



The influential role of customer hospitality on purchase decisions in the retail landscape of Gujarat, India (With special reference To Bharuch city)

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Abstract

Being nice to customers in stores is super important, but sometimes people forget that in today's super competitive world. However, being friendly is a big deal for making customers happy. The reason we are looking into this is because when people buy things, it is often because they feel something or think about it logically. It is not just about giving good service; it is also about understanding what customers like, talking to them well, and making them feel good, which is what smart stores do these days.

It is not just about selling things once; it is about making people want to keep coming back. And the secret to that is making them happy when they buy things – like giving them a great experience. That is how we turn their buying into a habit, and that is what good stores do to make customers happy.

Keywords: Bharuch city, economy and accounts, GDP, primary research, customer

Introduction

Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP. The Indian retail market is estimated to be worth \$1.3 trillion as of 2022. India is one of the fastest growing retail markets in the world, with 1.4 billion people. Retail sector is booming in India. India is the world's fifth-largest global destination in the retail space. In the FDI Confidence Index, India ranked 17 (after US, Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy). Customers want warm and friendly welcome. Nowadays, customers are mindful of value due to changing lifestyles. The trend of hospitality is on the rise, with companies working hard to connect with customers at every step of their shopping journey.

Establishing touchpoints at various stages of the customer journey is crucial. Each touchpoint makes the customer's experience memorable and increases the likelihood of them remembering the brand. Luckily, the retail space is evolving beyond just selling products for profit; it is becoming an experiential venue. This research emphasizes the important role hospitality plays in boosting customer satisfaction in this dynamic retail environment. Other important reason to make purchases in a physical store, is that customers highly value the advice from a professional, Immediate availability of the product, Customer experience and no return required.

Literature review

The main challenge in today's retail is figuring out how to make people willingly choose to visit a store. Customer loyalty experts suggest that achieving this goal requires a focus on premium hospitality and trustworthiness. By ensuring these essentials are in place, customers feel valued and important. Hospitality significantly boosts customer satisfaction by aligning with their tastes and preferences. Interacting with customers to address their needs, rather than just selling a product, motivates their purchase intentions.

Many retailers strongly support offline stores because, in the case of in-person shopping, hospitality becomes a key factor that emotionally enriches the customer experience (Joan Verdon, 2018). A productive strategy for enhancing customer experience involves concentrating on sustainable advantages and investing in customer convenience. To attract more people, it's essential to create an environment that maintains their interest in shopping more. While hospitality is a part of the shopping experience, it also becomes a vital factor for sustaining and gaining a competitive advantage. In today's technology-driven retail world, hospitality involves showing respect and dignity, making it a priority for retail giants.

Research Objectives

- To identify the key drivers behind the growth of the retail sector in India.
- To examine the factors influencing customer motivation to make purchases in physical retail stores.
- To gauge customer opinions regarding the shift in preference towards e-commerce.
- To assess the percentage of customers who have encountered instances of hospitality in the retail sector.

Research methodology and Data analysis

In our research, we thoroughly examined how hospitality affects the way customers make decisions when purchasing. We used both primary and secondary data to gather information. Our sources included questionnaire survey method for Primary data and newspapers, company blogs, official websites, and articles from top consulting firms for secondary data.

For our primary research, we specifically looked at how hospitality contributes to enhancing customer experiences. We conducted an online survey with a questionnaire to directly collect insights from 120 respondents. These participants were a diverse group, ranging from students and working professionals to homemakers, with ages spanning from 15 to 46 and above. We segmented them based on age and education. To analyze the data effectively, we used

tools like bar graphs, pie charts, and line charts to visually represent and interpret the responses we gathered. Our research methodology is based on a combination of information from secondary research and the firsthand responses obtained through our primary research efforts.

1. Profile of the target sample: We included both males and females in our study, covering a broad age range from 15 to above 46. Our sample consisted of students, working professionals, and homemakers, ensuring a diverse representation of individuals across different life stages and occupations

2. Source of the data: Data was collected from both primary and secondary sources.

Sample size: of 120 people was selected for primary research and secondary information from various sources, including newspapers, official websites, blogs, and articles published by consulting firms was collected.

