Based on the review of the extant literature and findings of the study, it has been unanimously recognized that the ever evolving and fast emerging Indian retail sector has received the global attention in the last few years and is on the verge of a big revolution after the IT sector in the Indian economy. Multinational retail leaders preferring Indian market are identifying, redefining, or evolving new retail formats. Clearly, the sector is poised to show the highest growth in the coming years, as both the present players and new entrants are gearing up to explore the market. As in the post economic liberalization era, India has seen growing size of capital markets and emergence of retail sector, there has also been observed an evolution in consumer purchasing habits. Along with changes in consumer behaviours, consumers’ preferences regarding retail services have also been changing rapidly.

Additionally, on one side the profit margins of retailers are dependent on the dynamic market structure and intense competition, and on the other, store image, store quality, customer satisfaction and subsequently store loyalty are becoming the important issues to avoid the complaining and defection behaviour of retail consumers, as the increasing population with a multitude of demands and expectations is making the retail sector much more competitive. Moreover, with the known price sensitive Indian consumers the retailers have to manage with thin margins in order to compete for the share of wallet of the retail consumer.

A long term relationship is possible if the retailer can evaluate customer satisfaction with the quality of service experienced in a retail store. This is challenging because retail is a service-oriented business and the measurement of intangible elements includes factors other than the service itself. Retailers need to create an image of store through service quality if present customers are to be pleased and new ones created. Though modern formats are able to attract customers into store for their ambience, but they are finding conversions into purchases to be lower than expected and resulting in lower profitability for retailers.

Furthermore, the retail industry growth has to face a strong competition from the millions of mom-and-pop stores, which are easily accessible and approachable and provide services like free home delivery and goods at credit, which is not possible with hypermarkets and supermarkets. But buying from Malls, Supermarkets and
Department stores like, Big Bazaar, Marks & Spencers, etc. provide a different environment where one can pick and choose from a variety of products.

**SECTION - A: SUMMARY OF FINDINGS**

Numerous studies have been undertaken in recent and distant past focusing on various aspects of retail including store decision criteria, store patronage and other similar questions from the perspective of an individual. The researchers and scholar have also emphasized in their studies on identifying potential dimensions of service quality, antecedents of shopping value, key determinants of customer satisfaction, and antecedents of customer loyalty in retail store environment for investigating how satisfied consumers are most likely to remain loyal. Studies have also covered the processes whereby consumers dissolve their relationship with the retail store, their post dissatisfaction behavior along with their complaint behavior, and their defection behavior. Based on review of relevant literature it was observed that though ample research has been undertaken on various individual aspects of the field, still their exist a need of comprehensive research that covers all these dimensions, particularly in Indian context, hence was justified to conduct the present study to provide a suitable approach to the retailers in India for their economic success.

**5.1 Customers’ Retail Store Interaction, Decision Criteria and Patronage Behavior**

Indian retail sector is growing in all the spheres of retailing either it may be consumer goods, electronic goods, shopping goods etc. Particularly, organized retailing which has become more popular in big cities in India and most of the metropolitan cities and other big cities are flooded by modern organized retail stores like Bangalore, Gurgaon, Noida and Delhi due to the increase in multinational corporations and IT sector and plenty of business opportunities which help to increase disposable income and spending capacity of the people. Besides, now a days customers prefer to shop at organized retail shops wherein they can get food, electronics, apparel, entertainment and all other things they want to shop under one roof, for the reason of saving their time, efforts and avoid expenses. Therefore creating superior customer experience seems to be one of the central objectives in the current retailing context.
Moreover, consumer behavior is characterized by the distinctiveness of individual expectations, preference for multiple options, tendency to abandon store loyalty and switch to competitor stores that provide higher perceived value. The new generation consumers are difficult to classify by conventional demographic factors and unless their thought process and store patronizing behavior are fully understood, developing retail strategies on product designs, product variants, pricing, branding, distribution channels and promotion are likely to be mislaid.

Retailer need to understand the expectations of the customer in terms of derived value and how they can deliver that desire value to customer. However, most retailers look for what they are offering and how customers can fit into retailers’ scheme of offering. Therefore each retailer needs to evaluate the enablers and deterrents in the retail store environment. This primarily involves investigating the satisfaction level of customers towards the store image in regard to the store quality and shopping value that may lead to loyalty; the perception towards service quality that shall increase the derived value for the customers and act as a means of positioning in a competitive environment to ensure favorable customer patronage, satisfaction, and retention behavior.

