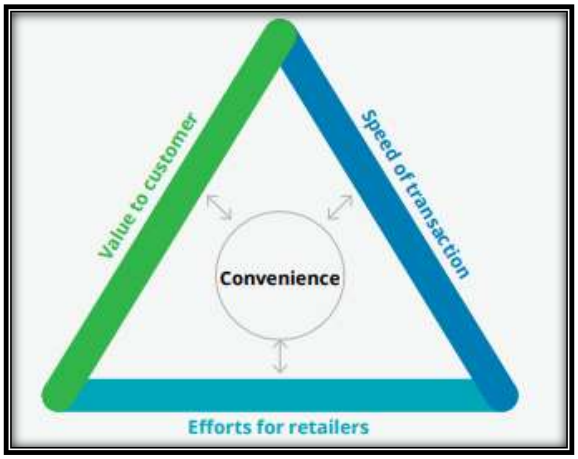
INTRODUCTION

In one sense, convenience is about elevating the human experience. It is something that goes beyond the four walls of the organization and includes both customers and the workforce. In a recent study, we found that five key pillars contribute to elevating this experience:

- Being obsessed with all things human
- Anticipating and proactively delivering on human needs
- Executing with humanity
- Being authentic
- Working to change the world

Retailers have yet to fully embrace that consumers are willing to pay a premium for convenience. Whether for the service, delivery, or as tips, premium charges are already a regular aspect of meal and grocery delivery services. These relatively new delivery services are changing the way consumers dine, shop, and get entertained today. As consumers grow to expect this level of ease and individually catered service from all

providers, it is the retail players who take note—the disruptors and niche players ready to attend to them— who are seeing growth. Factors like new competitors, convergence, and the blending of physical and digital operations are pushing businesses to find alternative revenue streams.



At its very core, convenience is a human-centered experience that provides customers with a feeling of ease. There are many ways that consumers can perceive convenience:

- ✓ "Saves me time"
- ✓ "Easy access to more offerings"
- ✓ "Special access to services that meet my needs"
- ✓ "Easily see the added value I'm receiving"
- ✓ "Meet all my needs in one place"

What many people are looking for is something that simplifies life while delivering a positive experience. People want to "outsource" the work of getting products. Instead of focusing on the act of purchasing products, they want to focus on the act of using them.
To more effectively meet these rising expectations, brands can seek to weave convenience throughout the fabric of the entire organization. Otherwise, it can become a follow-on marketing gimmick that doesn't improve profits.

'*Meeting customers' high expectations is not an overnight undertaking; it requires cross-functional coordination and can present many challenges.*'

LITERATURE REVIEW

Service convenience, as conceptualized by Berry et al. (2002, p. 4), is defined as the "consumers' time and effort perceptions related to buying or using a service." Consumers experience an increase in time deficiency when conducting tasks related to the acquisition and consumption of a service (Zeithaml and Bitner, 2000). Thus, service convenience can be thought of as a means of adding value to consumers, by decreasing the amount of time and effort a consumer must expend on the service.

Decision Convenience (DC) was defined as "consumers' perceived time and effort expenditure to make service purchase or use decisions." When consumers recognize the need for a product or a service, they are faced with the decision of choosing an appropriate supplier and market offering from a number of alternatives that exists in the marketplace for which they need to expend time and effort in making the decision.

Access Convenience (AC) was defined as "consumers' perceived time and effort expenditures to initiate service delivery." As per Colwell, et al., 2008, once the consumer has decided on a service provider and a particular product, initiating access to that service requires personal or technological interaction. Physical location, operating hours, and availability – in person, on telephone or online—determine access convenience. (Meuter, et al, 2000; Seiders, Berry and Gresham, 2000).

Transaction Convenience (TC) was defined as "consumers' perceived time and effort expenditures to effect a transaction." For experiencing the service, an exchange has to happen, i.e., for the promise of service performance by the company, the consumer needs to give something, usually money.

Benefit Convenience (BC) was defined as "consumers' perceived time and effort expenditures to experience the service's core benefits." This varies in importance based on the type of service being consumed. Convenience of such a type results into possession of the acquired service.

Post-Benefit Convenience (PBC) was defined as "consumers' perceived time and effort expenditures when reinitiating contact with a firm after the benefit stage of the service." This type of convenience involves the need to contact the provider after the sale is complete to initiate service complaints or failures, request maintenance or upgrades, or for general service support (Gwinner, Gremler and Bitner, 1998; Zeithaml and Bitner, 2000; Colwell, et al, 2008).

Customer Satisfaction: Based on the monetary and non-monetary components of a service, perceptions of service encounter are developed by consumers which might lead to increase in perceived quality, reliability, fairness, and overall satisfaction (Olsen and Johnson, 2003). Thus, drawing from prior research, we expect that service convenience will lead to overall satisfaction.

