A Study of Customer Satisfaction regarding Cosmetic Products in Vadodara, Gujarat

Dr. Rashvin Tailor
Associate Professor
C K Shah Vijapurwala Institute of Management, Vadodara

Dr. Sourabh Jain
Assistant Professor
ITM (SLS) Baroda University, Vadodara

Abstract:

This study examines the factors influencing female customer satisfaction in cosmetic retail outlets in Vadodara, Gujarat, focusing on six key determinants: product availability, store cleanliness, customer assistance, convenience, store ambience, and flexible shopping options. Using Principal Component Analysis (PCA) and One-Way ANOVA, the research identifies significant correlations among these factors and age-based differences in customer satisfaction. Findings reveal that satisfaction levels vary across age groups, particularly in areas such as convenience, service quality, and after-sales support. The study emphasizes the need for tailored strategies to meet the diverse expectations of female customers, ensuring enhanced shopping experiences and sustained competitiveness in the cosmetic retail market.

Keywords: Customer satisfaction, cosmetic retail, Vadodara, product quality, store ambience, age groups, service quality.

Introduction:

Achieving high product and service quality, alongside ensuring customer satisfaction, is a crucial responsibility for business managers striving to sustain and grow in a competitive environment. Customer satisfaction plays a pivotal role in influencing a firm's profitability, as it directly impacts customer retention and loyalty. What primarily governs customer satisfaction is the quality of products and services offered to them. In other words, the effective management of product and service quality leads to higher customer satisfaction, ultimately contributing to the firm's profit margins and market competitiveness. In the cosmetic industry, where consumer preferences are highly dynamic and brand loyalty is closely tied to satisfaction, assessing levels of customer satisfaction becomes even more critical. Retail outlets act as a bridge between brands and consumers, and the quality of their service significantly affects customer experiences. Female customers, being a major segment of this market, exhibit unique buying behaviors and expectations, making it essential to understand the factors that influence their satisfaction. This study investigates the determinants of customer satisfaction among female consumers of cosmetic products in Vadodara, Gujarat. It aims to identify key factors that influence their choice of retail outlets and measure how these factors impact their overall satisfaction. The findings are expected to provide valuable insights for cosmetic retailers to improve their offerings and strategies, ensuring a competitive edge in this evolving market.

Literature Review

Jihyun Kim (2008) conducted a study on the effects of shopping orientations on consumer satisfaction in a multi-channel environment. The research aimed to understand how different shopping orientations influence satisfaction levels during product searches and purchases across various shopping channels, including both online and physical stores. The study found that consumers with confident/fashion-conscious shopping orientations and those inclined toward catalog and internet shopping exhibited

higher satisfaction with information search in multi-channel environments. Moreover, customers who preferred mall shopping and store-based purchases were more satisfied with physical retail experiences, whereas consumers who preferred non-local or catalog/internet shopping channels reported higher satisfaction with non-store-based retail environments. This study highlights the role of shopping orientation in shaping consumer satisfaction across different retail channels.

Ram Mohan (2013) explored the factors influencing customer satisfaction in food retail supermarkets, providing insights that are also applicable to other retail sectors, including cosmetics. The primary objective of this research was to identify the main factors that affect customer satisfaction in food retail supermarkets, with a focus on helping retailers design strategies to enhance customer retention. The study revealed that key factors influencing satisfaction included product quality, pricing, store ambiance, service quality, and convenience. These factors were instrumental in shaping consumer perceptions and purchasing decisions, and understanding them can help retail businesses craft more effective strategies to improve customer loyalty and satisfaction.

Komwut Unyathanakorn et al. (2014) examined the factors that affect customer satisfaction with online banking services, offering valuable insights that can be transferred to the online cosmetics retail market. The study focused on customer expectations regarding service quality and perceived value, and how these elements influenced satisfaction and loyalty. It found that service quality and customer expectations were significantly correlated with satisfaction and loyalty. The study suggested that online service providers, including cosmetic retailers, need to focus on improving service quality and the value perceived by customers to foster stronger satisfaction and long-term customer loyalty. These findings are relevant for cosmetic retailers in the growing online shopping landscape.

Ligo Koshy et al. (2014) analyzed determinants of customer satisfaction in organized retail outlets in Ernakulum, Kerala, which has important implications for understanding retail customer behaviors, particularly in the cosmetic industry. The study focused on identifying the components of customer satisfaction in organized retail settings, such as product quality, service, ambiance, and store layout. The research showed that customers in organized retail outlets were most satisfied with stores that offered a combination of high product variety, competitive pricing, and superior service standards. This emphasizes the importance of a holistic retail experience in fostering customer satisfaction and loyalty in the retail market, including cosmetics.

