



Analyzing the Impact of Service Delivery, Pricing, and Facilities on Customer Satisfaction at Big Mart: A Descriptive and Causal-Comparative Study

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Abstract

This study investigates customer satisfaction at Big Mart, focusing on service delivery, pricing, and facilities. Utilizing a descriptive and causal-comparative research design, data was collected from 125 customers in the Baluwatar area, employing a questionnaire and convenient sampling technique. The research explores the relationship between service delivery, pricing, facilities, and customer satisfaction. Descriptive statistics reveal average satisfaction with service delivery and pricing, but notable dissatisfaction with facilities. Correlation analysis indicates significant positive correlations between service delivery and pricing, while other facilities negatively affect satisfaction. Regression analysis shows that 28.6 percent of the variance in customer satisfaction is explained by the model, with price positively impacting satisfaction and other facilities having a significant negative effect. The findings suggest that enhancing facility quality and maintaining competitive pricing are crucial for improving overall customer satisfaction at Big Mart.

Keywords: Big Mart, Customer, satisfaction, facilities, price

Introduction

In Nepal's rapidly evolving retail landscape, supermarket chains have become pivotal in reshaping the traditional shopping experience. Among these, Big Mart stands out as a key player, adapting to the shifting consumer preferences in urban areas. Established in 2009, Big Mart has expanded to become one of the largest supermarket chains in Nepal, with numerous outlets across major cities. This growth mirrors the country's economic transformation, marked by the rise of an urban middle class and the increasing demand for organized retail.

As Nepal transitions from a predominantly agrarian economy to one characterized by urbanization and modern retail practices, the retail sector faces both challenges and opportunities. Traditional shopping habits, defined by frequent visits to local markets and small neighborhood stores, are gradually giving way to modern retail formats. However, this shift is uneven across different segments of society, influenced by factors such as income levels, education, and urbanization. Big Mart has successfully carved a niche for itself by offering a wide range of products and a convenient shopping experience. However, in a market that is becoming increasingly saturated with both local and international competitors, maintaining a competitive edge requires ongoing assessment and enhancement of customer satisfaction.

Customer satisfaction is a critical metric for the success and sustainability of retail businesses like Big Mart. It directly influences customer loyalty, repeat purchases, and positive word-of-mouth marketing. In the context of retail, customer satisfaction encompasses various factors including product quality, variety, pricing, store ambiance, customer service, and convenience. Understanding how these elements relate to Big Mart's operations in Nepal can provide valuable insights into the company's performance and highlight areas for potential improvement.

Given this context, the objectives of this study are as follows:

1. To assess customers' perceptions of service quality, pricing, facilities, and overall satisfaction at Big Mart.
2. To examine the relationship between service quality, pricing, and facilities, and their collective impact on customer satisfaction at Big Mart.

By addressing these objectives, the study seeks to contribute to a deeper understanding of customer satisfaction in Nepal's retail sector and provide actionable insights for Big Mart to enhance its competitive positioning.

Literature Review

Customers are, without a doubt, the driving force behind every company. Therefore, satisfying the client is crucial to any organization. To achieve this, businesses must provide high-quality products at fair prices. When customers are pleased with both the products and the services, their satisfaction can reach exceptional levels (Katherine & Peter, 2016).

Maintaining and growing a customer base depends on enhancing business performance. Business success is largely dependent on customer pleasure. It's critical to comprehend and

satisfy expectations of clients. Fair pricing, excellent service, and high-quality goods attract happy clients who are more inclined to stick with the company and refer others to it (Kabu & Maharjan, 2017; Sotirios, Zahid, Mubarak, & Shafiq, 2022)

Customer satisfaction refers to the feeling of pleasure or disappointment that arises when a customer compares the actual performance of a product with their expected performance (Lestari, Suyanto, Julia, & Mursida, 2021). The key indicators of customer satisfaction are as follows: if the product's performance falls short of expectations, customers are dissatisfied; if it meets expectations, customers are satisfied; and if it exceeds expectations, customers are highly satisfied or delighted.

Customer Satisfaction is an attitude that is decided based on the experience obtained. Satisfaction is an assessment of the characteristics or privileges of a product or service, or the product itself, that provides a level of consumer pleasure with regard to meeting consumer consumption needs (Badarou, 2021).

