

Study on consumer satisfaction towards reliance digital

Business



Analytical Study of Customer Satisfaction of Reliance Fresh One of the key challenges for Organizations are how they manage service quality, which holds a great importance to customer satisfaction. Therefore the role of the service quality in the success of organized retail businesses cannot be denied. It is vital for the retailer managers to have a good understanding on what exactly the customer wants. Expectations are well known to service marketers as most definitions of service quality revolve around “meeting or exceeding customer expectations”.

Customers' evaluation of the service quality that they receive is conceptualized as being influenced by their prior expectations. This section describes importance of service quality in those companies involved in organized retail, relationship b/w customer satisfaction and behavioral intention. Reliance Industries Limited is the largest private sector company in India. Reliance enjoys global leadership in its businesses, being the largest polyester yarn and fiber producer in the world and among the top five to ten producers in the world in major petrochemical products.

Major Group Companies are Reliance Industries Limited, including its subsidiaries and Reliance Industrial Infrastructure Limited.

Retail is Indian's largest industry, accounting for over ten percent of the country GDP and around eight percent of employment. Retailing in India is gradually inching its way to becoming the next boom industry. The present study was done in Aortas city of Harlan and 75 respondents are taken to analyze the customer satisfaction towards reliance fresh. In the present

study, the Interaction was made with the customers and filled the self-structured questionnaire from them.

After that, reliable information was collected and on the basis of that information data were analyzed with the help of statistical tools and techniques I. E.

Frequency and percentages. Introduction: IRISES volume 5 Issue 1 online SINS 2250- 1959 International Research Journal of Management Science & Technology [http: www. Irises. Com](http://www.Irises.Com) Page 322 Customer Satisfaction: Customer satisfaction means feeling of pleasure after using the product or service. Customer satisfaction is a critical Issue In the success of any business system, traditional or online.

To understand satisfaction we need to have a clear understanding of what is meant by customer satisfaction.

Customer satisfaction is critical for establishing long term client relationships. Relationship b/w Service quality and satisfaction is the key to measure user satisfaction. Consumer Behavior: Behavioral Intention refers to “ Instruction that people give to themselves to behave in certain way”. Repurchase intentions, word of mouth publicity, and loyalty complaining behavior are major components of behavioral Intention.

Behavioral Intentions as a positive experience would prompts satisfied consumer to revisit a store. Service Quality: Service quality is a concept that has aroused considerable interest ND measuring it.

Service quality defines as the extent to which a service meets customer needs or expectation. Service quality can be defined as the difference b/w customer expectations of service and perceived service. If the expectation is greater than performance than perceived quality is less than satisfactory and hence customer dissatisfaction occurs.

Reliance Fresh Reliance Fresh is the retail chain division of Reliance Industries of India which is headed by Musses Mambas. Reliance has entered into this segment by opening new retail stores into almost every metropolitan and regional area of India. The (Reliance Fresh) store is for everyone.

.. Prices are affordable for everyone," The first Reliance fresh store was opened in Hydrated in November 2006. Reliance Fresh outlets are in Bangor, Achaeon, New Delhi, Surgeon, Bridal, Hydrated, Jasper, Iambi, Madeira, Cochin, Triptych, Calicle, Changer, and Lithuania.

The Reliance Fresh supermarket chain is Rill's RSI 25, 000 core venture and it plans to add more stores. Reliance Fresh stocks fresh fruits and vegetables, staples, fast moving consumer goods and dairy products.

The stores are already selling over 1, 000 tones of fresh reduce daily and also 250 categories IRISES Volume 5 Issue 1 Online SINS 2250 - 1959 [http: www. IR\]most. Com](http://www.IR]most.Com) Page 323 of commodities. The company is approaching farmers directly for the procurement of produce, seeking to reduce the 40% wastage that occurs through the traditional supply chain.

Besides, the stores provide direct employment to 5 lakh young Indians and indirect job opportunities to million people, according to the company. The company also has plans to train students and housewives in customer care and quality services for part-time jobs.

The Reliance Fresh stores are convenience stores with an area of about 1000 to 4000 sq ft. In Reliance Fresh stores, the commodities are classified into various categories like Staples, Fruits and Vegetables (F n V), Dairy, Processed Foods (IF), Food and Beverages, House ware, Personal Care etc.

Few stores have an apparel section also which has a very low priced range and good quality clothes. The Reliance Group, founded by Dhirubhai H. Mambas (1932-2002), is India's largest private sector enterprise, with businesses in the energy and materials value chain.