Patel & Desai (2017) conducted a study on customer satisfaction in the Indian cosmetics retail market, investigating the key drivers of satisfaction in this sector. The objectives of the study were to identify the factors that influence customer satisfaction, including product quality, store experience, and service delivery. The research revealed that product quality, brand reputation, and customer service were the most important factors driving customer satisfaction in the cosmetics market. These findings highlight the need for cosmetic retailers to focus on maintaining high-quality products, offering excellent customer service, and ensuring a positive store experience to increase customer loyalty and satisfaction in the highly competitive market.

Sharma & Kaur (2019) explored the relationship between customer satisfaction and loyalty in the Indian cosmetic retail industry, with a particular focus on product attributes and the store ambiance. Their study aimed to assess how these factors contribute to consumer satisfaction and, subsequently, to

customer loyalty. The study revealed that customer satisfaction with product quality, pricing, and store atmosphere directly impacted loyalty. The research emphasized the importance of a comprehensive customer experience, which includes high-quality products, reasonable prices, and a welcoming store environment, to build long-term loyalty in the cosmetics retail industry.

Singh & Rani (2020) studied customer expectations and satisfaction in the Indian retail cosmetic market, identifying a significant gap between what customers expected and what they were actually satisfied with. The study aimed to understand how customer expectations align with their actual satisfaction levels and to identify the key satisfaction factors in the cosmetic retail industry. It was found that customers expected high-quality products, personalized service, and an engaging shopping environment. However, the gap between expectations and satisfaction was most pronounced in areas such as store service and product knowledge. This suggests that cosmetic retailers need to focus on bridging the gap by improving customer service and product knowledge to meet customer expectations effectively.

Kumar & Gupta (2021) focused on the impact of retail environment factors on customer satisfaction in the cosmetics retail sector. The study explored how factors such as store layout, lighting, and cleanliness affected customer satisfaction in cosmetic outlets. The research emphasized that a positive retail environment was crucial for customer satisfaction, with store layout and ambiance being the most influential factors. Consumers were more satisfied when the store environment met their expectations for cleanliness, organization, and aesthetic appeal. This highlights the importance of creating a visually appealing and well-organized store environment to enhance customer satisfaction in the cosmetics retail industry.

Research Gap

The research on customer satisfaction in retail environments has made significant contributions, but several gaps remain. While studies like Kim (2008) and Mohan (2013) have explored consumer satisfaction across different shopping orientations and retail sectors, there is a lack of focused research specifically targeting customer satisfaction in cosmetic retail outlets. Additionally, the influence of multi-channel shopping on cosmetic product purchases is underexplored, especially in emerging markets like India. Although factors such as service quality and store ambiance are recognized as important in enhancing satisfaction, more comprehensive studies are needed to understand the unique dynamics of the cosmetic retail industry, particularly in urban regions like Vadodara, Gujarat.

Objectives of the Study:

To study the impact of different age groups on the importance of factors in shaping female customer satisfaction in Vadodara.

Research Methodology

For this research, a descriptive research design was employed to study the importance of various factors influencing female customer satisfaction in Vadodara's cosmetic retail market. The study

utilized Principal Component Analysis (PCA) to identify highly correlated factors, out of total 25 factors which were then reduced to 6 more manageable variables for further analysis. Following this, One-Way ANOVA was applied to examine the relationships between these factors and customer satisfaction. The sample for the study was selected through non-probabilistic convenience sampling, involving consultations with various cosmetics retailers and beauty parlors in the Vadodara district. A total of 150 questionnaires were distributed across three talukas—Savli, Vadodara, and Vaghodia— with an equal distribution in each region. Out of the 150 distributed, 108 valid questionnaires were used for analysis, as some were incomplete or not returned.

Hypothesis Testing and Data Analysis

To analyse the data Factor Analysis and One way ANOVA were used.

Factor Analysis

Ho: There is no significant correlation between factors affecting female customers in Vadodara.

Ha: There is significant correlation between factors affecting female customers in Vadodara.

Table 1 KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.796
Bartlett's Test of Sphericity	Approx. Chi-Square	2979.740
	df	300
	Sig.	0.000

(Source: Data Analysis)

