

A Study On Impact of Marketing Strategies on Growth of Grocery Retail Stores In The National Capital Region (NCR) –A Case Study on Reliance Fresh Stores located in East Zone (East Delhi, Noida and Ghaziabad)

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Abstract

Indian consumers are becoming more comfortable voicing their desire for better products across all industries; as a result, sellers have begun to realise that they need to make adjustments to their sales strategies in order to remain competitive. Additionally, sellers will need to maintain a focus on the ever-shifting demands of their customers as they develop new goods and services. The participants in the organised sector and especially the grocery retail sector had a good understanding of this fact. These participants are aware that a significant portion of an Indian's income was spent on groceries, and they are certain that they will look forward to improved services, better prices, and an increased level of comfort when they are making their purchases. The focus of this paper is on how different pricing tactics affect customers' happiness or satisfaction. Also, it investigates the influence that providing excellent customer care has on maintaining high levels of satisfaction among consumers, and the report finds that the ultimate impact of this gained or acquired level of customer satisfaction is a significant factor in the expansion of the many grocery retail stores located in the East Zone (East Delhi, Noida and Ghaziabad). For the aim of the study, a structured questionnaire was given to 400 respondents in the geographical area stated above at 79 Reliance Retail Grocery stores using quota sampling. This was done in order to compile data for the study.

In addition to ANOVA, descriptive statistics such as percentage analysis, the weighted average, correlation and regression analysis were utilised in order to conduct an analysis of the data and provide an interpretation of its significance. These analyses were carried out in order to provide insight into the significance of the data. The results of this investigation indicate, according to these findings, the organised The retailing industry places a considerable amount of importance on its products pricing policies as well as its customer care services in order to acquire an increasing number of satisfied customers. This has led to the expansion of more reliance retail stores in this region.

Keywords: Organized sector, Customer Satisfaction, Pricing Policies, Customer Care Services and Growth

Introduction

The ordinary man gained a better understanding of the benefits connected with the organised

retail sector as a result of the partition of the retail industry into the unorganised and organised subsectors. He learned how the organised sector filled the voids left by the unorganised sector. On the one hand, customers in the urban sector began to experience happiness in their purchases, and on the other hand, businesses operating in this sector began searching for various tactics to further enhance this delight and acquire a larger portion of the market. The duration of this race has allowed us to see certain players' development while simultaneously removing less capable competitors. The various marketing experts analysed these issues, sometimes from the perspective of buyers and sometimes from the perspective of sellers, but they all accepted the fact that growth is dependent on the quality of products and services, and that in order for sellers to win the heart of the customer, they must customise their products and services in accordance with the requirements of the customer.

For the purpose of this study various reliance retail grocery outlets were taken from the east zone (East Delhi,Noida and Ghaziabad)and details were furnished in the table1.1

Table1.1: *Details of Reliance retail Stores (Source: data furnished on company's website)*

Zone/Reliance Retail Store	East Zone (East Delhi, Noida and Ghaziabad)
Reliance Fresh	28
Reliance Signature	05
Reliance Smart	09
Reliance Smart Point	26
Reliance Smart Net	01
Reliance Smart Bazaar	10
Total	79

Literature Review

In their article "Sustainability of Modern Retail Via Comparative Analysis of Organized and Unorganised Sector," Munjal (2011) tries to figure out if modern retail is sustainable, how it is growing, and what it might be able to do in the future. In this study, both first-hand and second-hand information was used. The convenience sampling method was used to get first-hand information from 200 people. This study's results show that customers liked organised retail more than unorganised retail. This study also shows that customers' spending habits in organised retail are high because they buy in bulk, buy on impulse, or buy more than they need because of sales.

Goel, B., & Dewan, B. (2011). They noted that the level of competition in this industry is increasing, and that there are various competitors now operating in this space; nevertheless, the most promising players are those that provide quality while also paying attention to the service ambience and the availability of items. In order to get the aforementioned conclusions using SPSS, 475 out of the possible 500 questionnaires were analysed. The survey was carried out in five big centres across the state of Punjab, and respondents were individually questioned through the use of a well-structured questionnaire. Responses were filled out in accordance with the survey.

Fill (2012) says that lowering prices is a valuable strategy that is mostly used in hypermarkets and juncture displays where items or products are sold at a good discount from the market rate and it looks like the price to the consumer has gone down. A price discount is when the price goes down for a certain amount or the amount offered at the same price goes up. This increases the value and gives people an economic reason to buy. Also, it has been found that price cuts (also called "cutoff prices") have a big effect on getting new customers to try the products being sold.

Bhatnagar, S., & Verma, D. R. (2016). The retail industry has made a big difference in the productivity of consumer goods and services around the world. In India, the retail sector is the biggest of all the industries. Modern retail is an important part of the economy of every modern society. All of the big companies are getting into this business, and it is growing very quickly. The intention of this study is to understand that how the retail business in India is changing. The report talked about the reasons why the unorganised sectors changed into the organised ones.