3. Period of the study: This study was conducted for a period of 3 weeks as sample size was not too large.

4. Secondary research

The retail segment is experiencing a rapid impact from the influence of hospitality. To meet the expectations of

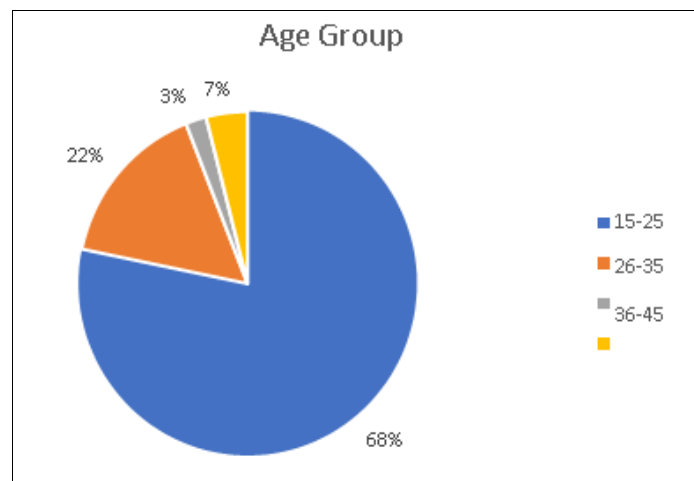
shoppers regarding products, retailers are reshaping timelines by emphasizing service excellence and creating environments that encourage customer engagement. Understanding customer buying behavior is crucial for retailers to enhance personalized multi-sensory experiences, encouraging customers to repeat and share their experiences.

The fusion of hospitality and retail is a compelling concept that has the potential to transform customer desires into experiences. The key is to establish a meaningful connection with shoppers, aligning their interests and preferences with the brand's values. To excel in the retail segment, retailers must prioritize hospitality as a societal need. While this trend has been evident for years, hospitality has become a significant asset in the retail landscape. Additionally, focusing on insights derived from customer feedback provides sustainable solutions to withstand disruption from aggressive competitors. In essence, global consumer sentiments are evolving rapidly, and retailers must address these desires to avoid potential decline.

Primary research

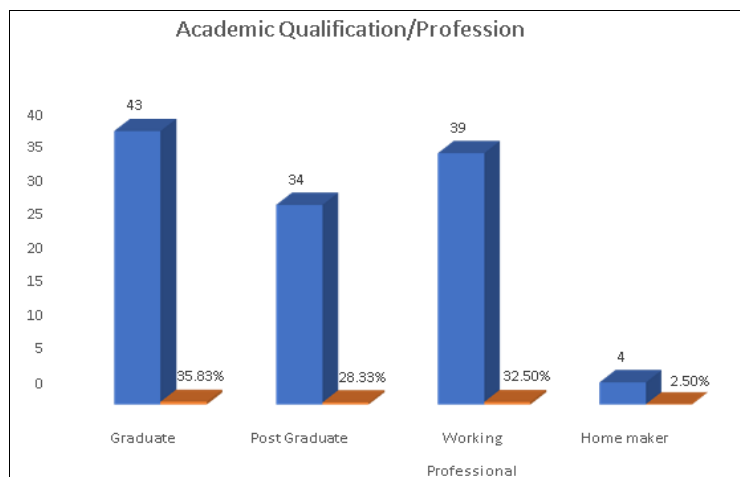
Primary data collected with the sample size of 120

1. Customer distribution according to age group:



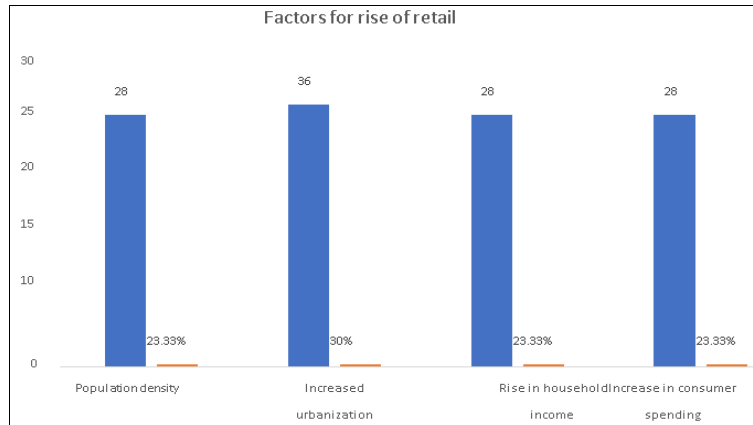
People across the age groups have participated in the survey. But according to the data age group ranging from 15-25 are the majority who go for retail shopping, followed by the age group of 26-35.

