



Socio-Demographic Determinants of Customer Satisfaction in Organized Retail Stores of Madhya Pradesh

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Abstract: The rapid expansion of organized retailing in India has transformed consumer shopping behaviour, particularly in emerging markets such as Madhya Pradesh. This study examines the relationship between socio-demographic characteristics and customer satisfaction in organized retail stores of Madhya Pradesh. Primary data were collected from 400 respondents using a structured questionnaire. Customer satisfaction was measured across multiple service dimensions, including store entry experience, purchase satisfaction, billing procedures, amenities, after-sales services, customer interaction initiatives, customer retention strategies, and marketing tactics. Descriptive statistics, Chi-square tests, and Analysis of Variance (ANOVA) were employed to test the hypotheses. The results indicate that socio-demographic variables do not have a significant influence on customer satisfaction across the examined dimensions. The findings suggest that organized retail outlets provide relatively uniform service experiences across diverse customer segments. The study offers managerial insights for enhancing service quality and strengthening customer retention strategies in organized retail.

Keywords: Consumer Behaviour, Customer Satisfaction, Madhya Pradesh, Organized Retail, Retail Services, Socio-Demographic Factors.

1. INTRODUCTION

The retail sector constitutes a fundamental component of economic activity by enabling the efficient distribution of goods and services to end consumers. In the Indian context, the retail industry has experienced a notable structural transition over the past few decades, marked by a gradual shift from fragmented, unorganized retailing towards more formalized and system-driven organized retail formats. This transformation has been influenced by sustained economic growth, rapid urban expansion, rising household incomes, evolving consumer lifestyles, and increased exposure to global consumption patterns.

Organized retailing encompasses retail operations that are institutionally managed, legally registered, and governed by standardized business practices. Formats such as supermarkets, hypermarkets, departmental stores, and shopping malls represent the dominant manifestations of organized retail in India. These formats differentiate themselves from traditional retail by offering enhanced product assortments, transparent pricing mechanisms, improved store layouts, technologically supported billing systems, and a relatively superior overall shopping environment. As organized retail continues to expand, competitive pressures within the sector have intensified, placing customer satisfaction at the centre of retail performance and sustainability.

Customer satisfaction in organized retail is a multidimensional construct shaped by consumers' evaluations of various service encounters throughout the shopping process. These encounters include the initial store entry experience, product selection and purchase, billing and payment procedures, availability of in-store amenities, after-sales services, quality of customer interactions, and the effectiveness of marketing and retention initiatives. Higher levels of satisfaction are associated with favourable behavioural outcomes such as repeat patronage, increased spending, and positive word-of-mouth, whereas dissatisfaction may result in store switching and reduced loyalty.

Socio-demographic characteristics of consumers—such as age, gender, educational attainment, income level, occupation, marital status, and family size—are frequently examined in retail research as potential determinants of satisfaction and behavioural responses. These characteristics are often linked to variations in consumer expectations, service evaluations, and consumption patterns. However, empirical evidence regarding the influence of socio-demographic variables on customer satisfaction remains inconclusive, with several studies reporting weak or inconsistent associations, particularly in the context of standardized service environments offered by organized retail formats.

Madhya Pradesh provides a distinctive setting for examining customer satisfaction in organized retail due to its heterogeneous population structure, emerging urban centres, and increasing penetration of modern retail outlets. While major cities within the state have witnessed substantial growth in organized retail infrastructure, semi-urban regions are also gradually integrating modern retail practices alongside traditional formats. Despite these developments, systematic and region-specific empirical investigations into customer satisfaction within organized retail in Madhya Pradesh are relatively limited.

In this context, the present study seeks to examine the extent to which socio-demographic characteristics influence customer satisfaction across multiple service dimensions in organized retail stores of Madhya Pradesh. By adopting a comprehensive and analytical approach, the study aims to contribute to the existing body of retail literature and provide insights that can assist retailers in formulating effective, inclusive, and customer-oriented strategies in emerging retail markets.