Consequently, the present study was conducted over the data construed from a set of 377 retail customers who had made purchases from the stores operative in Delhi and Gurgaon belonging to the domains of Shopping Malls, Supermarkets, Department Stores and Category Killers to ascertain how the customers select a retail store, what distinct features influence their patronizing behavior, how they react towards the service quality and shopping value offered by retailers for their satisfaction and loyalty, and the process whereby they dissolve their relationship with the retail stores.

5.1.1 Demographic Profile of the Respondents

Across the segments, majority of respondents irrespective of the retail formats were young and well educated. Male respondents tended to be younger than their counterparts and were higher in number for Malls, Category Killers, Discount Stores and Department Stores, since a greater proportion of the male respondents was less than 45 years of age, compared with female who were also higher in number from Hypermarkets and Supermarkets. A higher proportion of male was married and with higher annual income earning more than ₹ 10 lakhs, relative to female respondents.
The representation of male respondents was also higher on the basis of their occupation, except from those who were housewives. Finally, the gender distributions of the two populations were different, with men comprising 54.11 per cent and women 45.89 per cent.

5.2 Customers’ Retail Store Interaction, Decision Criteria and Patronage Behavior

The study analyzed a set of seven questions comprising of general aspects including retail formats visited in the last three months, main reason to visit, companion during visit, planned or unplanned shopping trip, retail format visit frequency and time spent in the retail format by the customers to know how often customers interact with the retail formats.

Further, a section focusing on attributes for selecting a retail store/format for shopping including price, product assortment, sales personnel responsiveness, location, easy parking, post transaction problem solving, store atmosphere, product promotion policy, merchandise, in-Store convenience, corporate image and store patronage behavior was analyzed to ascertain the store decision criteria for store patronage.

5.2.1 Customers’ Interaction with Different Type of Retail Formats

The study found that gender and age were more or less equally important factors in affecting store visits. Both male and female respondents below the age of 25 years and above 35 years were more associated to shopping malls whereas those who shopped more frequently at category killers were in the age group of 25-35 years. Elderly respondents were positioned almost equal in all types of retail formats but close to supermarkets, meaning that they did not have a strong preference for any specific retail format. No significant association based on gender and marital status of respondents was found with the four categories of retail format. Further, male who are self-employed preferred more visiting category killer stores as compared to salaried male respondents and surprisingly, on the contrary, salaried females were more likely to visit not only the category killers but all types of retail formats as compared to self-employed females. Interestingly, more qualified customers preferred more visiting to all types of retail stores as compared to less qualified. Surprisingly, the study found
that all customers irrespective of their gender and level of income have equal preference for visiting different type of retail formats.

Moreover, the study found that male customers and those below the age of 35 years tend to treat the retail format as a place for completing transactions, food consumption, and social gathering, while the females and those above 35 years of age were more inclined to view the retail format simply as a place where business transactions are conducted. Majority of the male customers and below the age group of 35 years prefer visiting with their friends whereas female customers and those above 45 years of age consider family as their companion. Majority of the male customers and those below the age group of 35 years reported the shopping trip unplanned whereas female customers and those above 45 years of age indicated the trip as planned one. More pointedly, retail customers belonging to different age groups were rather dissimilar as compared to respondents based on their gender with respect to whether their purchases were planned or unplanned. There were more respondents who visit stores once in a month and even once in a quarter. Respondents below the age of 35 years were spending more than two hours whereas customers above thirty five years were more who reported to spend 1-2 hours in the retail stores where they visited.

### 5.2.2 Retail Store Decision Criteria in Patronizing a Retail Store

A factor analysis was used to analyze the 46 indicator and which extracted eleven factors viz. Easy Parking; In-Store Convenience; Location; Merchandise; Post Transaction Problem Solving; Price; Product Assortment; Product Promotion Policy; Sales Personnel Responsiveness; Store Atmosphere and Corporate Image. The correlation results showed that all these store decision criteria related factors have a positive relationship with the store patronage behavior, except product promotion policy in patronizing a retail format. Further, the researcher analyzed the key attributes contributing to the store patronage. Surprisingly, those attributes related to price were not ranked among the top attributes by the customers. The respondents ranked ‘variety of products, I am looking for’ at the top, followed by ‘location from home’, ‘price marked on the products’, and ‘waiting time at billing counter’. ‘Reasonable Price’ was viewed as important attribute by the respondents but at the sixth rank. The respondents perceived ‘high reputation of retailers’, ‘extensive variety
of products’, ‘finding products in the store in least time’, ‘availability of advertised products in the store’, and ‘hassle free exchange policy’ among the top ten attributes which incline the customers toward store patronage.

