



BRAND LOYALTY AND CUSTOMER SATISFACTION: A STUDY ON BIG C MOBILES PVT LTD LARGEST RETAIL CHAIN IN ANDHRA PRADESH, INDIA.



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ABSTRACT:

The retail scenario is one of the fastest growing industries in India over the last 15 years. It comprises of organized retail and UN organized retail sector. Traditionally the retail market in India was largely unorganized however with changing consumer preference, organized retail is gradually becoming popular organized retail in India is expected to grow 25-30% yearly. Organized retailing provides an ideal shopping experience through consumer preference analyses, excellent ambience and choice of merchandise. Changing life styles, strong income growth and favorable demography are the drivers for the fast growth of this sector. This paper makes an attempt to find store loyalty of customers in organized retail format and to find out the cause and extent of satisfaction of consumers in the outlet. The samples are collected from mobile phone users in Vijayawada city AP. The study suggest that mobile phone retailers and sellers ought to build a brand and promote its brand awareness through sales promotion, advertising and other



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marketing activities, if brand awareness is high it's brand loyalty will also increase.

KEY WORDS: Organized Retail, brand awareness, changing life style, consumer loyalty and satisfaction.

INTRODUCTION:

Retailing is the activity of selling goods and services to a final consumer for his own use, retailers form the link between the manufacturers, whole seller, agencies and the customers. Retail sector in India is witnessing unparallel growth unmatched demographics, rising income levels, shifting life styles and changing aspirants of the burgeoning middle class has unleashed a retail revolution in the country. Retailing is the largest private industry in India and the second after agriculture. It contributes about 13% to the GDP and 10-12% of employment having over 20 million retail outlets. Industry in India has changed its face and approach, Indian retail industry is witnessing a paradigm shift as



the sector is getting organized and consumers are seeking a one-stop shopping place with convince and entertainment. Professionally managed and separately owned retail organizations are the face of today's retail sector.

Changing life styles, strong income growth and favorable demo graphs are the drivers of the fast growth of this sector. There has been a big rise in expansion in retail stores in India in recent years. Another interesting point is that the rate of growth of retail stores has generally outstripped the rate of population growth by the year 2012; the number has gone up to over 12 million. Emergence of chain stores/ retail chains is the other development in the Indian retail scene in recent times south India, in particular has seen the strong emergence of chain stores. Consisting of chain of retail stores owned by a single agency and operated under the same name and style in different cities/locations. A brand is generally a name and a symbol. It is an important means which helps creating a positive image on consumers and being different from rival products. Loyal customers are loyal consumers of the brand and perform repeat purchases and recommend the brand to those around.

Retailing by its very nature is a dynamic industry. Retail is the final stage of any economic activity by virtue of this feet, retail occupies an important place in the world economy. According to Philip Kotler "Retailing includes all the activities involved in selling goods or services to the final customers for personal, non- business. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing.

Loyalty Marketing may be defined as the business process of identifying retailing and increasing the yield from last customer's intensive, value added relationships typically through the use of loyalty programs. Customer loyalty to a retailer can be said to be existing when a customer chooses to shop in only one store or retail chain for a specific product (or) group of products. Success in retail operations is generated mainly by two things: Margin and Turnover. To be successful, a retailing operations must be strong in at atleast one of these parameters.

Activities involved in Retailing

- Choosing the store location
- Visual merchandise.
- Sales promotion
- Inventory management
- Store operations.

RISE IN RETAIL OUTLETS

There has been a big rise in expansion in retail outlets in india in recent years. Another interesting point is that the rate of growth of retail outlets has generally outstripped the rate of population growth by the year 2010. Emergence of store chains is the other development in the Indian retail scene in recent times. Consisting of chain of retail stores owned by a single agency and operated under the same name and style in different cities/locations. Customer retention is one of the main relationship marketing objectives currently the perception and application of customer retention is significant valuable for companies. In order to perceive and apply marketing principles in practice relevantly it is important to ground theoretically and assess empirically customer retention. Markets have utilized various measures to maintain the brand loyalty of their customers, including brand elements classical marketing mix variables and new methods of markets such as events, sponsorships, on to one marketing.