RESEARCH METHODOLOGY

In our research we have used descriptive and diagnostic type of research design. Primary data used in the project is Market Survey by Questionnaires. Inselecting therespondents,a simplerandom sampling method wasusedto haveequal chance of being selectedinthesamplethen JudgementalSampling Techniquewasusedafter respondentmeeting thecriteriaofhaving usedretailing servicesforthepastsix months.Supermarkets havebeenvisitedto collectthe responses.The sample wasselectedfromthe Nagpur because the scope of researchislimited tosupermarket and grocerystoresof Nagpur City.Wehave collected responsesthrougha structuredquestionnaire fromtotal**163 respondents**.

The demographic profile included in our study is: Gender, education, monthly household income and the time period since when they are visiting their most preferred supermarket.
The five convenience factors considered are decision, access, benefit, transaction, post-benefit. The scale is structured questionnaire based on the SERVCON scale developed by Kathleen Seiders& Glenn B. Voss & Andrea L. Godfrey &Dhruv Grewal

Objectives:

- To identify the most important service convenience for the consumers of Nagpur City
- To study the effect of service convenience on customer satisfaction of Nagpur City

DATA ANALYSIS

Hypothesis:

H1: Access convenience is the most important factor of service convenience

H2: Benefit convenience is the most important factor of service convenience

H3: Decision convenience is the most important factor of service convenience

H4: Transaction convenience is the most important factor of service convenience

H5: Post-benefit convenience is the most important factor of service convenience

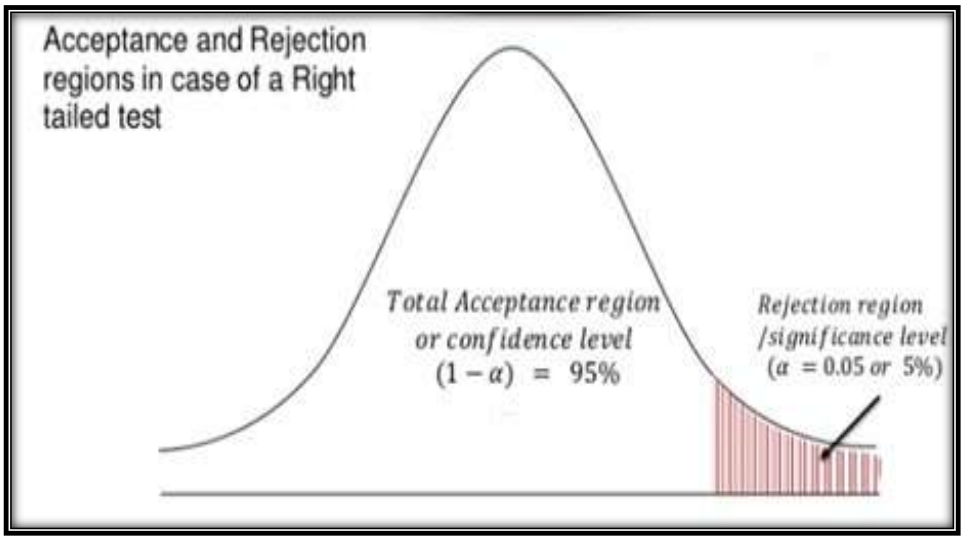
To identify the most important service convenience factor for the consumers of Nagpur city we have one Sample Z-Test. The calculations are as given below for all the five factors of service convenience.

H0:$\mu <= 3$

H1:$\mu > 3$

Z- Test Calculation

	DC	AC	BC	TC	PBC
POPULATION MEAN	3.00	3.00	3.00	3.00	3.00
SAMPLE MEAN	3.55	3.96	3.45	3.04	3.11
STANDARD DEVIATION	0.88	0.83	0.65	0.82	1.04
N	163	163	163	163	163
STANDARD ERROR	0.07	0.06	0.05	0.06	0.08
Z CAL	7.97	14.85	8.86	0.63	1.36
Z CRI	1.65	1.65	1.65	1.65	1.65
DECISION	**REJECT**	**REJECT**	**REJECT**	**ACCEPT**	**ACCEPT**



The alternate hypothesis states that the given factor is an important factor of service convenience for the consumers of Nagpur city. With respect to the Z-table calculation, null hypothesis is rejected if the Z_{cal} is greater than $Z_{cri.}$

From the table above we can conclude that access convenience, benefit convenience and decision convenience are the important factors of service convenience for the consumers of Nagpur City. Transaction convenience and Post Benefit convenience are not considered as important factors of service convenience for the consumers.