Group's annual revenues are in excess of US\$ 66 billion. The flagship company, Reliance Industries Limited, is a Fortune Global 500 company and is the largest private sector company in India. Backward vertical integration has been the cornerstone of the evolution and growth of Reliance.

Starting with textiles in the late seventies, Reliance pursued a strategy of backward vertical integration – in polyester, fiber intermediates, plastics, petrochemicals, petroleum refining and oil and gas exploration and production – to be fully integrated along the materials and energy value chain. The Group's activities span exploration and production of oil and gas, controlled refining and marketing, petrochemicals (polyester, fiber

intermediates, plastics and chemicals), textiles, retail, infinite and special economic zones.

Reliance enjoys global leadership in its businesses, being the largest polyester yarn and fiber including its subsidiaries and Reliance Industrial Infrastructure Limited. Retail Industry: The sale of goods or commodities in small quantities directly to consumers is known as retailing. A “retailer” buys goods in large quantities from manufacturers either directly or IRISES volume 5 Issue 1 online SINS 2250- 1959 [http: www. IR\]most. Mom](http://www.IR]most.Mom) Page 324 from a wholesaler and then sales smaller quantities to the end users. Retail is Indian’s largest industry, accounting for over ten percent of the country GAP and around eight percent of employment.

Retail in India is at the crossroads. It has emerged as one of the most dynamic and fast paced industries with several players entering the market. That said, the heavy initial investments required make break even hard to achieve and many players have not tasted success to date. However, the future is promising; the market is growing, government policies are becoming more favorable and emerging technologies are calculating operations. The Indian retail industry is valued at about \$300 billion and is expected to grow to \$427 billion in 2010 and \$637 billion in 2015.

Only three percent of Indian retail is organized. Retailers of multiple brands can operate through a franchise or a cash- and-carry wholesale model.

Retailing in India is gradually inching its way to becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping. Modern

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retail has entered India as seen in sprawling shopping centers, lit-storied malls and huge complexes offer shopping, entertainment and food all under one roof.

The Indian retailing sector is at an inflexion point where the growth of organized retail and growth in the consumption by Indians is going to adopt a higher growth trajectory.

The Indian population is witnessing a significant change in its demographics. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working-women population and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector. History: 1960- 1980

The company was co-founded by Diarrhea Mambas and his cousin Champlain Adamant in asses as Reliance Commercial Corporation. In 1965, the partnership was ended and Diarrhea continued the polyester business of the firm. In 1966, Reliance Textiles Industries Pet Ltd was incorporated in Maharajah's.

It established a synthetic fabrics mill IRISES Volume 5 Issue 1 Online SINS 2250- 1959 [http: www. IR\]most. Com](http://www.IR]most.Com) Page 325 in the same year at Narrow in Gujarat. In 1975, company expanded its business into textiles, with “ Avian” becoming its major brand in later years.

The company held its Initial public offering (PIP) in 1977.

The issue as over-subscribed by seven times. In 1979, a textiles company Jodhpurs Mills was amalgamated with the company. In 1980, the company expanded its polyester yarn business by setting up a Polyester Filament Yarn Plant in Raging, Maharajah's with financial and technical collaboration with E. L. Du Pont De Monomers & Co. , USA.

In 1985, the name of the company was changed from Reliance Textiles Industries Ltd. To Reliance Industries Ltd.

During the years 1985 to 1992, the company expanded its installed capacity for producing polyester yarn by over 145, 000 tones per annum. The Hazier petrochemical plant was commissioned in 1991-92. In 1993, Reliance turned to the overseas capital markets for funds through a global depositary issue of Reliance Petroleum.

In 1996, it became the first private sector company in India to be rated by international credit rating agencies. S rated B+, stable outlook, constrained by the sovereign ceiling. Moody's retreated, Investment grade, constrained by the sovereign ceiling.

In the year 1995-96, the company entered the telecoms industry through a Joint venture with ANNEX, USA and promoted Reliance Telecoms Private Limited in India. In 1998-99, RILL introduced packaged ALP in 15 keg cylinders under the brand name Reliance Gas.

During 1998-2000, the company completed setup of integrated petrochemical complex at Jamaican in Gujarat. 2001 – 2013 In 2001,

Reliance Industries Ltd. And Reliance Petroleum Ltd. Became Indian's two

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largest companies in terms of all major financial parameters. In 2001-02, Reliance Petroleum was merged with Reliance Industries.