5.3 Customers’ Satisfaction, Behavioral Responses and Intentions towards Retail Store Quality and Shopping Value

The study analyzed a set of three questions comprising of potential dimensions of retail store quality including service quality, product quality, range quality and customer sacrifice, and antecedents of shopping value including utilitarian value and hedonic value. Further, a section focusing on attributes of retail customers’ satisfaction, behavioral response and intentions including satisfaction, word-of-mouth communication, intention to switch and loyalty was analyzed. The objective of the study was to find the effect of store quality and shopping value on customers’ satisfaction, behavioral response and intentions.

5.3.1 Customers’ Satisfaction, Behavioral Response and Intentions towards Dimensions of Store Quality

A factor analysis was used to analyze the 18 indicator of store quality and which extracted four factors viz. Service Quality; Product Quality; Range Quality; and Customer Sacrifice. Again, factor analysis was used to analyze the 14 indicator of customers’ satisfaction, behavioral response and intentions and which extracted four factors viz. satisfaction; word-of-mouth communication; intention to switch; and loyalty.

Multiple regression analysis with forward selection was employed to predict customers' satisfaction, behavioral response and intention from the four dimensions of the retail store quality. The study found that the three types of quality and the perceived willingness to sacrifice are excellent predictors of customers’ behavioral response and intentions. A comparison between customers’ behavioral response and intentions revealed some interesting differences. All four independent variables were significant for customers’ behavioral responses while only product quality and sacrifice were significant for customers’ behavioral intentions; range quality and service quality were not good predictors of behavioral intentions for retail customers. This makes intuitive sense since range quality (product variety and in-stock
availability) is largely a given for most retail customers; they assume products will be available unless the store makes an error, and if products are out of stock they simply choose the most agreeable alternative available. For service quality, retail customers are enough trained not to have much interaction with sales personnel, so they do not expect it. In contrast, retail customers place much higher emphasis on product quality (coefficient of product quality was higher in all cases of behavioral responses and interactions).

5.3.2 Customers’ Satisfaction, Behavioral Response and Intentions towards Antecedents of Shopping Value

The respondents reported the degree to which the two antecedents of shopping value (‘utilitarian value’ and ‘hedonic value’) influenced their level of satisfaction and intention to revisit the retail store.

As per the analysis of utilitarian shopping value to the retail customers, ‘pragmatic and economical shopping’ were found to be the most important reason for customers’ visit to a particular retail store, followed by ‘good quality products’, ‘variety of products’, ‘reasonable price’ and the ‘convenience’ which added to the motives of visiting a particular store. The Chi-square ($\chi^2$) test was also applied but the $\chi^2$ result revealed significant relationship between the retail customers and utilitarian shopping value, except the ‘quick shopping’ at a store.

As per the analysis of hedonic shopping value to the retail customers, ‘joyful shopping experience’ was found to be the most important reason for customers’ visit to a particular retail store, followed by ‘to shop at the better place’, ‘pleasant store environment’, ‘having good feeling’ by purchasing from a store and the ‘feeling of excitement in searching products.’ added to the motives of visiting a particular store. The Chi-square ($\chi^2$) test was also applied and the results indicated significant relationship between the retail customers and for all the five aspects of hedonic value.

Multiple regression analysis with forward selection was employed to predict customers’ satisfaction, behavioral response and intentions from the two antecedents of the shopping value (‘utilitarian value’ and ‘hedonic value’). The study found that the utilitarian value and hedonic value are excellent predictors of customers’ satisfaction, behavioral response and intentions. A comparison between customers’
satisfaction, behavioral response and intentions and shopping value revealed some interesting differences. All two independent variables were significant for customers’ satisfaction, behavioral response (word of mouth communication) and loyalty while only utilitarian value was significant for customers’ intentions to switch; hedonic value was not good predictor of retail customers’ intentions to switch. This makes intuitive sense since hedonic value (pleasant and joyful shopping) is largely given by most retail stores; they assume hedonic value will be given by all retailers. In addition, coefficient sign was negative for the relationship of ‘utilitarian value’ and ‘hedonic value’ with customers’ intention to switch. Reason being, as the shopping value increases for the customers, their intention to switch to other store decreases.