2. Customer distribution of customers according to Academic qualification/Profession



The analysis of responses revealed that graduates were the highest contributors, followed by working professionals and postgraduates. It is encouraging to note that even homemakers are actively participating in retail shopping, marking a positive trend in consumer engagement across diverse demographic groups

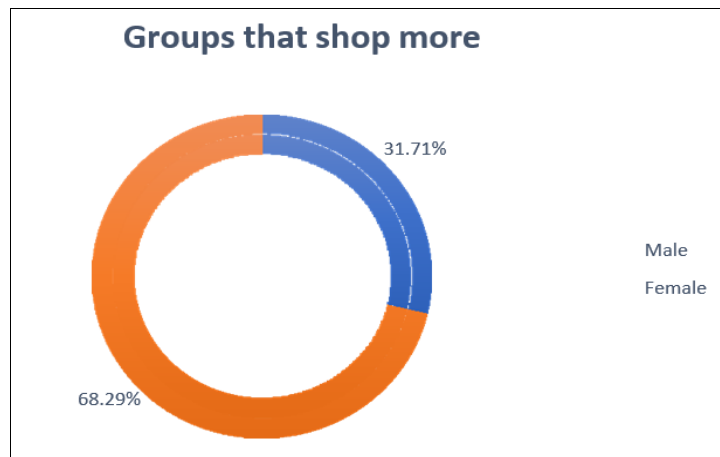
3. Specification of factors contributed to the rise of retail in India



As per the data, respondents believe that the primary factors contributing to the growth of retail in India are the rising population density, particularly in urban areas, followed by household income and consumer spending. This observation underscores a fundamental truth: the escalation of income

Motivates individuals to increase their spending, thereby creating a cyclical relationship between supply and demand in the market.

4. Diagram showing which segment among target group shop more



5. Diagram showing which segment among target group shop more

PWC reports states that Female purchases twice more than male group in the segment of e-commerce. But the

interesting aspect is even in physical retail outlet the major percentage of shoppers are turned out to be females.

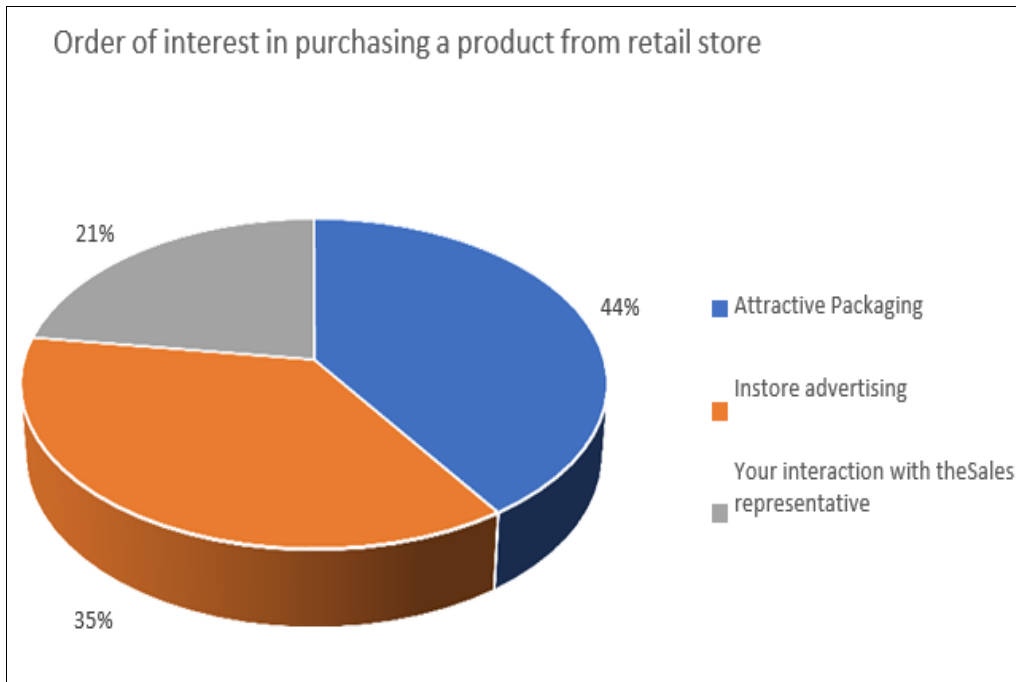
6. Diagram showing which factors drive customers to shop in retail



The majority of respondents express that the key reasons for shopping in retail include the availability of exclusive products, with visual appeal closely following. This highlights the significant role that visual appeal plays in

motivating people to engage in retail shopping, in addition to the allure of exclusive products