Table 2 Total Variance Explained

	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of			Rotation Sums of Squared		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.416	37.662	37.662	9.416	37.662	37.662	4.630	20.520	20.520
2	3.443	13.773	51.435	3.443	13.773	51.435	3.910	15.641	36.161
3	2.179	8.714	60.150	2.179	8.714	60.150	2.996	11.984	48.145
4	1.583	6.333	66.483	1.583	6.333	66.483	2.735	10.942	59.086
5	1.258	5.031	71.514	1.258	5.031	71.514	2.591	10.365	69.451
6	1.087	4.347	75.860	1.087	4.347	75.860	2.102	8.409	77.860
7	.886	3.546	79.406						
8	.833	3.330	82.736						
9	.744	2.978	85.714						
10	.670	2.681	88.395						
11	.581	2.323	90.718						
12	.521	2.083	92.801						
13	.400	1.598	94.399						
14	.351	1.402	95.802						
15	.270	1.082	96.883						
16	.219	.874	97.758						
17	.129	.518	98.275						
18	.111	.446	98.721						
19	.107	.428	99.149						
20	.072	.287	99.436						
21	.059	.235	99.671						
22	.037	.147	99.818						
23	.028	.111	99.930						
24	.013	.050	99.980						
25	.005	.020	100.000						
Extraction Method: Principal Component Analysis.									

(Source: Primary Data)

Table 3 Rotated Component Matrix

Rotated Component Matrix[a]						
	Component					
	1	2	3	4	5	6
Availability of Brands	0.715					
Broad Range of Brands	0.776					
Waiting time while you go to buy	0.534					
Home delivery service provided by store	0.784					
Discount on products	0.781					
Offers and Sales Promotion Schemes	0.597					
Loyalty reward on repeat purchase	0.788					
Store has maintained Cleanliness		0.710				
Attitude of Store person is friendly		0.652				
Product is easily accessible in store		0.811				
Product is available in quantity and size		0.788				
Your problems are easily solved		0.579				
Product Return Policy			0.795			
Quick Customer Problem Solving			0.599			
Product related information is given by sales person			0.562			
Post purchase complaint handling is good			0.578			
Reach to the store is convenient				0.684		
Sales person assist properly during buying process				0.546		
Number of payment counter is there				0.858		
Store is Specious					0.658	
Store ambience is attractive					0.841	
Store display product is attractive					0.751	
Store is flexible in payment process					0.677	
Buying is convenient in Store						0.851
Store open in convenient hours						0.677
Extraction Method: Principal Component Analysis.						
a. Rotation converged in 10 iterations.						

(Source: Primary Data)

The results of the KMO and Bartlett's Test indicate that the data is suitable for factor analysis, with a KMO value of 0.796 (meritorious) and a significant Bartlett's Test of Sphericity ($\chi^2 = 2979.740$, $p < 0.05$), confirming significant correlations among variables. The Total Variance Explained shows that six components with eigenvalues greater than 1 account for 77.86% of the variance, highlighting their adequacy in summarizing the data. The Rotated Component Matrix reveals six distinct factors: Product Availability and Loyalty (e.g., availability of brands and loyalty rewards), Store Cleanliness and Accessibility (e.g., store cleanliness and ease of product access), Customer Assistance and Problem Resolution (e.g., product return policy and complaint handling), Store Convenience (e.g., convenience of reaching the store), Store Ambience (e.g., attractive ambiance and spaciousness), and Buying Convenience (e.g., convenient hours and flexible payment). With Bartlett's Test confirming significant correlations, the null hypothesis (Ho) is rejected, and the alternative hypothesis (Ha) is accepted, indicating that the factors significantly influence female customers in Vadodara.

One Way ANOVA for to test Hypothesis

Ho: There is no significant difference of female customers of different ages feel about their satisfaction with cosmetic retail outlets.

Ha: There is significant difference between age of female consumers of cosmetic retail outlets on customer satisfaction.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Customer Convenience and Incentive Drivers	Between Groups	51.788	4	12.947	47.519	.000
	Within Groups	28.063	103	.272		
	Total	79.852	107			
Store Service Quality	Between Groups	10.058	4	2.515	7.766	.000
	Within Groups	33.349	103	.324		
	Total	43.407	107			
Customer Support and After-Sales Service	Between Groups	2.937	4	.734	3.142	.018
	Within Groups	24.063	103	.234		
	Total	27.000	107			
Shopping Convenience and Assistance	Between Groups	4.376	4	1.094	4.403	.003
	Within Groups	25.587	103	.248		
	Total	29.963	107			
Store Ambience and Flexibility	Between Groups	2.413	4	.603	2.562	.043
	Within Groups	24.254	103	.235		
	Total	26.667	107			
Shopping Convenience	Between Groups	9.651	4	2.413	3.882	.006
	Within Groups	64.016	103	.622		
	Total	73.667	107			

(Source: Primary Data)

The results of the ANOVA test indicate that there are significant differences in how female customers of different age groups feel about their satisfaction with cosmetic retail outlets across various factors. For Customer Convenience and Incentive Drivers, the F-value is 47.519 with a significance level of 0.000 ($p < 0.05$), indicating significant differences among age groups. Similarly, Store Service Quality shows significant differences ($F = 7.766$, $p = 0.000$). For Customer Support and After-Sales Service, the F-value is 3.142 with a significance level of 0.018 ($p < 0.05$), confirming that satisfaction levels vary by age group. Shopping Convenience and Assistance ($F = 4.403$, $p = 0.003$) and Store Ambience

and Flexibility (F = 2.562, p = 0.043) also reveal significant differences, although the latter shows a weaker effect compared to other factors. Lastly, Shopping Convenience has an F-value of 3.882 with a significance of 0.006, further supporting age-based differences in satisfaction. Overall, the null hypothesis (Ho) is rejected for all factors, confirming that age significantly impacts female customers' satisfaction with cosmetic retail outlets.

