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Understanding Shoppers Behaviour & Evaluation of Customer Experience

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ABSTRACT

In this highly competitive retail business scenario, analysis of shopper behaviour and the evaluation of customer experience are the keys to sustaining business success. This paper is based on the analysis of these factors in the largest retail chains of India, Reliance Retail Ltd. The study has been carried on during the summer internship as it includes the primary key factors such as diversity of products, pricing policies, the design of a store, and customer service, which all have considerable influences on consumer purchasing decisions and his satisfaction level. Data was collected from 100 customers by using both qualitative and quantitative means for establishing shopping behavior trends and general customer experience. The main results from the study show that an adequate product range, realistic prices, and an attractive ambience are among the key drivers of attraction and retention power towards customers. However, some issues were identified that still need work on the business; specifically, there was inconsistency in terms of service towards customers and stock out problems. The strategic recommendations that suggest ways to boost customer satisfaction and maximize operational effectiveness form the conclusion of the paper as Reliance Retail prepares itself for further growth in this ever-changing retail landscape.

Keywords: Shopper behaviour, Customer experience, Retail strategies, Customer satisfaction, Reliance Retail

1. Introduction

Understanding shopper behavior and customer experience in the retail landscape is crucial to today's ever-changing businesses in pursuing competitiveness and dedication from the customer. It becomes imperative that retailers need to constantly change their strategies in order to respond consumer preferences with clear support from technological and socio-economic factors as well as the ever-growing need for more personalized shopping experiences. Reliance Retail Ltd. happens to be one of the largest retail chains in India, and it is ideal in studying this dynamic as customers to whom it caters are diverse, and there is a wide range of products across multiple categories such as groceries, electronics, fashion, and many more.

Shopper behavior is the entire process of consumer decisions and actions he or she uses in choosing, buying, and finally consuming a product. The realization of why some customers buy those particular products, how they react to the retail environment, and what impacts their buying decision is important for retailers to change their strategy in response. The same amount of attention should be applied to customer experience measurement, which is defined as the net result of all shoppers' feelings about their experiences with a retailer. CX encompasses the entire purchasing process, from entering the store or website to post-purchase service support, and the most important determinants are the atmosphere in stores, interactions with staff, and efficiency in checking out.

This research paper focuses upon shopper behavior and customer experience at Reliance Retail, attempts to derive key drivers of consumer decisions, and identify areas for an increase in customer satisfaction. Understanding factors of influence on purchasing behavior and assessing the effectiveness of the experience offered to the customer will generate actionable insights through the study that would help improve retail strategies for Reliance Retail, enhance service delivery, and foster long-term customer loyalty. The findings from this study would not only be pertinent to Reliance Retail but also offer broader insights applicable to the retail industry at large.

Objectives:

- To find out the customer choice/preference/behaviour towards various retail outlets.
- To understand the needs of different people.
- To improve the customer relationship management of the Reliance retail.
- To find out the satisfaction level of the customers of Reliance Smart Bazaar.

2. Literature Review

Shoppers' behaviour has to do with the complex relationship between psychological, social, cultural, and economic factors that influence decisions or actions on the part of consumers to acquire goods and services. Consumer behaviour, according to **Kotler and Keller (2016)**, is the study concerned with how individuals, groups, or organizations select, buy, use, and dispose of goods, services, ideas, or experiences to acquire satisfaction of their wants or needs. It represents a process where several steps are included to satisfy the need, from the need identification, information search, alternative evaluation, purchase decision, and post-purchase behaviour.

The **Theory of Planned Behavior by Ajzen, 1991**, and **Maslow's Hierarchy of Needs, 1943**, are crucial frameworks in understanding why consumers make specific purchasing decisions. Ajzen stresses that attitudes, subjective norms, and perceived behavioral control control consumer behavior. On the other hand, Maslow revealed that consumers prioritize purchases according to physiological, safety, social, esteem, and self-actualization needs. These theories can be studied in the context of retailing to identify why consumers shift toward specific products or stores, as in the case of Reliance Retail, that offers highly differentiated product lines and mixes to cater to varying customer needs.