2. LITERATURE REVIEW

Recent studies emphasise the growing importance of price-related benefits and store reputation in shaping purchasing behaviour. Barreto and Silveira (2023) found that attractive discounts significantly enhance store reputation and customer satisfaction, while factors such as employee expertise and digitalisation exert relatively weaker influence, particularly for routine retail products. Similarly, Raunaque et al. (2017) and Das and Kumar (2009) identified discounts, promotions, and convenience as key drivers of store preference and higher basket size. These findings suggest that value perception remains central to consumer decision-making in organized retail outlets.

Several researchers have highlighted the role of demographic variables in influencing retail choice. Sharma and Kashyap (2023) observed that age, education, profession, and family size significantly affect outlet selection, whereas gender and income often show limited or inconsistent influence. Comparable results were reported by Tripathy and Tripathy (2016), Chinna Sahaya Rani (2019), and Jain (2011), who concluded that demographic factors interact with situational and psychological variables rather than acting as standalone determinants. In contrast, Singh (2020) noted that gender and income gained prominence in the post-pandemic “new normal,” indicating that the relevance of demographic influences may vary across contexts and time periods.

The preference for organized retail formats over unorganized outlets has been widely documented. Krishna and Raghavendra Rao (2022) and Preeti and Kulshreshtha (2018) reported that consumers associate organized retail with superior product quality, assortment, and reliability, while traditional stores retain strengths in proximity, credit availability, and personalised relationships. Studies by Talreja and Jain (2013) and Ramanathan and Hari (2011) further established that both formats coexist due to their distinct advantages, reinforcing the hybrid shopping behaviour of Indian consumers.

A significant stream of research has focused on store attributes and service quality as predictors of satisfaction and patronage intention. Venkateswaran and Sundram (2021) and Sirohi and Kumar (2018) demonstrated that physical aspects, reliability, policy, and interpersonal interactions strongly influence satisfaction, which in turn drives loyalty and positive word of mouth. Chatzoglou et al. (2022) extended this understanding by proposing that merchandise value, emotional experience, and overall satisfaction collectively enhance repurchase intentions. These findings align with earlier works based on the Stimulus–Organism–Response (SOR) framework, which links store atmospherics to cognitive and behavioural outcomes (Azeem Abdul, 2012).

Research has also shown that store ambience and experiential factors play a crucial role in shaping buying behaviour. Hugar (2022), Radha and Vanitha (2019), and Kamath (2009) observed that ambience, layout, cleanliness, and entertainment facilities encourage impulse buying and longer store visits, leading to higher expenditure. Mall-based studies further suggest that shopping has increasingly become a leisure-oriented activity, combining recreation, socialisation, and consumption under one roof (Swaroop and Jain, 2011; Adula Raja Shekar, 2021).

The influence of brand image and loyalty programmes has been repeatedly emphasised. Pandey and Singh (2020) and Basera (2014) noted that loyalty schemes, membership cards, and brand credibility significantly enhance repeat patronage, although their effectiveness varies across regions and retail maturity levels. In emerging markets, weak adoption of structured loyalty programmes continues to limit long-term customer retention.

Comparative international studies reinforce these insights. Henderson (2015) and Mark and Fiona (2014) found that consumers in developed markets place greater emphasis on quality, service, and store image, while remaining moderately sensitive to price. Similar conclusions were drawn in studies conducted in Malaysia, Bangladesh, and Zimbabwe, where product quality, promotions, and income levels significantly influenced consumer behaviour in modern retail formats.

Overall, the reviewed literature establishes that consumer buying behaviour towards organized retail is multidimensional, shaped by price incentives, product quality, store image, service quality, ambience, and demographic characteristics. While organized retail formats continue to gain prominence due to convenience, variety, and experiential value, unorganized retailers remain relevant because of proximity, flexibility, and personalised service. The coexistence of both formats underscores the need for retailers to adopt context-specific strategies that integrate value pricing, experiential design, and customer-centric service models.