5.4 Inter-relationships among Perceived Store Image, Store Attitude, Value, Satisfaction, Behavioral Responses and Intentions of Retail Customers

The study analyzed a set of three questions comprising of (i) attitude towards retail store, (ii) customer value including symbolic value, financial value and overall value, and a section focusing on (iii) attributes of store image was analyzed to find interrelationships of store attitude, perceived customer value and store image related variables with customers’ satisfaction, behavioral response (word-of-mouth communication) and intentions (intention to switch and loyalty).

5.4.1 Effects of store image on customers’ satisfaction, behavioral responses and intentions

A factor analysis was used to analyze the 61 indicator of store image and which extracted fourteen factors viz. merchandize, service, shopping atmosphere, pricing, product innovation, sales personnel competence, reliability, physical evidence, convenience, location, after sales service, crowding, product availability, and peripheral services as attributes of store image were analyzed to find interrelationships of store attitude, perceived customer value and store image related variables with customers’ satisfaction, behavioral response (word-of-mouth communication) and intentions (intention to switch and loyalty).
5.4.1.1 Customers’ Attitude toward Retail Store

To observe the attitude of the retail customers based on the image they have perceived of the retail store they visit, three statements were presented to the respondents. The $\chi^2$ test analyzed that there was significant influence of the store image on customer’s attitude.

5.4.1.2 Perceived Customer Value

To observe the customer value, which the retail customers perceived based on the image of the retail store they visit, three factors: symbolic value, financial value and the overall value were presented to the respondents. The $\chi^2$ test analyzed that there was significant influence of the store image on customer’s perceived value.

On performing the inter-correlations among customers’ attitude, value, satisfaction, behavioral responses and intentions, and all the fourteen facets of retail store image, it was found that all the dependent variables were significantly correlated, except ‘customer value’ with ‘pricing’, ‘crowding’ and ‘product availability’; ‘word-of-mouth communication’ with ‘loyalty’, ‘pricing’, ‘physical evidence’, ‘location’, ‘after sales service’, ‘crowding’, ‘product availability’ and ‘peripheral services’; ‘intention to switch’ with ‘service’, ‘shopping atmosphere’, ‘pricing’, ‘product innovation’, ‘physical evidence’, ‘convenience’, ‘after sales service’, ‘product availability’ and ‘peripheral services’; and ‘loyalty’ with ‘pricing’, ‘product innovation’, ‘reliability’, ‘crowding’, ‘product availability’ and ‘peripheral services’. Moreover, all the independent variables are negatively correlated with ‘intention to switch’.

Multiple regression analysis with forward selection was employed to predict customers’ satisfaction, behavioral response and intentions from the customers’ overall store attitude, perceived customer value and the fourteen dimensions of the retail store image. The study found that ‘store attitude’, ‘customer value’ and ‘store image’ are excellent predictors of customers’ behavioral response and intentions. A comparison between customers’ behavioral response and intentions revealed some interesting differences. Out of the three independent variables, store attitude and customer value were significant for customers’ satisfaction, behavioral response and intentions while only shopping atmosphere, pricing, product innovation, sales personnel competence, reliability, physical evidence, convenience and after sales service contributed to the satisfaction of retail customers whereas merchandize,
service, location, crowding, product availability and peripheral services were not the significant attributes for the respondents in terms of their satisfaction. This makes intuitive sense since merchandize, its availability and peripheral services provided by retailers are general aspects and largely a given for most retail customers; they also assume location and crowding is beyond the control of retailers for all the customers.

About customers’ word of mouth communication only service, shopping atmosphere, pricing, sales personnel competence, reliability, physical evidence, convenience and after sales service were prominent to motivate them for this intention. Otherwise, merchandize, product innovation, location, crowding, product availability and peripheral services were again general aspects and largely a given for most retail customers and is also assumed that location and crowding is beyond the control of retailers for all the customers.

In regard to retail customers’ intention service, shopping atmosphere, product innovation, sales personnel competence, reliability, physical evidence, location and peripheral services were not found significantly influencing components for switching to other stores. In contrast, retail customers placed much higher emphasis on merchandize, pricing and convenience which must be taken care by the retailers in their marketing plans. As regards to loyalty intention of the retail customers, service, shopping atmosphere, pricing, product innovation, sales personnel competence, reliability, physical evidence, crowding, product availability and peripheral services were not the influencing attributes whereas merchandize, convenience, location and after sales service are significantly important factors to make a customer loyal to the store. This makes intuitive sense that the customer places emphasis on availability of the product which he/she needs at the nearest location from his home or office from where merchandize can be purchased conveniently and then the post purchase service if needed be provided to him/her resulting into the intention of his revisit to the store.