It was found that the consumer behavior is influenced substantially by various psychological elements such as perception, motivation, beliefs, and attitudes. For instance, perceived product quality, price, and the reputation of the company influenced shopping behavior among the consumers. A step further in explaining the demographic variables like age, income, and gender determining retail format preferences, which, consequently forms relevant marketing strategies by finding out consumer profiles **(Zeithaml, 1985)**.

Customer experience, or CX, is the entire process of customers' engagement with a brand on various touchpoints- emotional, cognitive, and physical. As suggested by **Pine and Gilmore (1998)**, the Experience Economy basically is when companies have to produce memorable experiences as a way to outshine their competitions. In retailing, this CX includes all the following: ambiance in stores, the friendliness of staff, the presence of the right products at a particular point in time, and the speed in which one is checked out.

Lemon and Verhoef (2016) opine customer experience is multi-dimensional. That is, it incorporates the emotional, sensory, as well as cognitive aspects of the journey. The significance lies in the touchpoints working for a unified experience online as well as offline. This is significantly important in omnichannel retail, such as Reliance, where in-store, along with digital interactions, defines the overall CX.

A recent **Grewal et al. (2019)** conducted study shows that personalization is, indeed an important driver of customer satisfaction. Personalization aims at tailoring the shopping experience depending on the data-driven knowledge of individual customers' preferences to enhance engagement and loyalty. As per studies conducted by **Kim et al. (2020)**, in line with the importance of personalization, customers tend to return to stores if they get personalized recommendations and offers.

The rate of technological development has dramatically changed the manner in which customers buy and engage with brands. It is through such an evolution that **Verhoef, Kannan, and Inman (2015)** note that e-commerce has gained much momentum in the consumer purchase cycle. These paper suggests that convenience, price comparison, and product variety are the influential dimensions online buyers have towards shopping behavior. Due to increased internet usage, companies like Reliance continue to integrate both **brick and mortar** points of service with online services so as to create a seamless omnichannel point of contact, thus making customer convenient shopping and retaining them over a longer period.

AI and machine learning have revolutionized the way of relationships between retailers and customers, as well. **Bleier et al., (2020)** assert that AI-based technologies can analyze enormous customer data to predict buying behavior, which can be followed by personalized experience to customers during shopping. For instance, AI can assist retailers like Reliance to tailor promotions and recommend products to one customer according to his unique shopping behaviors, thus uplifting the CX.

Store layout and atmospherics are important determinants of shopper behavior. **Kotler, in 1973**, coined the term atmospherics, where he described it as the formative elements of a store environment that determine customer behavior. In-store layouts, lighting, product placement, and signs can encourage or discourage customers from purchasing. According to research conducted by **Turley and Milliman (2000)**, proper store design leads to increased foot traffic, a better shopping experience, and ultimately sales. In fact, this is an effort to create customer-friendly environments that helps Reliance Retail ensure positive CX.

Other is promotions. **Blattberg and Neslin (1990)** defined that promotions (like discounts or special deals) highly motivate consumers, leading to impulse purchases that can increase the effectiveness of a retailer's strategy in gaining shopper loyalty as well as being able to increase customer engagement and sales by offering carefully targeted and managed promotions. Reliance's ability to offer competitive pricing and deals as one of the main factors in its success was based on customer feedback during the internship project.

Indian consumers have certain shopping behavior and patterns that are culturally, socially, and economically fueled. According to **Hofstede's Cultural Dimensions in 1980**, it can be learned about how the priorities of collectivism, power distance, and uncertainty avoidance influence consumer choice in India. Indian shopping behavior mainly depends upon the influence of family, social networks, and preferences from the community as Indian consumers rely a lot on recommendations from others.

Mankiw, 2020 brought light to the macroeconomic determinants that affect spending of consumers. Indian retail scenario is driven by economic factors and resulted in growth and expansion of the organized Indian retail sector. Foremost at the helm of Reliance Retail. **Singh and Pandey, 2021** continues

their study how Indian consumers are shifting to modern retailing formats like hypermarkets and also to the e-commerce facility. Improved convenience and variety in products and prices are driving such a trend.