It was published by C. Natrajan and M. V. Vanjani (2016). The growth of the organised retail sector has led to an increase in employment opportunities, better city planning, and a subsequent shift in consumers' purchasing habits. In many different ways, the world is changing, and with it come shifting tastes and fads in what people buy. The Big Bazaar in Nasik City serves as a case study for this investigation on shoppers' attitudes and behaviours regarding malls and other forms of organised retailing (Maharashtra, India). The information is collected through the use of structured questionnaires. Questionnaires are distributed at random to collect data. One hundred shoppers in Nasik were given surveys after shopping at either regulated or unregulated establishments. Consumers prefer using cards over cash and carrying huge notes as a result of demonetization, but Nasik's tiny shop owners still prefer cash transactions, which is driving customers to the larger bazaars. Big Bazaar has a loyal customer base in large part due to the quality of the support it provides following the sale of an item.

Somasekhar, G. (2018). According to the findings of the survey, consumers most frequently cited the utility of organised retail businesses as a venue to shop, followed by a location to compare different products and prices. The satisfaction of customers is substantially influenced by the qualities of the store. According to the attributes of individual stores that were observed, the factors that significantly affect customers' pleasure include the following: quality, a wide variety of products to choose from, discounts, product displays, ambiance, value for money, promotional offers, the behaviour of the staff, the method of payment, and loyalty points. The research was carried out on a total of 225 participants, and the data was gathered through the use of personal interviews.

Objectives of the Study

The purpose of this research is to determine the factors that contribute to the phenomenon of the growth of Reliance Grocery Retail stores in East Zone (East Delhi, Noida and Ghaziabad). The specific goals are as follows:

1. To identify the factors that influence customers' opinions of grocery items or products.
2. To examine the relationship between customer satisfaction and growth of Reliance Retail stores in East zone of National Capital Region (NCR).

Hypothesis formulation for the study

We focused our attention specifically on testing the following hypotheses:

H₁ : Better customer service is significantly related to customer satisfaction.

H₂ : There is a significant relationship between pricing strategy and customer satisfaction

H₃: There is a significant relationship between customer satisfaction and growth of the store

Methodology

The satisfaction of customer is as important as making strategies from manufacturing product to its promotion. While selecting the geographical area for this study as East Zone of National Capital Region(NCR) the researcher ensured the two factors which were having great impact on customer satisfaction and they were customer service provided by the store and pricing policy of the retail store.

Also the satisfaction acquired by the customer is playing any role in the growth of the store on the basis of papers studied and reviewed by the researcher .Structured questionnaire was used with likert five point scale from strongly disagree to strongly agree. Data collected from 400 respondents who are regular customers of these 79 grocery retail stores through quota sampling method and then analysed and interpreted with the help of SPSS of version 2022 and were presented through tables .

Results And Interpretation

A. Statistical Characteristics

The demographic study of the 400 respondents in Table-1.1's revealed that majority of participants were females (58%) and most of the respondents are from age group of 30 years and onwards who are visiting for purchasing grocery . The majority of poll takers or respondents (almost 78%) held bachelor's degrees or higher. In terms of occupation, 58% were considered housewives, while 16% were students. Most of the potential buyers of the sample had monthly incomes above Rs.30,000 . The results of the demographic analysis support the hypothesis that young people are increasingly vital to the success of the retail sector as a whole.

Table 1.2: Demographic Profile of the Respondents (N=400)

Demographic features	Variables	Responses Received	Percentage of Respondents
Gender	Female	232	58
	Male	168	42
	Total	400	100
Age	Below 20 years	68	17
	20-30 years	102	25.5
	30-40 years	110	27.5
	40- 50 years	70	17.5
	50-60 years	30	7.5
	60 years and above	20	5
	Total	400	100
Education	12 th	48	12
	Graduation	152	38
	Post Graduate	160	40
	Others	40	10
	Total	400	100
Occupation	Service	108	27
	College going	120	30
	Housewife	107	26.67
	Self employed/business	65	16.33
	Total	400	100
Monthly family income	Rs15,000-30,000	92	23
	Rs.30,000-45,000	115	28.75
	Rs.45,000-60,000	82	20.5
	Rs.60,000 and above	111	27.75
	Total	400	100

Source: Primary data

B. Customer Care Services and Satisfaction of Customers

When the researchers asked questions to determine the level of satisfaction that customers felt regarding the customer care services offered by the Reliance Retail Grocery stores, it became abundantly clear through the responses registered by the respondents that the vast majority of customers were satisfied by the customer care services. The tabularized results of the responses can be found in the table 1.3 for convenience.

