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Customer Satisfaction in Nomin Hypermarkets of Ulaanbaatar

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ABSTRACT:- The objective of this work is to determine the perception of customer satisfaction (CS) of the Nomin hypermarkets in the city of Ulaanbaatar. Data were collected through self-administered questionnaires using a convenience sampling technique. Of the 200 responses, 175 were finally chosen and analyzed for descriptive statistics, as well as a significant relationship between the CS hypermarkets. Respondents reported high levels of perceived quality and a meaningful CS relationship was found.

Keywords: hypermarkets, customer satisfaction, Nomin, Ulaanbaatar

I. INTRODUCTION

Customer satisfaction (CS) is a function of the discrepancy between the customer's expectations before the purchase and their perception of the same after-service [1,2], and will be significant if the knowledge is located at a level higher than expected. CS is found to depend on the quality of the service offered to the client and is one of the tools to increase value for clients [3]. More value for a client means greater satisfaction, that can benefit the long-term local organization [4,5] and generate higher income [6].

The main challenges for the service industry are CS [2,7]. CS is a powerful intangible asset similar to quality of service (SQ) and can be achieved through meeting customer expectations [1, 8-9]. A study has emphasized the importance of the relationship between SQ and CS [5, 10] and found which satisfaction is the consequence of the client's experience during the service encounter [2, 9, 11].

SQ and CS are different constructions [12] and, however, they are related [11]. Researchers have proved the significant relationship between SQ and CS, and it was proposed which SQ is a history of CS [12-14]. Brady and Robertson [11] found which SQ is a history of CS for customers with cognitive orientation and a consequence for emotional customers. The causal relationship between SQ and CS is a subject of considerable academic debate, and unanimity has yet to be reached [15].A study has also specified CS as a function of perceived quality and disconfirmation, to the extent which the recognized condition does not meet pre-purchase expectations [16-17]. It has also been found which their purchase intention is more affected by the quality which does not meet expectations, instead of the one which exceeds expectations [2].

II. CONCEPTUAL MODEL AND HYPOTHESES DEVELOPMENT

The conceptual model for the relationship between SQ in retail and CS is demonstrated and tested as shown in Fig1. It is developed based on a review of the literature.

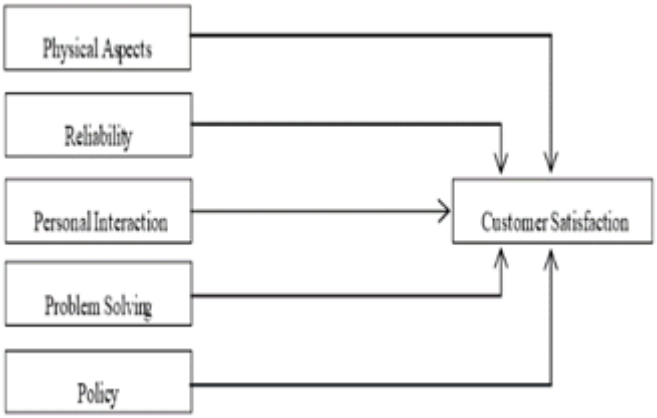

Figure 1. Research model

Previous studies have found which SQ is a history of CS (Anderson & Sullivan, 1993; Brady & Robertson, 2001). Researchers have also found a significant relationship between the physical environment and the CS [17]. In this context, the physical aspects have a strong influence on the CS and are revisited with the service provider [18-19]. This has led to the development of the following hypothesis:

H1: There is a significant relationship between Physical Aspects and CS.

It has been found which reliability has a significant influence on clients and is also a predictor of CS [19]. For example, when retailers keep their promises, CS increases [20]. This has led to the development of the following hypothesis:

H2: There is a significant relationship between reliability and CS.

The personal interaction of the clients with the service personnel is essential due to the intangible elements of the services. It emphasizes customer dependence of service personnel to solve their problems. The attributes of the staff are vital to creating a favorable impression in the minds of the clients. In this context, Das et al. [19] discovered which personal interaction has the greatest influence on customers to return to a retail store. This has led to the development of the following hypothesis:

H3: There is a significant relationship between personal interaction and CS.

Problem-solving involves the interaction between clients and employees but is considered different from the personal interaction dimension because the recovery of the service is considered an essential element of the positive evaluation of the client [21]. In this sense, Das et al. [19], as well as Yuen and Chan [20], found which problem-solving has a substantial impact on CS if professional staff helped them solve a problem. This has led to the development of the following hypothesis:

H4: There is a significant relationship between problem-solving and CS.