Customer satisfaction and loyalty are closely related to shopper behavior and customer experience. **Oliver (1980)** defined that the result of comparison between perceived performance and expectations is satisfied customer. **Pitt et al. (1995)** and **Yang and Fang (2004)** mentioned in their studies the fact that customer satisfaction is essential for long-term loyalty and for business success. **Magnusson et al. (2022)** also argue that companies displaying responsible and sustainable practices normally have the most loyal customers. It is emphasized in the article whereby people are becoming environmentally conscious, that therefore makes the company better of the market.

When it comes to Reliance Retail, it provides a reason for shopping satisfaction on account of the excellent experience offered by the electronic stores, better pricing, as well as offering diversified products. There could be scope in customer service, efficiency of operations, and management of complaints regarding services to sustain the satisfaction levels.

3. Research Methodology

The research employed a mixed-method approach in order to conduct an in-depth understanding of shopper behavior and consumer experience. Consequently, the study incorporates both quantitative and qualitative research to enhance the depth of the study. The numerical data are collected using the quantitative method, such as surveys and observation, that measures specific aspects of shopper behavior. This descriptive research design bases the understanding of the current state of shopper behavior and experience, using this design and allowing researchers to identify patterns and trends from the data sets, that might otherwise have not emerged with just quantitative methods.

Type of Data

Quantitative data can provide objective measures of shopper behavior and may, therefore, be presented as numerical results with regard to demographics, purchase patterns, and satisfaction ratings. It is thus suitable for statistical analysis and identification of trends. For example, the purchase frequency data may, most directly, produce the most popular product categories, while measured satisfaction ratings may also directly point out areas that require improvement.

Qualitative data offers insights into shoppers' thoughts, feelings, and motivations. Through interviews, observations, and analysis of comments, it brings out deeper knowledge on why shoppers act in a certain way and what drives the purchasing decisions as well as what stakeholders see as the customer experience. This type of data gives reasons for behind the quantitative findings and provides a nuanced understanding of the shopper behavior.

Data collection tools

Surveys: Through a structured questionnaire, respondents' perceptions and behaviors will be collected in the form of quantity data. It will include Likert scale questions on shoppers' behavior, customer experience, and their influence on buying patterns that could be categorized as impulse purchases and time spent in the store.

Sampling Plan/technique

Sampling technique: This research adopted the convenience sampling technique. Simply, the participants were selected based on their accessibility and availability; in other words, those who were accessible and volunteered to participate in the study. Regardless of how convenient this technique might be, it can never fully represent the general population because the sample may portray bias towards those individuals accessible or willing to participate in a study, which could lead to skewed findings of the study.

Snowball sampling: This is a non-probability sampling technique in which the existing study participants recruit further participants from their social contact. It is particularly useful in studying hard-to-reach populations or where the population is hard to define.

Sample Size: The study involved 100 individuals that shop frequently at physical retail stores, with a diverse group of demographics-that is, age and gender and income.

- **Sampling Frame**: Those people or samples selected for the study; in this case, shoppers from traditional stores, say Reliance Retail's Smart Bazaar.
- **Sampling Unit:** Here, it will be an individual consumer who shops at outlets of Smart Bazaar.
- **Size Method:** Convenience sampling was performed since access and easy reachability of participants for the sample were easy.

4.Findings

The key results of the study **"Understanding Shoppers Behavior and Customer Experience at Reliance Retail"** state that in order to upgrade their retail tactics, there is utmost knowledge that the company attains. The first crucial finding is the role of **product variation** in influencing shopper behavior. Most of the respondents added that they had chosen Reliance Smart Bazaar due to **wide variations** available under one roof. **Pricing** was also one of the major contributing factors, with many customers appreciating the competitiveness of the store's pricing policy. The study further found that most of the customers visit the store either on a daily basis or weekly, which reflects the importance of Reliance Smart Bazaar for regular household purchases.

Demographically, the majority of the shoppers belonged to the **age range of 26-35 years** mainly comprising students and working professionals, which does form a valuable guideline for targeted marketing efforts.