Again, multiple linear regression analysis with forward selection was employed to predict customers' behavioral response and intentions from the customers' satisfaction. The study found that the customer satisfaction is excellent predictors of customers’ behavioral response and intentions. This makes intuitive sense as the customer satisfaction with the store image is increasing, he/she is going to make more word of mouth communication and intention to switching other store will decrease whereas
possibility of loyalty of the customers to purchase from a retail store will also increase.

5.5 Effects of Retail Customers’ Post Dissatisfaction Behavior on Complaining Response and Defection

In the last section of the study, researcher identified 89 (out of 377) respondents who indicated their level of dissatisfaction above the average and were categorized in two main groups based on their gender (male and female), age (young-middle aged and elderly), marital status (single and married), Education (UG or below and PG or above) and income (low-middle income and high income). It was noted that the ratio of post dissatisfied male and married respondents was higher as compared to their counterparts. Majority of the dissatisfied respondents were belonging to young-middle aged group. There were more respondents holding PG or above degree who were not satisfied after making a purchase.

The study analyzed a set of seventeen items for finding the relationship between ‘post dissatisfaction behavior’, ‘complaining response’, and ‘defection behavior’ of the retail customers and the moderation effects of respondents’ demographics on the relationship between dissatisfied complaint actions and defection behavior. Factor analysis was used to analyze the 17 items/statements which extracted four factors viz. post dissatisfaction behavior, private complaints, public complaints, and defection behavior, accompanied by inter-factor correlation analysis to find the relationships. Five multiple regression with forward selection were applied on the ‘complaining facets’ to find moderation effects of ‘gender’, ‘age’, ‘marital status’, ‘education’, and ‘income’ on ‘defection behavior’ of the post dissatisfied respondents.

The results for the correlations among the factors showed that all the variables have a positive relationship to each other whereas post dissatisfaction has the strongest association with the defection behavior.

Multiple regression analysis with forward selection was employed to predict customers’ complaining response and defection behavior from the two complaining facets. Both the public complaint and private complaint were found significantly associated with defection. It was also observed that private complaint was more strongly associated with defection than public complaint. This indicates that the post
dissatisfied retail customer is more likely to defect without a word to the retailer instead he/she will prefer to complain to friends and family. Although some may complain before they leave, however, the likelihood of leaving without complaining is higher. As observed from the result, private complaint action (i.e. no complaint to the retailer) revealed defection better than public complaint.

5.5.1 Moderation Effects of Gender, Age, Marital Status, Education and Income on Defection

The study found that complaining action had significant effect on defection behavior of the dissatisfied retail customers based on their educational qualification and income level. However, gender, age and marital status of the dissatisfied retail customers did not moderate the relationship between complaint action and defection behavior.

SECTION B: CONCLUSIONS AND RECOMMENDATIONS

5.6 Customers’ Retail Store Interaction, Decision Criteria and Patronage Behavior

The market for each type of retail formats narrows as the retail environment continues to expand. In this market environment, retailers must have an accurate analysis of their consumer market i.e. how often customers interact to these different type of retail formats. Demographic determinants are an important criteria in the first stage of structuring consumer markets. The analysis (two-way analysis) revealed important insights into the demographic segments of each retail format based upon gender and age, marital status, income, education and occupation of consumers as well the retail format segments. The study concludes that gender and age, gender and occupation, and gender and education are more or less equally important factors whereas gender and marital status, and gender and income were not found important factors in affecting store visits.

The study also concludes that retail customers share many behavioral patterns. First, their visits to the stores were primarily driven by purchase needs, either window shopping or making actual purchases followed by eating. Second, more people prefer to visit these stores along with their friends or family; this result contributes to that being accompanied by others (Companion), shoppers more likely to buy food and less likely to buy non-food products. Third, considerably bigger proportion of consumers
visit to these stores in an unplanned way, their length of stay in the store is more, but visit frequency is low. However, many consumers who came with the intent to look and browse actually made purchases by the end of their trip; this result contributes to a bigger proportion of respondents spending more time make unplanned purchases during their shopping trips.