LITERATURE REVIEW

As long as repeat business is important and as long as customers have chance to go somewhere else. Employees must deliver high level of customer satisfaction for a company to be successful, in a compressive market place that offers meaningful consumer choice alternatives firms that do well by their customer are rewarded by business.

ONLINE RETAILING

Consumers to search for evaluate and order products through the internet for many customers the advantages of this form of retailing are the 24 hour access the ability to comparison shop in home privacy and variety. A 2012 global online survey by Nelsen suggests that about 875 million consumers across the world prefer to shop online. The report confirms that 85% internet users shopped online. According to Google, India more than 100 million internet users, half of whom make online purchases and the number is growing ever year. On line retail in india is projected to grow to 760crores by 2021.

DATA COLLECTION

The study is based on an empirical analysis of retail customers in organized mobile retail outlets, is based on primary data as well as Secondary data. Sample of this study is customers who buy mobiles at big c Mobiles in 5 Retail outlets Vijayawada city.

RESEARCH METHODOLOGY

The present study is focused on the shopping behavior dimensions of consumers who visit organized stores for mobiles and accessories. A total 5 stores was taken for study, while conducting the survey taken care to include respondents from different types of customers, educational back ground and income level. Apart from that we collected the data of mobiles which fall under featured mobiles and Smart phones.

Primary data: the method of data collection will be done by the way of survey from big c Mobiles of 5 retail stores and 100 customers in Vijayawada city.

Limitation of Research paper

- The research is confined to stores in the Vijayawada city; however the results may differ in other cities and with varied outlets in Ap.
- Sample size was selected 40 employees and 100 customers.

Retailing

Success in retail operations is governed mainly by two things: Margin and Turnover. To be successful, retailing operations must be strong in at least one of these parameters.

Activities involved in retailing

- Choosing the store location.
- Visual merchandising
- Sales promotion.
- Inventory management.
- Store operations.

MERCHANDISE

The success of any retail operation is to a great extent, based on the retailer ability to provide the right goods to the consumer at the right place at the right time and at the right place. The process of merchandising covers all the functions involved in indentifies the right product for the retailer. Merchandising is any practice contributes to the sale of products to a retail consumer, at retail in store level. Merchandising refers to the variety of products available for sale and the display of those products in such way that stimulates interact and examine customers to make a purchase. Many retailers are developing an advanced form of category management called consumer marketing at retail. Retailers are conducting research, analyzing the data to identify shopper problems, transferring the data into retailing mix actions, executing shopper friendly in-store programs and monitoring the performance of the merchandise. Managing the breadth and depth of the product line requires retail buyers who are familiar with the needs of the target and the alternative products available from the many manufactures that might be interested in having a product available in the store. A successful brand image can't merely improve the effect of advertising but also help enterprises to mold their good image virtually. It leads to brand image.

Merchandise line

Depth line

Stores that carry a considerable assortment of a relate line of items are limited-line stores. Single line stores carry a tremendous depth in one primary line of merchandise.

Breadth of line

Stores that carry a brand product line with limited depth are referred to as general merchandise store.

Scrambled merchandising

Offering several unrelated product lines in a single retail store.

Promoting a brand is more important than operating a store

It is essential to create brand awareness for the customers to know about the brand is existence. The retailer must strive hand to communicate the USP's of the brand to influence the buying behavior of the customers, in simple words advertisement helps the endusers to know to which brand a particular product belongs.

Modes of Advertisement

- Signboards, billboards, hoardings and banners
- Print Media
- Television
- Radio Advertisement
- Social networking

Guerrilla Marketing

The concept of promoting products and brands on an extremely low budget is called guerrilla marketing. It doesn't involve huge investment and is one of the most effective ways of creating brand awareness amongst the consumers.