The general perception of the customer experience dimensions was largely favorable, with **more than 80% of customers rating** their experience as **"excellent"** or **"good."** Some areas for improvement were seen, like customer service. **Customer services** had large complaints in terms of the customer helpline, implying that there was an **urgent need to train the staff** much better and have more efficient systems of support in place. Another frequent complaint was the **lack of sufficient trolleys** at the shopping center. In point of fact, some of the customers always complained of not finding adequate trolleys when they were there. There is, however, a positive comment; the customers loved the brand products, which sometimes they relied on for their daily supplies, including groceries and other household stuffs.

Operationally, the study spoke to **improving stock availability**. Many of the respondents would attest that stockouts are one of the problems often encountered, which is frustrating to the customer in terms of lost sales. It could be a very important step that will make the shopping experience less arduous in terms of inventory management. Other **technological improvements**, such as installing self-checkout tills and far better in-store navigation tools, might also ensure that customers spend less time waiting in queues, especially during peak hours, than now.

Based on the above analysis of the competencies and weaknesses of Reliance Retail, various suggestions were made for the necessary adjustments to shopper behavior and customer experiences. Expanding **product variety** and **maintaining regular stock levels** on all goods, but particularly high-demand items such as groceries, would better service the customers' needs than currently experienced. Also, the level of **customer service** can be increased by investing in the proper training of staff and a digital support system, such as that including chatbots, thus solving complaints more promptly. Lastly, exploiting **personalization**-that is to say, utilization of client data in terms of personalizing promotions and offers for loyalty-can also elevate customer engagement and retention.

The study shows that while some areas are doing well at Reliance Retail, others continue to be development areas that can help make customer satisfaction even better through service quality, availability of products, and operational efficiency. Improvement in these fields can increase Reliance Retail's scope for growth and fortification in the competitive marketplace of retails.

5. Data Analysis and Discussion

- **Product Variety and Purchase Decisions** The data revealed that the most significant factor influencing shoppers at Smart Bazaar was the variety of products offered, with **60%** of respondents highlighting it as a critical reason for choosing the store. This finding aligns with the retail industry's understanding that customers prioritize access to a broad range of products, particularly in categories like groceries and home essentials. Price sensitivity also played a major role, with **45%** of shoppers indicating that competitive pricing was a crucial factor in their choice. These insights suggest that Reliance Retail's focus on offering diverse products at competitive prices resonates with its target audience, primarily individuals in the **26-35** age group.