Moreover, retail attributes that assist in identifying market positions of retail formats should be used to further evaluate the market needs. In selecting a place to shop, respondents stress more importance of the product that customer wants, location, price marked on the products, minimum waiting time at billing counter, reasonable price, high reputation of retailers, extensive variety of products, easy finding of products in the store in least time, availability of advertised products in the store, and hassle free exchange policy. Thus, it seems reasonable to infer that consumers place greater value on the utilitarian benefits of a shopping trip and tend to make the shopping trip center on purchase.

Based on the conclusions, the study recommends that the retail formats should focus on maintaining a comfortable and pleasant shopping environment and emphasize the overall “value” of the shopping experience (i.e., good assortment, in-store convenience, reasonable price, sales personnel responsiveness, corporate image and easy parking), thus reducing the risk of being identified with high prices. Focusing on these other valuable attributes could minimize the consumer’s negative perception of higher prices because the overall experience feels “worth it”. Category killers should differentiate themselves from shopping malls through assortment and price, and from supermarkets department stores through creating more enjoyable shopping experiences. Supermarkets should maintain their low price offerings while improving the overall convenience of the shopping experience. Convenience could be improved in parking, store services and easy-to-follow layouts. Department stores could differentiate themselves from supermarkets by capitalizing upon frequent product turnover of the limited assortment of merchandise to create a sense of shopping excitement. Additionally, they could also differentiate themselves by focusing on specific product categories within the store.
5.7 Customers’ Satisfaction, Behavioral Response and Intentions towards Retail Store Quality and Shopping Value

The data from this study concludes two primary things. First, purchasing allows retailer to change the strategic focus of their operations in a way that is supportable through store service quality and allows retailers to develop higher levels of customer loyalty. This is important in that it supports the idea of equi-finality – that there is more than one strategic approach within an industry that is capable of capturing and retaining customers (Porter, 1980). This is particularly important in the retail industry, where relentless competition and a few leading players control large portions of the market, and smaller retailers are seeking ways to differentiate themselves. Second, the regression results provide insight into the service quality areas that retailers must improve on. Based on the findings in this study, there is a strong need for further research in several areas.

Based on the results of the current study, retailers that find a way to improve both the product and range quality while maintaining service quality have the potential to substantially increase customer retention and profitability. A second major area for further research involves more direct study of the picking, assembly and delivery methods of retailers. When picking orders from an existing store, retailers are adding to their cost since all products must first be put on shelves in the store, then picked for customers and delivered to their homes.

The study recommends that there is substantial promise for home-delivered products to provide an alternative strategy for retailers that cannot compete on price alone. The challenge of meeting the desires of customers who seek more convenience should drive this industry to grow and as it tries alternative operating approaches there is an excellent opportunity to learn and compare methods to provide more customer satisfaction to gain economic success.

Further, by showing the impact of the hedonic and utilitarian values on satisfaction, behavioral response and intentions, the results of the study corroborate those of other researchers. In all type of retail formats, the hedonic value plays a key role in the satisfaction to loyalty process. It explains behavioral responses and intentions better than a utilitarian value does. The retail store must not have only a logistical role, it must provide an intrinsic value. Moreover, the study concludes that, among all the
retailer’s characteristics, besides pragmatic and economical shopping of quality products, the product availability has also an impact on the utilitarian value: the more easily available the products, the higher the store’s utilitarian value and the greater customer satisfaction. As regards the hedonic value, the study concludes that that variable can be accounted for by joyful shopping experience, purchase from a better place, good feeling and excitement during the purchase. These variables are the fundamental elements that make consumers consider a store to be pleasant.

Intuitively, it would seem logical to think that the utilitarian value is influenced by product availability and the hedonic value by the other characteristics the study pointed to. These findings are not surprising. However, that had never been demonstrated empirically until now. The study also concludes that the retailer’s characteristics have an impact on value, which, in its turn, has an impact on satisfaction. The results show what variables are to be privileged if one wishes to give the retail store its utilitarian and/or hedonic value. In the first case, the stress has to be put on economy, quality and availability of product. This means that when a retailer, considering her/his product range, wants to confer a utilitarian value to the shopping behavior all she/he has to do is to make sure that her/his quality products are easily available and within pragmatic and economical way. The hedonic value is determined by a combination of several variables: joyful shopping experience, purchase from a better place, good feeling and excitement during the purchase. Customer satisfaction will thus be indirectly improved. By handling these variables, the retailer will manage to enhance the hedonic value the consumer attributes to shopping. According to the positioning chosen, a firm will give more emphasis either to the hedonic value or to the utilitarian value, and therefore will act on the most relevant characteristics of the retail store that the present study underlined.