In 2002, Reliance announced Indian's biggest gas discovery (at the Krishna Goodyear basin) in nearly three decades and one of the largest gas discoveries in the world during 2002. The in-place volume of natural gas was in excess of 7 trillion cubic feet, equivalent to about 1.2 billion barrels of crude oil. This IRISES volume 5 Issue 1 online SINS 2250-1959 [http: www. IR\]most. Com](http://www.IR]most.Com) Page 326 was the first ever discovery by an Indian private sector company.

In 2002-03, RILL purchased a majority stake in Indian Petrochemicals Corporation Ltd. (PICK), Indian's second largest petrochemicals company, from Government of India. PICK was later merged with RILL in 2008. In the years 2005 and 2006, the company reorganized its business by demerging its investments in power generation and distribution, financial services and telecommunication services into four separate entities. In 2006, Reliance entered the organized retail market in India with the launch of its retail store format under the brand name of 'Reliance Fresh'. By the end of 2008, Reliance retail had close to 600 stores across 57 cities in India.

In 2010, Reliance entered Broadband services market with acquisition of Infinite Broadband Services Limited, which was the only successful bidder for pan-India fourth-generation (4G) spectrum auction held by Government of India. In the same year, Reliance and Abound entered a partnership in the oil and gas business. BP took 30 per cent stake in 23 oil and gas production sharing contracts that Reliance operates in India, including the KEG-DO block for \$7.

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Billion. Reliance also formed a 50: 50 Joint venture with BP for sourcing and marketing of gas in India.

Post launch, in a dramatic shift in its positioning and mainly due to the circumstances prevailing in UP, West Bengal and Arioso, it was mentioned recently in news Dailies that, Reliance Retail is moving out of stocking fruits and vegetables.

Reliance Retail has decided to minimize its exposure in the fruit and vegetable business and position Reliance Fresh as a pure play super market focusing on categories like food, FMC, home, consumer durables, IT and wellness, with food accounting for the bulk of the The company may not stock fruit and vegetables in some states, Arioso being one of them.

Though Reliance Fresh is not exiting the fruit and vegetable business altogether, it has decided not to compete with local vendors partly due to political reasons, and partly due to its inability to create a robust supply chain. This is quite different from what the firm had originally planned. When the first Reliance Fresh store opened in Hydrated last October, not only did the company said the store's main focus would be fresh produce like fruits and vegetables at a much lower price, but also spoke at length about its "farm-to-fork' theory.

The idea the company spoke about was to source from farmers IRISES
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IR]most. Com Page 327 and sell directly to the consumer removing middlemen out of the way. Reliance Fresh, Reliance Mart, Reliance Digital,
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Reliance Trends, Reliance Footprint, Reliance Wellness, Reliance Jewels, Reliance Timeout and Reliance Super are various formats that Reliance has rolled out. In addition, Reliance Retail has entered into an alliance with Apple for setting up a chain of Apple Specialty Stores branded as I Store, starting with Bangor.

REVIEW OF LITERATURE: McCollum-Kennedy & Schneider, 2006). Concluded that - Customer satisfaction begins with clear, operational definitions from both the customer and the organization. Understanding the motivations, expectations, and desires of both gives a foundation in how to best serve the customer. It may even provide information on making improvements in the nature of business. This is the heart of research into customer satisfaction (Analog & Greece, 2002).

The importance of clearly defining the key concepts and elements of satisfaction provide a template by which information can be gathered about what is, and what is not, working.

This includes both the hard measures - those that are more tangible and observable (I. E. , number of complaints, average wait time, product returns, etc) and the soft measures - those less tangible aspects (I. E. , friendliness, helpfulness, politeness, etc) (Hayes, 1998). These definitions often start with the most vague and general, and become more to the highly specified and precise examples.

The bottom line is that in order to know about customer satisfaction, one needs to know what to look for (Mitchell, 1999). The organization needs to

seek this information from both within and without. The organizational requirements of customer satisfaction are the internally based processes, components, standards, and criteria that a business strives to achieve. These are the performance goals and benchmarks set forth by the business, for the business. These are the elements of corporate culture (Hayes, 1998).

Meeting or exceeding these is often an indicator of success or failure.

At times, these indigenous components of customer satisfaction may overlap with those set forth by the customer; at others they may be divergent. Those processes, components, and standards that are deemed important by the customer are another important source of information. In order for a business to meet the needs and desires of the customer, the business must know needs and desires of the customer. This information is vital not only for successful IRISES Volume 5 Issue 1 Online SINS 2250 – 1959 [http: www.](http://www.)