It creates the impulse buying

Any unplanned buying is called as impulse buying. An individual might not require a particular product but picks it up out of mere emotions and feelings. It also prompts the customer to purchase products which he might not even need that time.

Factors affect

- Store display and presentation of products.
- Ambience of the store.
- Customer treatment
- Design and layout.

It leads up selling

Up selling is a sales mechanism where the sales representation strives hard to convince the customers to buy extra items or expensive merchandise and thus increases the revenue of the store.

Ex: 1) A customer goes to a big c mobile store to buy a mobile worth around Rs 7 to 8 thousand, the sales representative through his unique presentation skills convinces the customer to buy another mobile worth of around Rs 10,000.

2) Another customer might go to purchase a single mobile it is up selling when the sales person influences the customer to buy one plus one mobile instead of one mobile.

Brand image:

Brand image is the soul of the product or service. It is usually translate to customers, makes them believe in the products in a certain level and further helps them to make a purchase decision. Consumers often make use of sense of brand image to improve the quality of the product or service and decide their behavior. So the quality of brand image indirectly cause consumer cognition of the product or service quality. This is why enterprise work hard on it and maintain their brand image. As it emphasizes that s brand should have its own distinction and it should be meaningfully. It leads to brand satisfaction.

Brand satisfaction:

Brand satisfaction is necessary but not sufficient component of loyalty, satisfaction is a prior of brand loyalty with increases in satisfaction leading to increasing in brand loyalty. The motion of satisfaction is considered here as an indirect source of brand loyalty. Satisfaction can either refers to transactional measures focusing on a discrete incident construct resulting from a service of transactions. It is an antecedent of brand trust, with increases in satisfaction leading to increases in brand trust. It leads to brand loyalty.

Brand loyalty

Defined by Oliver (1997) A deeply held commitment to rebut or repertoires a preferred product/ service consistently in the future. The consumer brand relationship is critical to the building of brand loyalty. Brand loyalty is important for several reasons. First, it reduces the cost of production because the sales volume is higher. Second, companies with brand loyal customers don't have to spend as much money on marketing the product. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to

the firm. Businesses have to exert significant effort to facilitate brand loyalty. You need to convince potential customers that your product has a significant advantage over other products to justify consistent purchases of your product. It leads to customer satisfaction.

Customer satisfaction

The study of individuals, groups, or organization and the process they use to select, secure, use and dispose of products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Consumer conduct study depends on shopper purchasing conduct, with the client paying the 3 unmistakable parts of client, payer and purchaser. Research has demonstrated that buyer conduct is hard to anticipate notwithstanding for specialists in the field. It considers elements of individual shoppers, for example, demographics and behavioral variables trying to comprehend individuals' needs. It likewise tries to evaluate impacts on the purchaser from gatherings, for example, family, companions, reference bunches and society when all is said in done. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as other products against which the customer can compare the organization products. Shopping motives play a very important role in retail store, patronage (Roy 1994), shopping centers which match the predominant motives of customer have higher patronage and different product categories have different motives. Once the customer satisfy with one retailer or brand he never changes to another one normally but his behavior may change if attracts. So the process makes the re purchase again and again.

FINDINGS:

Big c Mobiles has its existence from 2002 in the mobile industry in undivided AP. Having the Head office at Hyderabad with more than 150 stores in Ap and Telangana of 2, 00,000 satisfying customers. Started with 2 stores in Vijayawada in 2002 reached to 100th store of overall and 5th at Vijayawada by 2011 in undivided AP with more than 1500 employees and over 100 crore of turnovers. This happened because of the management and employees establish the big c as a brand in mobile industry, along with unique models and features with reasonable prices at all stores. They provided the services to customers with complete sale which means start to end or end to end sale. Suppose a customer walk in to store to buy a mobile he can go with complete pack of services (complete sale) often we get these facilities in retail stores compare to competitors like Sangeetha, Hot spot, Nokia, Samsung and Universal mobile stores in Ap.