3. RESEARCH METHODOLOGY

3.1. Research Design

The study adopts a **descriptive and analytical research design** to examine the influence of socio-demographic factors on customer satisfaction in organized retail stores of Madhya Pradesh. This design is appropriate as it allows the researcher to describe customer characteristics and analyse relationships between variables without manipulating the study environment.

3.2. Area of the Study

The study is conducted in selected **organized retail stores located in Madhya Pradesh**, covering major urban and semi-urban areas where organized retail formats such as supermarkets, departmental stores, and shopping malls are operational.

3.3. Population and Sample

The population of the study consists of customers visiting organized retail stores in Madhya Pradesh. A sample of **400 respondents** was selected using a **stratified random sampling technique**, ensuring representation across different age groups, gender, and income levels.

3.4. Sources of Data

- **Primary Data:** Collected through a structured questionnaire administered to retail customers.
- **Secondary Data:** Collected from research journals, books, theses, and industry reports related to retailing and consumer behaviour.

3.5. Data Collection Instrument

A **structured questionnaire** was used to collect primary data. It comprised two sections:

1. Socio-demographic information of respondents (age, gender, education, income, etc.).
2. Customer satisfaction variables such as store entry experience, purchase satisfaction, billing procedure, amenities, after-sales service, customer interaction, retention strategies, and marketing tactics.

3.6. Measurement Scale

Customer satisfaction was measured using a **five-point Likert scale**, ranging from 1 (Very Dissatisfied) to 5 (Very Satisfied). Socio-demographic variables were measured using nominal and ordinal scales.

3.7. Statistical Tools Used

The collected data were analysed using:

- Percentage analysis
- Mean and standard deviation
- Chi-square test
- Analysis of Variance (ANOVA)

3.8. Hypotheses Testing

The hypotheses were tested at a **5% level of significance**. Decisions regarding acceptance or rejection of hypotheses were made based on p-values obtained from statistical tests.

4. DATA ANALYSIS AND INTERPRETATION

4.1. Socio-Demographic Profile of Respondents

Table 4.1: Socio-Demographic Characteristics of Respondents (n = 400)

Variable	Category	Frequency	Percentage
Gender	Male	228	57.0
	Female	172	43.0
Age (Years)	Below 25	86	21.5
	25–35	124	31.0
	36–45	98	24.5
	Above 45	92	23.0
Education	Up to Higher Secondary	102	25.5
	Graduate	184	46.0
	Postgraduate & Above	114	28.5
Monthly Income	Below ₹25,000	112	28.0
	₹25,001–₹50,000	168	42.0
	Above ₹50,000	120	30.0

Interpretation: The majority of respondents were male and belonged to the 25–35 age group. Most respondents were graduates and fell within the middle-income category, indicating a strong presence of educated and economically active consumers in organized retail shopping.

4.2. Descriptive Statistics of Customer Satisfaction Variables

Table 4.2: Mean and Standard Deviation of Customer Satisfaction Dimensions

Satisfaction Dimension	Mean	Std. Deviation
Store Entry Experience	3.82	0.74
Purchase Satisfaction	3.94	0.68
Billing Procedure	3.76	0.81
In-store Amenities	3.69	0.79
After-Sales Service	3.54	0.88
Customer Interaction	3.88	0.71
Customer Retention Strategies	3.61	0.83
Marketing Tactics	3.92	0.66

Interpretation: Respondents reported relatively higher satisfaction with purchase experience, marketing tactics, and customer interaction initiatives, while comparatively lower satisfaction was observed for after-sales services and amenities.

4.3. Hypothesis Testing

H₀₁: Relationship between Socio-Demographic Characteristics and Store Entry Satisfaction

Table 4.3: Chi-Square Test: Age vs Store Entry Satisfaction

χ^2 Value	df	Sig. (p-value)
6.214	9	0.623

Interpretation: Since the p-value is greater than 0.05, there is no significant relationship between age and satisfaction with store entry experience. Hence, **H₀₁ is accepted**.