Conclusion

The analysis highlights significant factors influencing female customers in Vadodara, such as product availability, store cleanliness, customer assistance, convenience, store ambience, and flexible shopping options. Factor analysis confirms that these variables are interrelated and significantly impact customer satisfaction. Additionally, the ANOVA results reveal that satisfaction levels vary significantly across different age groups for various aspects of the shopping experience. Key areas of difference include convenience, incentives, store service quality, and after-sales support. These findings suggest that age plays a critical role in shaping customer satisfaction, and retailers should tailor their strategies to address the diverse needs of female customers effectively. Overall, the study underscores the importance of enhancing customer experience in retail outlets to meet varied consumer expectations.

References

1. Jihyun, K. (2008). The effects of shopping orientations on consumer satisfaction in a multi-channel environment. International Journal of Consumer Studies, 32(1), 123-130. (https://www.researchgate.net/publication/235275331_The_effects_of_shopping_orientations_on_consumers%27_satisfaction_with_product_search_and_purchase_in_a_multi-channel_environment)

2. Mohan, R. (2013). Factors influencing customer satisfaction in food retail supermarkets: Insights for retail sectors. Journal of Business and Retail Management Research, 6(2), 45-56. (http://www.irdindia.in/journal_ijrdmr/pdf/vol2_iss2/11.pdf)

3. Unyathanakorn, K., & Rompho, N. (2014). Factors affecting customer satisfaction with online banking services. International Journal of Bank Marketing, 32(6), 528-543. (http://www.na-businesspress.com/JMDC/RomphoN_Web8_2_.pdf)

4. Koshy, L., & Mathew, S. (2014). Determinants of customer satisfaction in organized retail outlets in Ernakulam, Kerala. Indian Journal of Marketing, 44(8), 18-25.

(https://www.researchgate.net/publication/267574853_Determinants_of_retail_customer_satisfaction_A_study_of_organized_Retail_Outlets_IN_ERNAKULUM_KERALA)

5. Patel, R., & Desai, M. (2017). Customer satisfaction in the Indian cosmetics retail market: Key drivers. Indian Journal of Research in Commerce and Management, 8(3), 12-19.

6. Singh, A., & Rani, M. (2020). Exploring the gap between customer expectations and satisfaction in the Indian retail cosmetic market. *Journal of Retailing and Consumer Services*, 58, 102-110.

7. Kumar, V., & Gupta, P. (2021). Retail environment factors and customer satisfaction in the cosmetics retail sector. *Asia-Pacific Journal of Marketing and Logistics*, 33(4), 672-689.

8. Basak, S. K., & Khanna, R. (2017). Consumer buying behavior towards cosmetic products: An empirical study in Delhi. Journal of Business and Management, 19(1), 18–22.

9. Kumar, R., & Singh, N. (2018). Role of product attributes and consumer lifestyle in the purchase decision of cosmetics. Indian Journal of Marketing, 48(5), 27–38.

10. Verma, S., & Jain, S. (2019). Examining the effect of store environment on customer satisfaction in the organized retail sector in India. Global Business Review, 20(6), 1355–1372.

11. Gupta, A., & Agarwal, R. (2020). Impact of brand image on customer satisfaction and loyalty in the cosmetics industry. International Journal of Management Studies, 7(3), 62–73.

12. Sharma, P., & Bansal, R. (2021). An analytical study of customer satisfaction with retail outlets in the cosmetic industry. Journal of Retailing and Consumer Services, 59, 102345.

13. Choudhary, P., & Rajput, R. (2019). The impact of digital marketing on consumer behavior in the cosmetic industry. Journal of Business Research, 101, 528–534.

14. Srivastava, S., & Sharma, K. (2020). Understanding consumer loyalty in the Indian retail market: The role of product quality and service experience. Journal of Retail and Consumer Services, 58, 102241.

15. Thomas, S., & Joseph, J. (2021). Customer satisfaction and loyalty in the retail sector: A study on cosmetic outlets in Kerala. International Journal of Marketing and Technology, 11(5), 1–15.