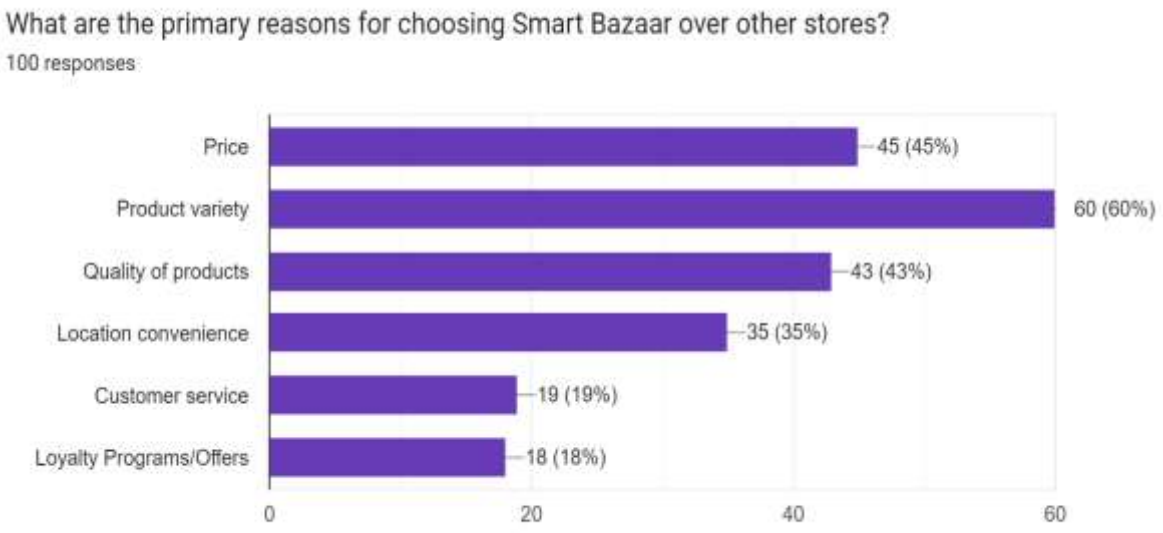

Fig. 1 Product Variety and Purchase Decisions

- **Frequency of Shopping** The frequency data showed that **41%** of respondents shop at Smart Bazaar daily, and **38%** visit weekly, emphasizing that the store is a preferred destination for regular shopping needs. Groceries and home essentials were the most frequently purchased items, reflecting the essential nature of these categories in the daily lives of consumers. This frequent shopping behavior suggests that Reliance Retail

plays a key role in fulfilling routine needs, and maintaining consistent product availability in these categories is crucial for sustaining customer loyalty.

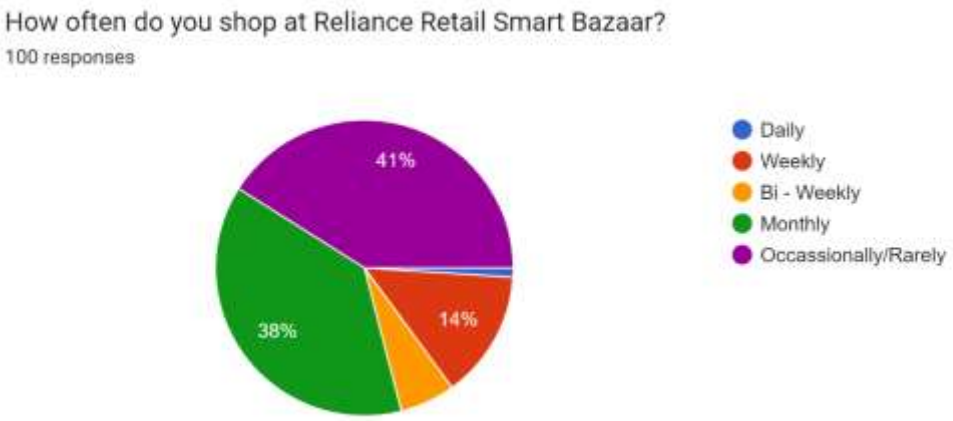

Fig 2. Frequency of Shopping

- **Spending Patterns** The survey indicated that a significant portion of customers spend between ₹500 and ₹1000 per visit, with **27%** spending below ₹500 and **9%** spending above ₹5000. These varied spending habits demonstrate that Smart Bazaar caters to a diverse clientele, from budget-conscious shoppers to those willing to make larger purchases. This range in spending suggests that Reliance Retail's pricing strategies must accommodate different consumer segments, ensuring that promotions and product offerings appeal to both price-sensitive and higher-spending customers.

Fig 3. Spending Patterns

Customer Experience Evaluation

- **Satisfaction with Shopping Experience** The overall shopping experience was rated positively by most respondents, with **56%** describing it as **"excellent"** and **27%** as **"good"** These high satisfaction levels are indicative of effective store management and product quality. However, some respondents highlighted issues such as trolley availability and long waiting times at checkout. Addressing these operational inefficiencies is critical to maintaining high levels of customer satisfaction and enhancing the overall shopping experience.