The increased competition in the organized retail sector in India is conferring greater importance to the customer loyalty as a way to obtain competitive advantage. It is obvious that customers will be exposed to overtures from competing retailers which may result in some deciding to shift their allegiance to the competition. In that context, it is imperative for retailers to appreciate the strong linkages between store quality, shopping value, customer satisfaction and loyalty. The stores which initiate appropriate measures to improve customer satisfaction will be in a better position to face successfully the new reality which will take shape in the near future. It would be
interesting to find how different positioning in the customer’s mind affects their store attributes evaluation and satisfaction.

5.8 Inter-relationships among Perceived Store Image, Store Attitude, Value, Satisfaction, Behavioral Responses and Intentions of Retail Customers

This part of the study was to consolidate previous research on retail store images, to introduce a new store image factor, to review the concepts of customer satisfaction, behavioral response and intentions, and to investigate the interrelationships among retail store images, the overall store attitude and satisfaction and loyalty in the context of the retail environment.

The results of the study are concluded into several points. First, customers’ attitude, value, satisfaction, behavioral response and intentions are significantly associated to the fourteen facets of retail store image, except customer value with pricing, crowding and product availability; word-of-mouth communication with loyalty, pricing, physical evidence, location, after sales service, crowding, product availability and peripheral services; intention to switch with service, shopping atmosphere, pricing, product innovation, physical evidence, convenience, after sales service, product availability and peripheral services; and loyalty with pricing, product innovation, reliability, crowding, product availability and peripheral services. Second, ‘store attitude’, ‘customer value’ and ‘store image’ are excellent predictors of customers’ behavioral response and intentions. Moreover, the overall attitude towards a retail store has a strong influence on satisfaction and loyalty and its impact is much stronger on loyalty than on satisfaction. It means that attitude is an important factor in predicting loyalty behavior of the customers. Third, customer satisfaction is excellent predictors of customers’ behavioral response and intentions. Fourth, forming the attitude towards a retail store is more closely related to in-store services: atmosphere, employee service, after sale service and merchandising. Fifth, store satisfaction is formed through ambient factors: store atmosphere and value. Sixth, store loyalty is directly affected most significantly by location, followed by merchandising and after sales service. Seventh, the overall attitude is the strongest factor affecting store loyalty. Eighth, satisfaction is related to customers’ perceived value. This is true at least in this retail environment in which many different retailers are newly entering
the market. It implies that customers need to accumulate experiences on various stores to express their satisfaction clearly.

These conclusions provide several important insights in managing retail stores in India. It is first suggested that store images related to non-physical characteristics have to be formed favorably in order to promote a positive attitude towards a retail store. In other words, to form positive and favorable attitude towards a discount retail store, it is needed to improve store atmosphere, after sale and employee services and diverse merchandises. Atmosphere will be promoted through remodeling layout to make customers move easily around the store and to find products conveniently and to make shelves not too high. In-store services will be enhanced through the placement of knowledgeable, kind employees within the store and implementing appropriate refunding and exchange programs. Diverse merchandising will widen customers’ choice alternatives.

Second, it is said that the level of satisfaction is promoted through increased in-store atmosphere and value for money customers are paying. It is advised to implement policies to improve store atmosphere by creating layout which makes customers easy to move around and to find products, and by making shelves not too high, and by increasing perceived value of products and services through providing coupons, special promotions and appropriate prices for products and services.

Third, it is also implied that increased satisfaction also comes from increased level of the overall attitude towards a discount retail store. That is, when favorable attitude towards a retail store is formed in the minds of consumers, the level of satisfaction felt by customers is increased. This is even true for customers who lack their knowledge on various facilities and services of a specific retail store. These customers will decide their level of satisfaction based on the overall evaluation of the store, i.e. the attitude towards a retail store.

Fourth, it is also suggested that location is the most important in predicting behavioral measure, customers’ committed repeat visiting behavior. This suggests that, before establishing a retail store, the most important consideration would be the location on which the store is built. If this condition does not meet, well-managed store images and satisfaction will be of no use.
All of these arguments imply that different strategies are to be implemented with different objectives. When a manager, for instance, is obsessed with long term strategies of promoting customers’ favorable attitude, he/she has to attend more to non-physical attributes: its environment and services. If he/she cares more about customer satisfaction, he/she has to pay more attention to atmosphere and value for money. Even if the manager is more worried about a behavioral response, i.e. word of mouth communication or loyalty intention, his or her immediate focus would be to establish a store at a strategically convenient location and then providing superior after sales and merchandising services. And then he/she will give attention to forming favorable attitude towards the store.