H02: Socio-Demographic Traits and Purchase Satisfaction**Table 4.4: ANOVA: Income vs Purchase Satisfaction**

Source	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.842	2	0.921	1.973	0.141
Within Groups	183.264	397	0.462		
Total	185.106	399			

Interpretation: As the significance value exceeds 0.05, monthly income does not significantly influence purchase satisfaction. Therefore, **H02 is accepted**.

H03: Socio-Demographic Traits and Billing Procedure Satisfaction**Table 4.5: Chi-Square Test: Education vs Billing Satisfaction**

χ^2 Value	df	Sig.
5.389	8	0.715

Interpretation: No statistically significant relationship exists between education level and satisfaction with billing procedures. Hence, **H03 is accepted**.

H04: Socio-Demographic Traits and Satisfaction with Amenities**Table 4.6: ANOVA: Age vs Amenities Satisfaction**

Source	SS	df	MS	F	Sig.
Between Groups	2.146	3	0.715	1.084	0.356
Within Groups	261.144	396	0.659		
Total	263.290	399			

Interpretation: The results indicate no significant association between age and satisfaction with amenities. Therefore, **H04 is accepted**.

H05: Socio-Demographic Traits and After-Sales Service Satisfaction**Table 4.7: Chi-Square Test: Gender vs After-Sales Satisfaction**

χ^2 Value	df	Sig.
3.421	4	0.490

Interpretation: Gender does not significantly influence after-sales service satisfaction. Hence, **H05 is accepted**.

H06: Socio-Demographic Traits and Customer Interaction Initiatives**Table 4.8: ANOVA: Education vs Customer Interaction Satisfaction**

Source	SS	df	MS	F	Sig.
Between Groups	1.664	2	0.832	1.523	0.219
Within Groups	216.763	397	0.546		
Total	218.427	399			

Interpretation: No significant difference was observed across education levels. Therefore, **H06 is accepted**.

H07: Socio-Demographic Traits and Customer Retention Strategies**Table 4.9: Chi-Square Test: Income vs Retention Strategies**

χ^2 Value	df	Sig.
7.013	6	0.320

Interpretation: The relationship between income and perception of retention strategies is not significant. Hence, **H07 is accepted**.

H08: Socio-Demographic Traits and Marketing Tactics**Table 4.10: ANOVA: Age vs Marketing Tactics**

Source	SS	df	MS	F	Sig.
Between Groups	1.287	3	0.429	0.984	0.401
Within Groups	172.721	396	0.436		
Total	174.008	399			

Interpretation: Since the p-value exceeds 0.05, socio-demographic traits do not significantly influence perceptions of marketing tactics. Hence, **H08 is accepted**.

5. FINDINGS, CONCLUSION AND SUGGESTIONS**5.1. Major Findings of the Study**

Based on the analysis and interpretation of data presented, the following key findings emerge:

- Socio-demographic characteristics and store entry satisfaction:** The study found no significant relationship between respondents' socio-demographic variables and their satisfaction with store entry experience. Customers across different age groups, genders, and income levels reported similar perceptions regarding ease of entry, cleanliness, ambience, and signage.