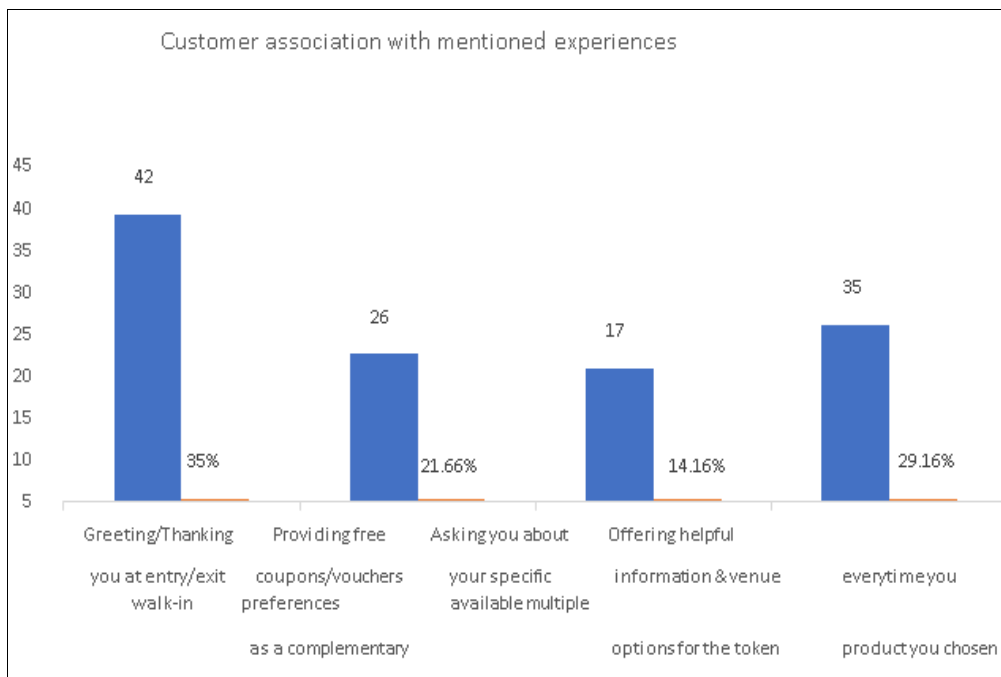
7. Please rank (1-3) the following in the order of interest in purchasing a product from a retail store



As indicated by the data, 40% of respondents believe that attractive packaging is a primary factor, and in-store advertising follows closely as crucial elements influencing their decision to purchase products from retail stores. This suggests that in-store advertising plays an active role in

Promoting services and capturing customer interest, complementing the impact of attractive packaging.

8. Diagram showing customer association with below mentioned experiences



The majority of respondents report experiencing gestures such as greetings/thanking’s at entry/exit points, along with the provision of available information and multiple options for the chosen product. This underscores that a significant number of customers expect and appreciate good assistance and hospitality when shopping in a retail store.

Diagram showing which factors increases customer satisfaction

According to the data, shoppers express that activities focused on time-saving, along with the availability of multiple payment options, significantly contribute to their satisfaction levels.

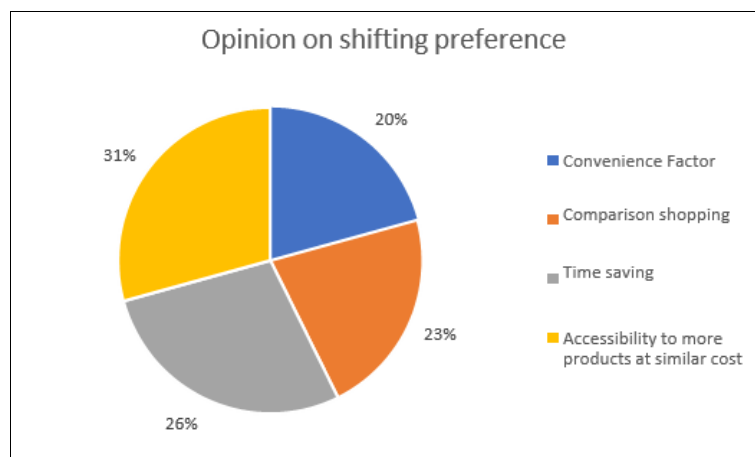
Diagram showing core reasons for not preferring same retail store for purchasing again