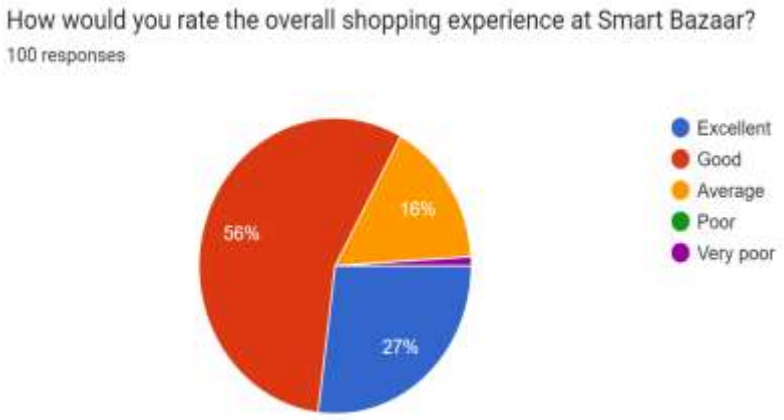

Fig. 4 Satisfaction with Shopping Experience

- **Customer Service Issues** Customer service, particularly the helpline, emerged as a significant pain point, with **56%** of respondents rating the helpline as either **"neutral"** or **"negative**". This dissatisfaction highlights an area for immediate improvement. Reliance Retail could benefit from investing in training programs for staff and integrating more efficient customer support technologies like chatbots or dedicated service kiosks to handle queries more effectively.

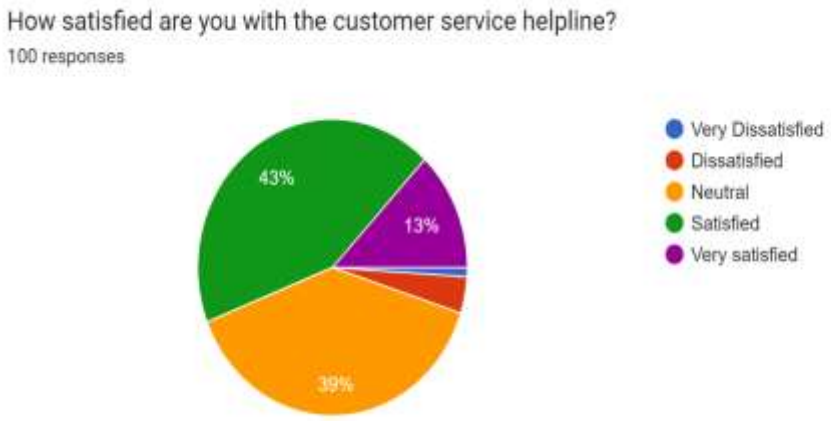

Fig. 5 Customer Service Issues

- **Loyalty and Recommendations** Despite some challenges, **70%** of respondents indicated they would recommend Smart Bazaar to others. This high level of customer loyalty is encouraging and suggests that Reliance Retail's strengths in product variety, pricing, and convenience outweigh the operational shortcomings noted by some customers. Nonetheless, improving areas such as customer service and streamlining the checkout process could further enhance loyalty and drive more positive word-of-mouth referrals.

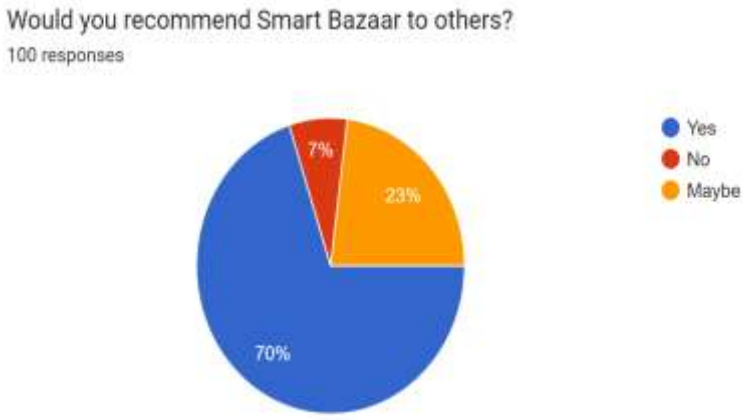

Fig. 6 Recommendations

Discussion of Strategic Implications

Building Product Range and Improving Inventory Reliance Retail should enhance product variety by offering a wider variety in grocery, home essentials, and other categories that attract high demand. Again, inventory management should be improved to avoid the possibility of stockouts. Real-time inventory tracking and predicting analytics may serve to ensure, at all times, that the most in-demand products are in place.

Improving Customer Service, Satisfied Customer: The frustration with customer service, most of it coming through the helpline, indicates the need for better training and support structures. The multi-channel customer service strategy, digital self-services, and better-trained in-store representatives would probably relieve customer frustration in issue resolutions and times. Also, the deployment of more customer feedback machines to attain real-time data pertaining to quality of service may provide continuous insights into improvement zones.