The policy includes criteria for the evaluation of the client, such as the quality of the offers, the hours of operation, the credit options and the parking facilities [22]. Das et al. [19] found a significant relationship between SQ and CS and rated it as an essential factor, that influences a customer to buy repeatedly in the same store. It has led to the development of the following hypothesis:

H5: There is a significant relationship between the Policy and the CS.

III. METHODOLOGY

3.1 Development of scales and data collection

A convenience sampling technique was used for this research. The survey was conducted in the city of Riyadh that has the largest population in Ulaanbaatar city. The respondents were clients of four hypermarkets which had a majority stake in Ulaanbaatar city. The data were collected during different periods to obtain a better representation of the buyers. Of the 200 questionnaires distributed, 175 were obtained with answers for all the items (84% response rate) and were considered valid for data analysis.

According to the pilot research, a variable was changed for physical aspects and safety to increase suitability; and a variable for each personal and political interaction was eliminated due to its inapplicability in Ulaanbaatar city. The modifications and deletions are shown in Table 1:

Table 1. Modifications and deletions of scale items

Dimension	Das et al., [19]	Remark	Present Research
	The store has access to clean and hygienic		This store has clean, attractive, and public areas (food court, play areas).
Physical Aspects	**Convenient public areas (restrooms, fitting rooms).**	**substituted**	**The store has access to sample amenities (elevators, escalators, restrooms, ATMs) to make the visit comfortable and pleasant.**
Reliability	When this store promises to do something by a certain time, it will do so.	Modified	When this store promises to do something (offering, discount, etc.) by a certain time, it will do so.
Personal Interaction	Employees in this store treat you courteously on the telephone.	Deleted	-

The papers for CS were also adapted from previous study[9,17]. The construct had four elements for the final research which identified how satisfied a customer was with the services provided by the retail format under consideration. All the constructions were put into operation using measures of several elements. A five-point Likert scale was used, ranging from "1 = strongly disagree" to "5 = strongly agree". The demographic information was generated through the same instrument.

The elements used for SQ and CS have effectively measured the constructions at a high level of reliability and validity in previous investigations.

IV. DATA ANALYSIS

4.1 Demographic Profile

Table 2 provides information on the profiles of the respondents by gender, age, qualification, and occupation. Out of a total of 175 respondents, 69.56% were men and 30.44% were women. The percentage of respondents is lower because social norms do not allow strange men to approach women. The maximum number of responses was obtained from 45.41% of the age group of 31 to 40 years and the lowest number of responses of 5.48% of the age group of 51 years and over. Among the respondents, the maximum were graduates of 47.03% and working in the private sector of 45.95%. Any other qualification includes students, without education or a certificate. Any other occupation indicates recent graduates or those who were not employed.

Table 2. Demographic profile

Variable	Range	Frequency	%
Gender	Male	134	69.56
	Female	51	27.57
Age	21-30 31-40	31 84	17.77 46.42
	41-50	58	30.34
	51 and Above	12	5.48
Qualification	Graduate Post Graduate	87 48	47.03 25.95
	Doctorate	15	8.11
	Any Other	35	18.92
Occupation	Self Employed Private Sector	28 85	15.14 45.95
	Government Sector	63	34.05
	Any Other	9	4.86

4.2 Factorial analysis

Table 3 shows the results for the factorial analysis. The analysis of the main component factor with the varimax rotation method was used in this investigation using SPSS version 20. The results of the analysis of the main component factor show six factors with eigen values which exceed 1 and explain 35% of the variance. The six factors have a load which varies from 0.525 to 0.907, that indicates which each item is significantly loaded into the corresponding element.

A reliability test was performed using Cronbach's α. The Cronbach's α value for the factors is 0.833, 0.843, 0.896, 0.818, 0.708 and 0.717, respectively. It is higher than the recommended value of 0.70.

The validity of the instrument was assessed by content validity and convergent validity. For this work, the validity of the content of the device is acceptable because it was carefully constructed, validated and refined. The convergent validity was evaluated using the factorial loads and the average variance extracted (AVE). The findings indicate which each factor load of the reflective indicators ranged from 0.525 to 0.907 and exceeded the recommended level of 0.50. The AVE of all constructions was in the range of 0.43 to 0.76. It establishes the convergent validity of the measurement model of this investigation.