Dimensions or indicators of Customer Satisfaction can be created through quality, service, and value. The key to generating customer loyalty is to provide high customer value.

Customer Satisfaction is the customer's response to the evaluation of perception of differences in initial expectations before purchase (or other performance standards) and the actual performance of the product as perceived after wearing or consuming the product in question (Wibowo, 2022).

Gomathi, et.al (2013) examined a study on customer satisfaction with departmental stores in Erode City. A structured questionnaire was used in the survey. A total of 500 consumers of departmental stores were personally surveyed. A simple random sampling procedure was used for selecting the respondents. The authors revealed that the customers are satisfied with the contributors made by departmental stores and they are interested in recommending it to other perspective customers.

Paramasivam (2014) investigated a study on customer satisfaction, and purchase patterns towards Nilgiri's supermarket in Coimbatore City. The purposive sampling method was used for selecting customers and the sample size was 60. The different tools used for analysis of results were Percentage analysis, Scaling analysis and Chi-Square analysis. The main factors taken into consideration for data analysis were value, availability, and arrangement, of the products in Niligiri's store and ambient level of satisfaction towards the supermarket. The authors found out in conclusion that Nilgiri's supermarket customers were highly satisfied with the quality (56.67%) followed by the service (26.66%).

Nadene et.al (2017) examined customer satisfaction with customer service quality in supermarkets in a third-world context. The data were collected in two phases with the

involvement of 386 participants. For the enhancement of validity of data, the research approach followed here is exploratory and descriptive in nature and integrates a qualitative technique (focus group discussions) with a predominantly quantitative approach (survey, implementing a structured questionnaire). The authors revealed that there is a significant difference in the participant's satisfaction with different supermarkets.

Shashikala et. al (2015) examined a study on comparative analysis of consumer perception towards supermarkets and provision stores in Bangalore. The questionnaire method was used for the survey made among 100 respondents. The analysis was made about the consumer perception of supermarkets and provision stores. The authors concluded in the end with the results that no doubt consumers have a better perception of supermarket as compared to provision stores except for the price.

Yadav et. al (2015) have configured the consumer preference towards stores for food and grocery in the evolving retail market. For the analyzing of data multiple statistical techniques were used to analyze the data which were gathered through a structured questionnaire. The market of Indore was the place for this study. Finally, the authors concluded that the customers perceived to be more satisfied with organized retail stores compared with conventional Kirana stores in relation to price and benefits in shopping.

Kumar, (2016) has examined store quality, customer's satisfaction and loyalty in India. Primary data using structured questionnaires were collected from the 600 respondents from sixty retail formats. The systematic stratified sampling was used for the data collection. Multiple regression analysis was conducted to analyze the data. The results from the multiple regression model showed that all four dimensions of store quality in the study were identified strong predictor of customer satisfaction and word-of-mouth communication, while only product quality and customer sacrifice are significant for customers' behavioral intentions. The author concluded that among four dimensions of store quality, product quality was the strongest predictor and significant for all dependent variables.

Nguyen et. al (2016) have evaluated factors influencing customer satisfaction towards supermarkets in Thai Nguyen City, Vietnam. Here, Regression Analysis was used for the identification of the impact of these factors on customer satisfaction. A total of 200 responses out of 4 selected supermarkets in Thai Nguyen City were surveyed in this study. The author's findings showed that product, price, personal interaction, convenience, services and physical appearances positively impacted customer satisfaction.

Customer satisfaction is crucial for the success and growth of retail businesses, as it influences customer loyalty, repeat purchases, and positive word-of-mouth (Kabu & Maharjan, 2017; Sotirios et al., 2022). In Nepal's rapidly evolving retail sector, particularly in leading supermarket chains like Big Mart, there is a need to understand how factors such as service quality, pricing, and product offerings impact customer satisfaction. Despite existing studies

on customer satisfaction in various regions, there is limited research focused on the Nepalese retail context.