Table1.3: *Reponses related to customer care services*

Customer Care Services	Level of Satisfaction				
	Highly Satisfied(5)	Satisfied(4)	Not Sure (3)	Dissatisfied (2)	Highly Dissatisfied (1)
Never felt any difficulty in returning defective /damaged item	272	62	16	16	34
There are all online payment alternatives with every bank and Wi-Fi remain available.	262	66	14	8	50
The free gifts/offers get automatically updated during billing and store never takes advantage of your negligence and help in making you aware about the offer	252	72	26	15	35
Easy/quick checkouts	264	56	28	22	30
Grievance resolution is swift and effective.	271	60	9	28	32

Correlations

		CS	CCS
Pearson Correlation	CS	1.000	.948
	CCS	.948	1.000
Sig. (1-tailed)	CS	.	.000
	CCS	.000	.
N	CS	400	400
	CCS	400	400

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.948 ^a	.899	.899	.25733	.899	3547.605	1	398	.000

a. Predictors: (Constant), CCS

In this model summary the value of $R=.948$ and $R^2=.899$ at $p>.05$, and shows that Customer Care Services have great impact on Customer satisfaction by 94.8 to 89.9 percent.

This regression shows that how Customer Care Services and Customer Satisfaction are complementary of each other and it increases the customer satisfaction at great instinct therefore Hypothesis 1 has been accepted

C. Pricing Strategies and Customers' Levels of Satisfaction

Researcher polled customers to gauge their contentment with the pricing tactics used by Reliance Retail Grocery outlets by raising few questions which are mentioned in the tabulated responses in table 1.4 and the results made it clear that the vast majority of customers were happy with the prices.

Table 1.4: Responses related to pricing strategies of Reliance Retail Stores

Price Strategies	Customer Satisfaction				
	Highly Agreed(5)	Agreed(4)	Not Sure (3)	Disagreed (2)	Highly Disagreed (1)
I am getting high value for money spent	243	52	25	30	50
The pricing policy of Reliance Fresh is competitive as compared to other players in retail sector.	262	42	28	32	36
Highest possible retail price	236	69	29	34	32
Price bundling (e.g. buy 1 get 1 free) is lucrative	245	53	32	38	32
Everyday low pricing can be observed	265	49	36	20	30
The stores are best at odd pricing (e.g. ` 99)	266	63	21	28	22

Descriptive Statistics

	Mean	Std. Deviation	N
CS	3.6960	.80921	400
PS	3.7000	.77359	400

Correlations

		CS	PS
Pearson Correlation	CS	1.000	.974
	PS	.974	1.000
Sig. (1-tailed)	CS	.	.000
	PS	.000	.
N	CS	400	400
	PS	400	400

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.974 ^a	.949	.949	.18297	.949	7405.911	1	398	.000	1.713

a. Predictors: (Constant), PS

b. Dependent Variable: CS

In model summary the value of $R=.974$ and $R^2=.949$ at $p>.05$, and shows that Pricing Strategies have great impact on Customer satisfaction by 97.4 to 94.9 percent. This regression shows that how pricing strategies and customer satisfaction are complementary of each other and it increases the customer satisfaction at great instinct therefore Hypothesis 2 has been accepted

D. Growth of Reliance Grocery Retail Stores and Customers' Levels of Satisfaction

Researcher in the East Zone (East Delhi, Noida, and Ghaziabad) asked questions designed to establish a connection between customer satisfaction and the expansion of Reliance Retail Grocery stores. Based on the responses they received, it is clear that satisfied customers are a major factor in the success of these stores. Table 1.5 provides a tabulated summary of the replies received.

Table1.5: Responses related to growth of Reliance Retail Stores

Growth of Reliance Grocery Retail Stores	Customer Satisfaction				
	Highly Agreed(5)	Agreed(4)	Not Sure (3)	Disagreed (2)	Highly Disagreed (1)
The number of stores increasing at satisfactory rate	273	56	28	30	13
The growth indicates customer satisfaction is highest in these retail stores	262	42	28	32	36
The growth is due to good marketing strategies of Reliance Retail Stores in this geographical area.	243	52	25	30	50

Correlations

		CS	GRW
Pearson Correlation	CS	1.000	.649
	GRW	.649	1.000
Sig. (1-tailed)	CS	.	.000
	GRW	.000	.
N	CS	400	400
	GRW	400	400

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.649 ^a	.422	.420	.61610	.422	290.321	1	398	.000	1.687

a. Predictors: (Constant), GRW

b. Dependent Variable: CS

In this model summary the value of $R=.649$ and $R^2=.422$ at $p>.05$, and shows that customer satisfaction have great impact on Growth by 64.9 to 42.2 percent. This regression shows that how customer satisfaction and Growth are complementary of each other and it increases the Growth at great instinct therefore Hypothesis 3 has been accepted

Conclusion

The three hypothesis taken for the purpose of this study were accepted.it has been found by the researcher that pricing policies and customer care services are important factors behind the growing satisfaction among customers of Reliance Retail sector and their customer retention rate is high as compared to others in the organized retail sector.in other words we can say that these factors are the difference makers in the enhanced performance of these sectors. In the last five years number of stores increased up to 79 only in east zone of NCR indicates that Reliance is committed towards customer satisfaction and that is the region that it extended the format with better services with several names like Reliance Fresh, Smart Bazaar, Signature, Smart Point etc. Also to extend the reach to its customer it also entered in online retail format with the name Jio Mart.

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