Table 3. Factor analysis

Dimensions	Items	Factor Loadings	Total Eigen Values	% of Variance Explained
Physical Aspects α= 0.833 AVE= 0.44	This store has modern-looking equipment and fixtures. The physical facilities at the store are visually appealing. Materials associated with this store's service (shopping bags, catalogues or statements) are visually appealing. The store has access to clean and hygienic public areas (food court, play areas).	0.744 0.770 0.681 0.713	12.413	35.465
	The store has access to ample amenities (elevators, escalators, restrooms, ATMs) to make the visit comfortable and pleasant.	0.616		
	The layout at this store makes it easy to find what you need.	0.542		
	The layout of this store makes it easy to move around comfortably.	0.525		
Reliability α= 0.843 AVE= 0.47	When this store promises to do something (offering, discount, etc.) by a certain time, it will do so. This store provides its services at the time it promises to do so.	0.816 0.781	3.099	8.853
	This store performs the service right for the first time.	0.642		
	This store has merchandise available when you want it.	0.565		
	This store insists on error-free sales transactions and records.	0.572		
Personal Interaction α= 0.896 AVE= 0.50	Employees in this store know to answer your questions. The behavior of employees in this store instills confidence in you. You feel safe in the transactions with this store. Employees in this store give prompt service to you.	0.645 0.737 0.569 0.713	2.071	5.918
	Employees in this store tell you accurately when services will be performed.	0.779		
	Employees in this store are never too busy to respond to your requests.	0.738		
	The store gives you individual attention.	0.664		
	Employees in this store are consistently courteous with you.	0.768		
Problem Solving α= 0.818 AVE= 0.43	This store willingly handles returns and exchanges. When you have a problem, this store shows a sincere interest in solving it. Employees of this store are able to handle your complaints directly and immediately.	0.640 0.627 0.692	1.944	5.556
Policy α= 0.708 AVE= 0.63	This store offers high quality merchandize. This store has adequate parking facility. This store has operating hours convenient to all their customers.	0.526 0.647 0.857	1.515	4.330
	This store accepts most of the major credit cards.	0.827		
	This store provides flexible modes of payment.	0.903		
	This store offers its loyalty card.	0.907		

Customer Satisfaction **α= 0.717** **AVE= 0.76**	Compared to other stores, this store confirms to your expectation. You are satisfied with price/quality ratio offered at the store. In general, you are satisfied with the service you get from this store. Based on all experiences with this store, you are very satisfied.	0.857 0.827 0.903 0.907	1.270	3.627

4.3 Regression Analysis

Regression analysis

Table 4 shows a regression analysis. The results reveal that there is a meaningful relationship between the dimensions of retail SQ (physical aspects, reliability, personal interaction, problem solving and policies) and CS. The figures are significant ($p < 0.05$); therefore, H1-H5 are compatible.

Table 4. Regression analysis

Hypotheses	Variables	Standardized Parameter Estimates (β)	Sig.	Conclusions
H1	Physical Aspects → CS	0.635	0.001*	Supported
H2	Reliability → CS	0.562	0.005*	Supported
H3	Personal Interaction → CS	0.472	0.021*	Supported
H4	Problem Solving → CS	0.432	0.032*	Supported
H5	Policy → CS	0.321	0.037*	Supported

Note. * $p < 0.05$

V. CONCLUSION

The objective of this research was to investigate the effect of CS in hypermarkets in the city of Ulan Bator. The results of the exploratory factor analysis indicate which SQ consists of five dimensions. For hypermarkets in the city of Ulaanbaatar, physical elements play an essential role in the determination of SQ and are followed by reliability, personal interaction, problem-solving and policies. The findings also have managerial implications. The excellent design of the store and the service material create a better impression and a positive attitude towards a retail store. Retail customers in the city of Ulaanbaatar look for a hypermarket that has modern equipment, physical facilities, clean and hygienic public areas, extensive amenities and convenient design. In other words, customers in the city of Ulaanbaatar are more concerned with the dimension of the physical aspects than with the different sizes as a critical factor in the development of relationships with their stores. Supermarket managers must identify the appropriate target group and discover that the service areas need to be improved to obtain a competitive advantage and resulting in CS.

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