Through **Leverage of Technology** Reliance Retail could also use technology for improving in-store experience. It could have self-checkout kiosks in the store and mobile applications that would help customers navigate more efficiently. This would reduce waiting time and in fact improve their shopping journey. Personalized offers based on buy history, sent through the mobile application, will increase customer engagements and sales accordingly.

Sustainability and Future Growth An eco-friendly consumer can form the foundation to benefit from the growth in the sustainability trend since Reliance Retail would be able to promote more sustainable and less plastic-using products. Therefore, retaining this feeling of sustainability enhances the brand image of the company as appearing to be proactive, responsible, and more socially conscious retailer.

6. Recommendations

- **Enhance Product Variety and Availability**: Since **60%** of customers value variety above all, the company needs to expand product categories as well as keep stock levels constant, especially in those high-demand segments such as groceries, to maintain consumer interest and at least avoid the worst risk: stockouts.
- **Improve Customer Service and Staff Training**: For **43%** of the respondents, the customer service helpline is a place they feel most displeased with the process. Staff training must be improved, and complaint resolution processes enhanced. It is possible to improve efficiency and reduce the time to resolve issues by using digital tools, especially chatbots.
- **Optimize In-store Experience**: Focus should be on the operational enhancements, for example, availability of trolleys and adequate labour force during busy hours. Queue congestion can be eased, and the experience of shopping enhanced by the use of digital kiosks or self-service checkouts, amongst others.
- **Leverage Data for Personalized Offers**: Data analytics can be used to understand customers' purchase behavior and, hence Reliance Retail can develop more specific and targeted offers for promotions. The company would discover how much a particular customer spends, what he likes buying, and what he has bought previously, which it can use to offer the customer a discount or to recommend a product to him, thus making the promotion more relevant and effective. This approach is particularly critical because price is still a major purchasing driver today. However, **45%** of the customers believed that price was an important factor for them. Tailor-made offers are only helping to retain these price sensitive customers but, simultaneously are encouraging customer loyalty because they make every customer's shopping better.
- **Strengthen Omnichannel Presence**: Reliance Retail needs to allow cohesion of all its physical stores, mobile apps, and online platforms to enable shoppers to shop across all channels for a seamless shopping experience. The only way that an omnichannel will work is by offering the ease of browsing through products online, checking product stock at close-by stores, ordering products, and selecting between home

delivery or in-store pickup. Other than this, alignment of the loyalty program, offers, and recommendation with a view to each and every channel would also increase customer satisfaction levels, thus boosting both online and in-store engagement.

- **Enhance Sustainability Practices**: Reliance Retail needs to be sensitive to its environment and must attract green-conscious customers to enhance its brand image. It needs to reduce the use of plastic, make sustainable lines of products available, and encourage green initiatives in step with consumer expectation for the need for sustainability and corporate responsibility..

7. Conclusion

The study on ***Understanding Shopper Behavior and Evaluation of Customer Experience*** at Reliance Retail reveals some of the most precious insights into one of India's largest retail chains in terms of retail dynamics. Most important factors influencing shopper behavior, which the research highlighted, were product variety, pricing, and the overall shopping environment. What the customers value the most in Reliance Retail is the wide assortment of products and lower prices-groceries and essentials being the most common items to buy.

While the study revealed high degrees of customer satisfaction, it did mark areas that needed improvement, among them service and operational efficiency from customer service to problem solving for examples, such as the lack of trolleys and response times from the customer service. Apparently, staff training and infrastructure too had to be developed. More significantly, however, the study underlined the continuously evolving need for personalized shopping experiences and how Reliance Retail would have to play to increasingly use technology to get ahead in an increasingly changing retail landscape.

Upon implementing these analyses, Reliance Retail will be able to increase loyalty and enhance the working processes of its operations in retaining leadership in retail over the Indian market. In order to sustain such long-term success, adaptation to consumer demands and change in technology will be necessary and imperative in the coming future.

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Appendix

Survey questionnaire and data charts used for the study.