Process:

Mobile Screen Guard pouch Sim card Memory card songs and Apps down loading. And etc.

The regular advertisements in TV and newspapers they reached almost all customers in Ap and Telangana. With the brand loyalty they set up in mobile industry they launched the own branded mobile called Celkon. The uniqueness of stores is offering sales service along with one year warranty of manufacturer with one year theft insurance. In this growth of the big c mobiles we have mention the sales executive and store managers role in very short span of time, they made the public that if anyone want to buy a new mobile the first choice or stop is Big c mobiles in Ap and Telangana. This is because of loyalty that customers have on big c and big c have on customers. The management all the time in process that how best can we provide the more features mobile to customers with lowest prices.

They maintained all the range of brands almost all in india and abroad. Like Microsoft, Samsung, Blackberry, LG, Karbonn, Micromax, Celkon, Spice, Lenovo, apple, Gionee and HTC etc. now they

change their stores with time and introduced live demo mobiles in almost 30 big stores and trained executives they are competing with big competitors of industry like Samsung, Microsoft and Blackberry.

Reasons for Repeated sale

- Regular Advertisements.
- free insurance
- assured gifts
- Exchange offers and buy one get one free.
- Store merchandising
- Free parking

FURTHER STUDY

After the introduction of E-commerce in all sectors it leads to affect the sales of retail outlets. This is more on retail sector in mobile industry. Flip kart, snap deal, eBay and Amazon introduction of the above mentioned E.shopping / online shopping sites the retail outlets are facing the problem of walk-ins/ foot prints. Affect of this the retail industry facing the low margins, high rental, increasing expenditure like employee salaries, electrical bills and etc. The Big c mobiles and retail industry as to think it of how to get out of this and how best they provide the good services to their loyal customers. Retailers want high margins with low investments and the customers want more benefits with less cost. I have to study on effects and Measures of E-commerce sites or E-sites on retail sector of mobile industry.

CONCLUSION

The retail is part of the service sector. The world has moved on from the age of customer satisfaction to the age of customer delight and organizations are remodeling their strategies around the customer and his needs with the aim of bringing him back and keeping him for life. This study can provide insights to the modern mobile retailers on how the consumer in Vijayawada perceives their satisfaction and store loyalty. An important factor which can lead to increased loyalty at the organized is customer relationship management activities like loyalty discounts, gifts, exchange offers, free parking facilities and so on. Understanding of shopper's behavior is the key to success for the retailers.

Customers visiting organized mobile stores are status and quality conscious while deciding on the store to purchase from and branding to purchase. They always look for the benefits of shopping in a store over the retail outlets in terms of self esteem, variety, comparison of brands and discounts available and also seek value for the money they spent. The effect of brand trust and satisfaction on affective and continuous commitment was taken into consideration. It suggests that mobile retailers should pay much attention to the influence of brand awareness, perceived quality and brand loyalty on purchase intention. The consumers can identify a brand name when they want to buy a new mobile. Mobile phone manufactures or sellers ought to build a brand and promote its brand awareness through sales promotion, advertising and other marketing activities brand awareness is high, and its brand loyalty will also increase.

The concept of customer service and satisfaction need to be understood. Customer service has today become a vital part of the retail industry. Creating a superior service level requires that the organization.

- Identify the key customers, listen and responds to them
- Defines superior service and establish as a service strategy.
- Sales standards and measures personal
- Recognize and reward

From the primary data collected it can be concluded that consumers are satisfied with big c mobiles in terms of their pricing, convenience, assortments, billing, sales persons service, store ambience, parking facilities and their advertisement. Consumers perceive that retail outlets provide them good opportunity to buy and motivate them to visit the stores again and again. Retail industry in India is at the cross roads but the future of the customer market is providing as the market is growing , government policies are becoming more favorable and emerging technologies are facilitating operations in India. Almost all large companies worldwide are looking to establish a base or stake in the Indian market, in this scenario the Indian retail sector itself must seize the initiate to release the dreams of contributing to a prosperous and booming economy.

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