5.9 Effects of Retail Customers’ Post Dissatisfaction Behavior on Complaining Response and Defection

Based on the finding, in the last section of the study, it is concluded that there is a relationship between complaint and defection behavior of dissatisfied retail customers. Dissatisfied customers may defect irrespective of whether they complained publicly or privately. Whether they voiced the problems directly to the store manager or choose a more private path (i.e. to complain to family or friends), they may defect if the source of dissatisfaction is not resolved. The study also concludes that the influence of private complaint on the defection is much stronger than public complaint. In other words, the likelihood of customers complaining privately rather than publicly before defecting is higher. This result was not moderated by the gender, age and sex of the customer instead it is a generic view of customers of retail stores under study. Irrespective of their gender, age and sex type, they are generally less likely to complain before defection. Moreover, higher level of education (PG or above) moderates the public and private complaint defection relationship but not the public or private complaint-defection relationship by lower level of education (UG or below). Also, lower income level moderates the private complaint defection relationship but not the public complaint-defection relationship. The lower income customers are more likely to defect without complaint than the higher income customers.

In view of the conclusions, the study recommends the following. Firstly, managers should understand that zero complaint is not a good measure of customer satisfaction.
because dissatisfied customers might not complaint directly to them. The dissatisfied customers might choose to complaint to friends and family only. Thus, management may not know that customers were dissatisfied until they defect from the retail store, at which point it is too late to do anything.

Secondly, the managers should recognize the seriousness of negative word-of-mouth on the store’s reputation. The result showed that customers are more likely to complaint privately to friends and relatives. In this case, other customers could be influenced and they too may develop a negative perception of the store’s services. In the long run, the image of retail store is ruin. In order to solve this problem, the manager must encourage customers to complain directly. Ensuring that availability of dissatisfaction communication channel is important, but more important is to encourage customers to make full use of it. Managers should also ensure that the customers are aware of this channel and willing to use it. Managers must also give the impression that complaints are viewed positively (by the retail store) as a chance for them to improve. This impression is important among customers who may erroneously view direct complaints to the store as an act of confrontation. Managers and other employees should show clear appreciation for customers who choose to complain, and even reward those customers who stay on and assist the store to resolve any service shortfall. Manager should also not wait for complaints to drive service improvements. Such a reactive stance lacks the capacity to check defection; instead proactive steps should be taken which includes constant improvement on quality even when there is no complaint. Since the cost of serving a loyal customer is five to six time less than the cost of attracting and serving one new customer, every concerted effort within the retail store should be made to minimize if not eliminate defection.

Now, since some dissatisfied customers may not complain to the store, instead they patronize another retail store, managers that recognize this fact must make concerted, capable and collective efforts for the retail store to deliver value to customers. The revelation that a private complaint has stronger influence on defection than a public complaint must be taken seriously and addressed competently because such a scenario is very dangerous for the service provider. Since private complaint is a form of negative word-of-mouth, it will not only have an unfavorable impact on the customer’s perception of the store, but also on that of others such as family and friends. In the long run, private complaints might bring disaster on the retail store.
5.10 Future Research Avenues

The market is growing at very fast pace for the last decade. In the highly price sensitive market, reduction of prices because of lower duties and taxes and progressive indigenization, and rising middle class incomes are likely to further increase retail industry growth rate. Penetration in rural and semi urban areas is extremely low and could provide fresh markets. New entrants will have to deal with uncertainty of demand; different and evolving customer needs; a relatively poor supplier base; a market crowded with competition; and industry wide capacity shortages. The researcher suggest that further study can be conducted to find out if there is a shakeout as many analysts expect and whether further opportunities for survivors will open up or not.

Moreover, a possible direction for future research is to conduct a similar study in other metropolitan cities in India or other countries nearby with increase in sample size among all the retail formats which have been taken in the present study. Also, research on comparison of store quality assessment between organized and unorganized retail sector can be proven a useful implication for retail managers. Some suggestions for future research might include studies to identify clusters of consumers based on demographic variables and evaluate whether image attributes have the same pattern of influence on satisfaction in different segments when applied the same methodology in other retail environments such as food courts and restaurants. Further research on the influence of culture on service quality and shopping value expectation can prove to be interesting.