IR]most. Mom Page 328 business, but also for understanding and improving customer satisfaction. This important component helps to set the standards and components of satisfaction from the perspective of the consumer (Hayes, 1998). Satisfaction dimensions are developed from the previously identified requirements. These are the specific components that make up the requirements. For example, if a customer and organizational requirement is for customer service, the satisfaction dimensions may include interactions, timeliness, and responsiveness.

These are the clusters that define the requirements (Hayes, 1998).

Gross (2002) has defined service is an activity or a series of activities of a more or less intangible nature that normally but not necessarily, takes place in the interaction b/w the customer and service employees and physical resources or goods and system of the service provider , which are provided as solutions to customer problems processes. Needs, ants, requirements and expectations are something that everyone has. Furthermore it is essential for services and products to fulfill the purpose for which they have been acquired and for life to have needs.

Customer satisfaction: “ Satisfaction is a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance in relations to his or her expectation.

Customer satisfaction is defined as a result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be satisfied. On the other hand, if the performance exceeds expectations, customer will be satisfied (Kong 2006).

Customer satisfaction is critical for establishing long term client relationships. Relationship b/w Service quality and satisfaction is the key to measure user satisfaction (Pit et.

Al. , 1995). Few scholarly studies, to date, have been undertaken to identify quality dimensions and detailed aspects of services and their relationships with customer satisfaction (Estimate et. Al. , 2002; Yang & Fandango).

Early concept of satisfaction research has typically defined satisfaction as post choice evaluative judgment concerning a specific purchase decision (Chili and Suppressant 1992; Oliver 1980).

Most researcher agree that satisfaction is an attitude or evaluation that is formed by the customer comparing their pre- purchase http: www. IR]most. Com Page 329 Objectives of the Study: 0 To find out the customer choice/preference towards various retail outlets. 0 To find out the satisfaction level of the customers of Reliance Fresh. 0 To understand the needs of different people.

0 To improve the customer relationship management of the Reliance Fresh. Research Methodology: For the research study to be accepted, the procedures for conducting it should be significantly expressed.

The whole plan should be defined effectively so that the researcher can have reasons in favor of some factors and so against some other. As there is a statistical technique for different research study, so it is highly essential that the procedures and techniques to be applied should be explained carefully, as under: It has been divided into four parts: - Procedure 0 Research Design A research design is the specification of method and procedure for acquiring the information needed. Since the present study is based on exploratory research design. Sample Design An ideally selected sample, due to the time and money constraints represents the whole universe.

Thus, a sample should never be too big as to be UN-manageable nor too small as to loose its representation. In sample design, following three

aspects are highlighted: [http://www.IR\]most.Com](http://www.IR]most.Com) Page 330 - Determination of sample unit- Determination of sample technique - Determination of sample size Sample Unit The universe of the study is all the individuals using retail outlets preferably Reliance Fresh in Aortas city and the sample size of 75 is to be taken using random sampling technique.

Sample Size Sample size refers to number of elements to be included in this study I. E.

75 respondents. Sample Technique For the present study, the techniques of convenience sampling (I. E. Non- probability sampling) is used. A due consideration should be given to the data collection so that the conclusion comes out to be accurate.

0 Methods of Data Collection: Usually, three basic methods are used to collect primary data- 1) Interview 2) Observation 3) Questionnaire Keeping in view the nature of this study, questionnaire method was found to be cost effective.

The questionnaire is structured I. E. It is presented having form question in sequence, and non-disguised. DATA ANALYSIS AND INTERPRETATION: [http://www.IR\]most.Com](http://www.IR]most.Com)

Com Page 331 Education Level of Customers Education Level Percentage of Total Customers Undergraduate 15% Graduate 31% Postgraduate 54% It was found that about 54% of the respondents were completed their higher education, 31% are at graduate level and only 15% of them are undergraduate who are currently using the services of the retail sector. Most <https://assignbuster.com/study-on-consumer-satisfaction-towards-reliance-digital/>

Preferred Retail Outlet Retail Outlets Percentage of the Total Reliance Fresh
61%

Subsidies 8% RCA Bazaar Under - graduate 15% Post- graduate 54% [http: www. IR\]most. Com](http://www.IR]most.Com) Page 332 Reliance Fresh is considered as a better retail outlet of Aortas. About 61% of the respondents like the goods & services of Reliance Fresh, 27 % other sources, only 8% prefer Subsidies and RCA preference is only 4%. However, to reach those that are unfamiliar or that have had a poor prior radio experience, education might be in order.