As per the responses, a significant number of people state that their primary reasons for shifting their preference to other stores include the absence of product customization features and a lack of perceived value for money. This highlights a clear trend where individuals have become

value-conscious in a fast-paced environment, seeking products that align with their tastes and preferences

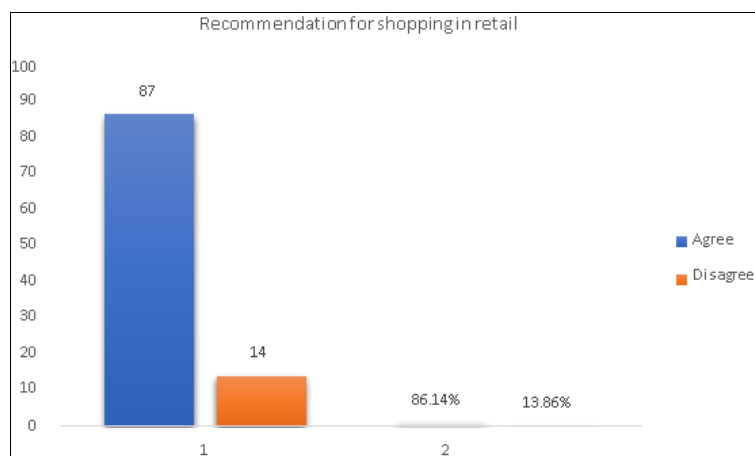
Diagram showing reasons for shifting from retail to e-tail



According to the study, customers express that a crucial reason for shifting from retail to e-tail is the ability to access a greater variety of alternative products within a similar price range, followed by the feature of comparing multiple products. This underscores the importance for retailers to create a comfortable environment and offer products that

align with customer convenience to remain competitive in the market

Do you agree shopping in a retail store is more emotionally rewarding when compared to shop online



According to the responses, majority people are inclined towards shopping in physical retail store. There is one interesting catch in this insight i.e. despite the advent of technology, e-commerce and smart phone penetration there is one important factor which drives customer satisfaction to the pinnacle i.e. the emotional appeal. This exists only in case of a physical retail store where you have a provision of touch & feel the product. Although online shopping is convenient, it alters the true experience due to absence of emotional connect.

Basing on the above responses lets create a buyer persona for an ideal customer who purchases in a physical retail store by choosing one segment of customer among all the groups.

Buyer Persona

To design this, we considered a graduate since majority of the percentage of respondents are graduates.

Meet Sarah: The Sensory Shopper



Demographics:

- Age: 28
- Gender: Female
- Occupation: Graphic Designer
- Education: Bachelor's Degree

Lifestyle and Interests:

- Enjoys aesthetically pleasing designs
- Values unique and personalized experiences

Shopping Behavior:

- Prefers physical retail stores for the sensory experience
- Enjoys tactile shopping, touching and feeling products

Motivations:

- Emotional appeal is crucial; seeks joy in sensory engagement
- Believes physical stores provide genuine and immersive experiences

Challenges:

- Limited shopping time due to a demanding job
- Considers budget while appreciating unique experiences

Shopping Goals:

- Seeks products meeting functional needs and resonating emotionally
- Enjoys discovering aesthetically pleasing items aligning with design sensibilities

Marketing Approach:

- Emphasize sensory aspects of products and store environments
- Create visually appealing displays and offer hands-on experiences
- Highlight emotional connection and authenticity in marketing messages

Limitations of the study- As customer experience tends to vary from person to person, we opted not to limit our study to a specific age group. Instead, we focused on aggregating data across various age groups to capture a more comprehensive view of customer experiences. Only limitation was that of sample size due to time limitation.

Recommendations

Customer preferences indicate that visual appeal plays a crucial role in attracting shoppers to retail stores. Strengthening in-store visuals is identified as a key strategy for enhancing customer engagement. Additionally, considering the implementation of Artificial Intelligence (AI) for greetings, expressing gratitude, and providing product information could enhance the overall customer experience. Furthermore, the suggestion to develop products unique to the store could potentially increase customer traffic, differentiating the store from competitors.

Conclusion

According to the study, customers attribute the growth of retail to an increase in the urban population and household income. The primary motivators for customers to choose retail include the allure of exclusive products and visual appeal. On the other hand, the shift towards e-commerce is driven by the availability of comparison-shopping features and a wide range of products at similar costs. Notably, despite technological advancements, a majority of people express a willingness to recommend physical retail outlets, indicating a sustained preference for in-person shopping experiences.

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