Given the competitive nature of Nepal's retail market, understanding these dynamics is essential for businesses like Big Mart to enhance customer satisfaction and maintain a competitive edge. This study aims to fill this gap by investigating the key determinants of customer satisfaction at Big Mart, offering insights that can help the company improve its service quality, pricing strategies, and product offerings to better meet customer expectations.

Research Methods

A descriptive and causal comparative research design has been adopted. This study was conducted in Baluwatar area. The reason for choosing that area is that there are different branches of Big Mart and they are reachable to many people. The sample size consists of 125 customers. The customers who were at the store and who met the requirements of the study were selected as samples using the convenient sampling technique. During the period of collecting research data, the questionnaire technique was employed.

Reliability Statistics	
Cronbach's Alpha	N of Items
.739	18

The Reliability Statistics show a Cronbach's Alpha value of 0.739 for the 18 items in the scale. This indicates a good level of internal consistency, suggesting that the items are moderately correlated and measure the same underlying construct. A Cronbach's Alpha above 0.7 is generally considered acceptable, reflecting that the scale is reliable for research purposes.

Results

Service delivery of Big Mart

The following section deals with the descriptive statistics of service delivery at Big Mart.

Table 1: Service delivery of Big Mart

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Behavior of staff shown in Big Mart	125	1	5	3.03	1.555
Availability of staffs for help	125	1	5	3.00	1.566
Service delivery to you by the Staff	125	1	5	2.86	1.562
Efficiency of service at checkout	125	1	5	3.04	1.537

Table 1 shows the service delivery at Big Mart. The descriptive statistics indicates that customer satisfaction is generally average across various aspects. The behavior of staff has a mean score of 3.03, indicating slightly above-average satisfaction. Availability of staff also scores an average of 3.00, suggesting room for improvement. Service delivery by the staff has a slightly lower mean of 2.86, showing some dissatisfaction. Efficiency at checkout has a mean of 3.04, reflecting average performance.

Facilities

This section explores the descriptive statistics of facilities at Big Mart.

Table 2: Facilities at Big Mart

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Interior cleanliness of the store	125	1	5	2.09	1.283
Exterior appearance of the store	125	1	5	2.15	1.320
Cleanliness of restroom	125	1	5	2.37	1.434
The value of your shopping trip	125	1	5	2.08	1.274

Table 2 shows the facilities at Big Mart. Interior cleanliness has a mean score of 2.09, indicating below-average satisfaction with some variability. Exterior appearance scores slightly higher at 2.15 but is still perceived negatively. Cleanliness of the restroom has a mean of 2.37, reflecting a slightly better but still unsatisfactory rating. Finally, the value of the shopping trip is rated at 2.08, suggesting that customers feel they are not getting good value for their experience. Overall, the descriptive statistics of facilities show low customer satisfaction.

Price

The following section presents the descriptive statistics of the price of goods at Big Mart.

Table 3: Price of goods at Big Mart

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Price in compared to market	125	1	5	3.22	1.522
Availability of discount offers	125	1	5	3.24	1.542

Table 3 shows the descriptive statistics of Big Mart's pricing. Customers perceive the price compared to the market with a mean of 3.22 and availability of discount offers with a mean of 3.24, both indicating slightly above-average satisfaction with moderate variation in responses.

Customer satisfaction

The following section explores the descriptive statistics of customer satisfaction at Big Mart.

Table 4: Customer satisfaction

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
How are you to repurchase products and services from Big Mart?	123	1	3	2.46	.727
In total how long have you been a customer of Big Mart?	124	1	5	2.51	1.144
How are you to recommend Big Mart to your other friends and families?	125	1	4	2.55	.712
How do you rate our responsiveness of staff of Big Mart in dealing with you?	125	1	4	3.27	1.058
How do you rate the approach of Big Mart to quality management to ensure complete customer satisfaction?	125	1	5	3.14	1.242
How do you rate our professionalism in dealing with you?	125	1	4	3.12	1.235
Is the location of Big Mart convenient and satisfactory to you?	125	1	5	2.29	1.256
How do you rate the overall service of this Big Mart?	125	2	5	4.38	.831

Table 4 shows the descriptive statistics of customer satisfaction at Big Mart. It reveals the mixed perceptions across different aspects. Customers rated their likelihood to repurchase products at a mean of 2.46, suggesting a moderate inclination to return. Their duration as a

customer averaged 2.51, indicating varied loyalty. The likelihood of recommending Big Mart to others scored 2.55, reflecting cautious approval. Responsiveness of staff was rated higher at 3.27, and quality management was seen slightly lower at 3.14, indicating generally positive views. Professionalism was rated 3.12, suggesting satisfactory interactions. The location convenience scored 2.29, showing dissatisfaction, while the overall service had a higher mean of 4.38, indicating relatively high satisfaction with the overall experience.