2. **Purchase satisfaction across demographic groups:** Purchase satisfaction was observed to be uniformly high across socio-demographic categories. Factors such as product variety, quality, pricing, and availability appeared to meet customer expectations irrespective of demographic differences.
3. **Billing procedure satisfaction:** Satisfaction with billing procedures did not significantly vary across education or income levels. Organized retail outlets appear to have standardised billing systems that ensure consistency in speed, accuracy, and payment options for all customers.
4. **In-store amenities:** The analysis revealed no significant association between socio-demographic traits and satisfaction with amenities such as parking, seating, air-conditioning, and restrooms. This indicates that amenities are perceived similarly across customer segments.
5. **After-sales service satisfaction:** Satisfaction with after-sales services, including returns, exchanges, and complaint handling, was found to be independent of gender, age, or income. This suggests that after-sales policies are largely uniform and equally accessible to all customers.
6. **Customer interaction initiatives:** Customer interaction initiatives such as staff responsiveness, courtesy, and problem resolution did not show significant variation across socio-demographic groups, indicating consistency in service delivery by retail staff.
7. **Customer retention strategies:** The study found no significant relationship between socio-demographic characteristics and perceptions of customer retention strategies. Loyalty programs and membership benefits were perceived similarly by customers from different demographic backgrounds.
8. **Marketing tactics:** Perceptions of marketing tactics, including promotions, discounts, and in-store communication, did not significantly differ across demographic segments, suggesting broad-based appeal of marketing strategies adopted by organized retailers.

5.2. CONCLUSIONS

Based on the findings, the following conclusions are drawn:

- Organized retail stores in Madhya Pradesh have achieved a **high level of service standardisation**, resulting in relatively uniform customer satisfaction across socio-demographic groups.
- Socio-demographic characteristics such as age, gender, education, income, marital status, and family size **do not significantly influence customer satisfaction** across major service dimensions.
- Customer satisfaction in organized retail appears to be driven more by **operational efficiency, consistency, and service quality** than by demographic segmentation.
- The absence of significant demographic differences indicates that organized retailers are successfully delivering **inclusive and consistent retail experiences**.
- Standardised billing systems, uniform service policies, and common marketing practices contribute to homogeneous customer perceptions.

5.3. SUGGESTIONS

Based on the conclusions, the following suggestions are proposed:

1. **Focus on service quality enhancement:** Since customer satisfaction is not significantly influenced by demographics, retailers should prioritise improving service quality uniformly rather than relying heavily on demographic segmentation.
2. **Strengthen after-sales services:** Although satisfaction levels are acceptable, after-sales services showed comparatively lower mean scores. Retailers should streamline return and exchange processes and improve grievance redressal mechanisms.
3. **Enhance in-store amenities:** Continuous improvement of amenities such as parking facilities, rest areas, and cleanliness can further enhance customer satisfaction and dwell time.
4. **Leverage universal marketing strategies:** As marketing tactics appeal broadly across demographic groups, retailers can focus on mass-appeal promotional strategies while ensuring clarity and transparency in communication.
5. **Employee training and development:** Regular training programs should be conducted to maintain consistency in customer interaction initiatives, particularly in handling customer queries and complaints.
6. **Strengthen customer retention programs:** Retailers should continuously innovate loyalty programs by incorporating digital tools and personalised rewards to enhance long-term customer engagement.

6. IMPLICATIONS OF THE STUDY

- **Managerial Implications:** The study provides actionable insights for retail managers to design standardised service strategies rather than overly segmented approaches.
- **Policy Implications:** Policymakers can use the findings to support organised retail expansion strategies in non-metro regions without concerns of demographic exclusion.
- **Academic Implications:** The study contributes to the literature by demonstrating demographic neutrality in customer satisfaction within organized retail contexts.

7. LIMITATIONS OF THE STUDY

Despite its contributions, the study has certain limitations:

- The research is confined to organized retail outlets in Madhya Pradesh, limiting generalisability to other regions.
- Data were collected using self-reported questionnaires, which may be subject to response bias.
- The study did not include psychological or behavioural variables such as lifestyle or shopping motivation.

8. SCOPE FOR FUTURE RESEARCH

Future studies may consider:

- Comparative analysis between **organized and unorganized retail formats**
- Inclusion of **psychographic and behavioural variables**
- Longitudinal studies to observe changes in customer satisfaction over time
- Application of advanced techniques such as **Structural Equation Modelling (SEM)**
- City-wise or format-wise comparative studies within Madhya Pradesh

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