Hypothesis:

H6: Access convenience effects customer satisfaction

H7: Benefit convenience effects customer satisfaction

H8: Decision convenience effects customer satisfaction

H9: Transaction convenience effects customer satisfaction

H10: Post-benefit convenience effects customer satisfaction

Regression Analysis is conducted with customer satisfaction as dependent variable and the constructs of Service Convenience as independent variables.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841[a]	.707	.698	.51807
a. Predictors: (Constant), Access, Benefit, Decision, Transaction, Post_benefit				

Multiple *R* is the correlation between the observed values of *Y* and the values of *Y* predicted by the multiple regression model. Therefore, large values of the multiple *R* represent a large correlation between the predicted and observed values of the outcome which is 0.841 in the above result.

As such, multiple *R* is a gauge of how well the model predicts the observed data. It follows that the resulting R^2 can be interpreted as the amount of variation in the outcome variable that is accounted for by the predictors in the model. We can say 70.7% of variation in Customer Satisfaction is accounted for by the variables used in the regression model

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.46	4	10.615	39.55	.000[a]
	Residual	42.344	158	0.268		
	Total	84.804	162			
a. Predictors: (Constant), Access, Benefit, Decision, Transaction, Post_benefit						
b. Dependent Variable: Customer_Satisfaction						

The next part of the output, which contains an ANOVA that tests whether the model is significantly better at predicting the outcome than using the mean as a 'best guess.

The most important part of the table is the *F*-ratio, here *F* is 39.55, which is significant at $p < .001$ (because the value in the column labelled *Sig.* is less than .001). The regression model overall predicts Customer Satisfaction significantly well.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.008	.052		.072	.987
	Access	.347	.071	.347	3.655	.003
	Benefit	.485	.087	.485	5.583	.000
	Decision	.464	.083	.464	4.775	.000
	Transaction	.143	.079	.143	1.542	.051
	Post_benefit	.004	.066	.004	.060	.953
a. Dependent Variable: Customer_satisfaction						

In multiple regression the model takes the form of equation and in that equation there are several unknown quantities (the *b*-values). The first part of the table gives us estimates for these *b*-values and these values indicate the individual contribution of each predictor to the model. If we replace the *b*-values in equation, we find that we can define the model as follows:

Y (Customer_satisfaction) =
A (Constant) + 0.347(Access) + 0.485 (Benefit) + 0.464 (Decision) + 0.143 (Transaction) + 0.004 (Post_benefit)

The *b*-values tell us about the relationship between Customer Satisfaction and each predictor. If the value is positive we can tell that there is a positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship. The *b*-values tell us more than this, though. They tell us to what degree each predictor affects the outcome *if the effects of all other predictors are held constant*:

The *t*-statistic can be derived that tests whether a *b*-value is significantly different from 0. It is easiest to conceptualize the *t*-tests as measures of whether the predictor is making a significant contribution to the model. Therefore, if the *t*-test associated with a *b*-value is significant (if the value in the column labelled *Sig.* is less than .05) then the predictor is making a significant contribution to the model. The smaller the value of *Sig.* (and the larger the value of *t*), the greater the contribution of that predictor. Hence looking at the t value we can say that Benefit, Decision and Access are the largest contributors to the regression model apart from others.

The standardized beta values for Benefit, Decision and Access are virtually higher than others (0.485, 0.464, 0.347 respectively) indicating that all the three variables have a comparable degree of importance in the model (this concurs with what the magnitude of the *t*-statistics told us).

For customers in the order of importance for greater satisfaction look for benefit convenience followed by decision convenience and access convenience. Transaction and Post-benefit convenience are not seen as important service convenience factors effecting customer satisfaction.

CONCLUSION

Retail malls in India are competing based on providing a good value proposition to Indian shoppers resulting in various approaches being followed to attract shoppers to their respective retail malls. One such approach could be service convenience provided by retail malls to shoppers.

This research insight can be substantiated in light of the general Indian conditions where the issue of parking at times becomes less relevant, as shoppers generally don't mind parking their vehicles at some distance from the location of organized retail mall since they expect free parking facilities and dislike paying for it. This may happen as the parking place earmarked would get overcrowded at times specially weekends.
The norm of easy returns and exchange also seems to be less important in the Indian market. Maybe the shoppers are satisfied by the basic selling experience and the novelty attached to the purchase experience at the organized retail mall. Indian shoppers have perhaps not got habituated to expecting the service of easy returns and exchange at post-purchase stage.

The results indicate that access, benefit, and decisionconvenience dimensions have higher weights indicatingmore importance, whereas dimensions like transaction and post-benefit convenience have lower weights indicating lesser importance and are less relevant in Nagpur City. The probable reason for the Indian customer not looking for much transaction convenience is that India is a high contact society, where people do not find it inconvenient if they have to ask for assistance in a retail mall. Indian shoppers are used to shopping in busy crowded places (Biyani, 2008). Also, post-benefit convenience dimension may be less relevant as shoppers in India are used to no-returns policy followed by majority of retailers in India.

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