Relationship between service, facilities, price and customer satisfaction

The following is the relationship between service, facilities, price and customer satisfaction.

Table 5: Relationship between independent and dependent variable

Correlations					
		SERD	othfac	price	satisfaction
Service delivery	Pearson Correlation	1	.327**	.518**	.038
	Sig. (2-tailed)		.000	.000	.674
	N	125	125	125	125
Other facilities	Pearson Correlation	.327**	1	.425**	-.467**
	Sig. (2-tailed)	.000		.000	.000
	N	125	125	125	125
price	Pearson Correlation	.518**	.425**	1	.018
	Sig. (2-tailed)	.000	.000		.841
	N	125	125	125	125
satisfaction	Pearson Correlation	.038	-.467**	.018	1
	Sig. (2-tailed)	.674	.000	.841	
	N	125	125	125	125

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5 explores the correlation analysis between service delivery, other facilities, pricing and customer satisfaction. It shows that service delivery has a significant positive correlation with price ($r = 0.518$) and other facilities ($r = 0.327$), but no significant correlation with customer satisfaction ($r = 0.038$). Other facilities negatively correlate with customer satisfaction ($r = -0.467$), while price has a very weak correlation with both customer satisfaction ($r = 0.018$) and other facilities ($r = 0.425$).

Impact of independent variables on dependent

This section explores the Impact of independent (price, Other facilities, Service delivery) variables on dependent (customer satisfaction) one.

Table 6: Regression Analysis

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.535 ^a	.286	.268	.57126		
a. Predictors: (Constant), price, Other facilities, Service delivery						
ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.829	3	5.276	16.168	.000 ^b
	Residual	39.487	121	.326		
	Total	55.316	124			
a. Dependent Variable: satisfaction						
b. Predictors: (Constant), price, Other facilities, Service delivery						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.308	.157		21.020	.000
	Service delivery	.064	.046	.126	1.395	.166
	Other facilities	-.396	.057	-.595	-6.947	.000
	price	.102	.047	.205	2.168	.032
a. Dependent Variable: satisfaction						

Table 6 shows the impact of independent variables on dependent. The regression analysis provides insights into factors influencing customer satisfaction. The Model Summary shows an R-squared value of 0.286, indicating that approximately 28.6% of the variance in satisfaction is explained by the predictors: price, other facilities, and service delivery. The ANOVA results ($F = 16.168$, $p < 0.001$) confirm that the model is statistically significant.

In the Coefficients table, service delivery has a positive but non-significant effect on satisfaction ($\beta = 0.126$, $p = 0.166$). Other facilities significantly negatively impact satisfaction ($\beta = -0.595$, $p < 0.001$), suggesting poor facilities lower satisfaction. Price has a positive and significant effect on satisfaction ($\beta = 0.205$, $p = 0.032$), indicating that higher prices are associated with increased satisfaction, potentially due to perceived value.

Conclusion

This study on customer satisfaction at Big Mart reveals that service delivery, and pricing are positively correlated with overall satisfaction, while the quality of other facilities significantly impacts customer perceptions negatively. The descriptive statistics indicate the average satisfaction with service delivery and pricing but highlight dissatisfaction with facilities (store cleanliness and restroom conditions). The regression analysis shows that the price has a positive effect on satisfaction, suggesting that customers perceive value for money. In contrast, other facilities have a substantial negative impact on satisfaction, emphasizing the need for improvements in store maintenance and cleanliness. Service delivery shows a positive but non-significant relationship with satisfaction, indicating that while important, it may not be the primary driver of customer contentment. Focusing on enhancing facility quality and maintaining competitive pricing could improve customer satisfaction at Big Mart.

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