Frequency of Customers Coming to Education Level 1-3 Days 4-6 Days 7-9 Days More than 10 Days Undergraduate 8 2 1 Graduate 151 25 Postgraduate 6 144 17 others 27% [http: www. IR\]most. M](http://www.IR]most.M) Page 333 The frequency of graduates coming to Reliance Fresh is 1-3 days while that of postgraduates is generally more than 10 days in a month. This shows that more educated people like the organized retailing instead of unrecognized one. While Buying the Products at Reliance Fresh Customer Focus More on Education Level Quality of Products Price of Customer Service Location of Outlet Undergraduate 2 5 0 4 Graduate 11 453 Postgraduate 28 1 9 3 [http: www. IR\]most.](http://www.IR]most.)

[Com](http://www.IR]most.Com) Page 334 Postgraduate and graduate customers focus more on the quality of the products while the undergraduate respondents show mixed espouses.

They mostly look for the price of the particular product instead of quality of the product. This shows that the education plays a very important role in

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selecting the products. Customer's most Preferred Scheme at Reliance Fresh Membership Card System 42% Discounting Schemes on Purchase of a Particular Amount Free Gifts on Purchase of a Particular Amount 8% Lucky Draw Coupons on Purchase of a Particular Amount 5 10 15 20 25 Quality of product Price of product Customer service Location of the outlet Customer focus while buying the product Undergraduate Graduate Post-graduate [http: www. \]most](http://www.]most).

Com Page 335 Exactly 50% of the respondents like the discounting schemes on purchase of a particular amount. About 42% of the customers preferred the membership card system as they are lifelong customers having full faith in the outlets. Customer Satisfaction with the Nature of Employees Most of the customers are satisfied with the nature of staff members or employees. This shows that the working style of employees or their way of dealing with customers is appreciating.

Discounting Schemes on Purchase of a Particular Amount 50% Free gifts on Purchase of a Particular Amount 8% Lucky Draw Coupons on Purchase of a Particular Amount 0% Membership Card System 42% Most Preferred Scheme Satisfied 81% Unsatisfied 19% Customer Satisfaction with Nature of Employees [http: www. IR\]most](http://www. IR]most).

Com Page 336 Availability of the Product at Reliance Fresh Frequency Percentage of the Total Every time Most of the Times 62% Sometimes 27% Most of the respondents (about 62%) found the required or particular product most of the times.

This shows that the availability of product line and product mix is satisfactory. In some cases the market demand and the inventory cost of the products limit their availability. Area needed to improvement in the Home delivery service offered by the Reliance Fresh Percentage of the Total Reliability 12% Quality/Quantity of goods 19% Quality of Service 15% Time of Delivery 54% Every Time 11% Availability of Product [http: www. IR\]most. Com](http://www. IR]most. Com) Page 337 The above figure shows that most of the customers are not getting their orders in time as more than half of the respondents I.

. About 54% say that there should be an improvement in the delivery time of the orders. Another major concern that we noticed in this area is the quality or quantity of the goods delivered to the customer was not up to the mark always. Time Taken to Solve any Dispute by the Reliance Fresh Time Period Percentage of the Total 1 Day 2-3 Days 18% 4-6 Days 23% More Than 6 Days 14% Time of Delivery 54% Quality of Service 15% Quality/Quaint TTY of goods 19% Reliability Area that Need Improvement in Home Delivery Service [http: www. r\]most. Com](http://www. r]most. Com) Page 338 Though very less or negligible amount of customers faced any dispute with the Reliance Fresh and if faced then solved out as soon as possible.

The curve shows that most of the disputes are solved out on the same day I. E approve 45%, 23% of disputes took 4-6 days, 18% are solved out in 2-3 says and only 14% of the disputes took more than 10 days in order to solve out.

CONCLUSION: Based on the findings of the research detailed in the preceding pages, a few unmistakable conclusions can be drawn, they are as <https://assignbuster.com/study-on-consumer-satisfaction-towards-reliance-digital/>

follows: - 0 Reliance Fresh is the most preferred retail outlet at Aortas. 0 Higher educated individuals show more interests in the organized buying of the things. 0 Most of the customers like to buy the products directly from the outlet instead of home delivery.

0 Reliance Fresh should be opened on Sundays. 0 Customers mostly focus on the quality of goods and service. One day 45%