

Impact of Hospitality on Customer Purchase Decision in Indian Retail Space

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Abstract- Hospitality is one of the core aspects of in store communication which is often undermined in this competitive world. Today it stands as one of the key drivers in enhancing customer experience. The objective behind choosing this area of research is, in most of the cases purchase behaviour of a customer gets influenced either by emotions or by reasoning. On the other hand, it's not just about providing quality service rather it's about understanding consumer psychographics, effective interaction and the emotional appeal which reflects the pragmatic brilliance of today's retail players. The purchase decision can be transformed only when we are successful in converting their purchase behaviour to habit and this can be achieved by providing superior hospitality as a token of delight.

Key Words: Hospitality, Ambience, Customer Engagement, Brand Experience, customer service

1. Introduction

The retail sector of India is one of the most emerging sectors and accounts to 10% of our country's GDP. In addition to this India evolved as a global destination in the space of retail and created a level playing field to its counter parts which includes developed nations (IndiaBrandEquityFoundation, 2020). In a nutshell, we define hospitality as a generous and amicable reception provided to the customers. New age customers turned out to be value conscious with their changing lifestyles and aspirations. The trend of hospitality is gaining ground these days and firms are relentlessly working towards establishing touch points in every possible phase of the customer journey. Every touch point that we establish helps in transforming customer experiences memorable and this very instance even increases the chances of brand recall. Fortunately, retail space is growing significantly not as an outlet which sells products for a monetary benefit rather silver lined as an experiential venue. The study of this research highlights the vital role played by the hospitality aspect to enhance customer satisfaction.

2. Literature review

The core challenge of the current day retail is about framing an approach about how to create an environment which brings someone willingly to a retail outlet. To address this scenario, based on careful considerations many customer loyalty experts opined that one can achieve this objective primarily by having premium hospitality and trustworthiness in place. Once we have these absolute essentials, it makes customers feel they are important (ChristineB.Whittemore, 2011). Hospitality lifts the satisfaction quotient of the customers in the gallery of their tastes and preferences. Focussing more on how to interact with customers in terms of addressing their needs drives their intentions and motivation to purchase experience but not just a product. Many of the retailers strongly believe and support offline stores because in case of offline, hospitality acts as a potential denominator and revives the experiences of the customers which are emotionally rewarding (JoanVerdon, 2018).

One of the productive approaches to enhance customer experience is to focus on sustainable advantage and invest on customer convenience. To attract more people, we need to create an environment which holds their interest to shop more. Even though hospitality is the part of shopping experience, to sustain and to gain a competitive advantage, hospitality turns out to be a vital factor. In today's technology driven retail arena, hospitality involves respect and dignity to a large extent. This in turn makes retail giants to facilitate hospitality as a priority (KimEvenson, 2020).

3. Research Objectives

To figure out the core reasons for the rise of retail segment in India.

To study the factors that drives customers motivation to purchase in retail store.

To understand the opinion of customers in shifting their preference to e-commerce.

To evaluate the percentage of customers experiencing the instances of hospitality in retail.

4. Research methodology and Data analysis

As part of our research study, we conducted both primary and secondary research to perform an analysis to understand the impact of hospitality on the buying behaviour and the purchase decision of the customer. Accordingly, to draw these final conclusions various newspapers, company blogs, official sites and articles of leading consulting firms has been taken into consideration. Primary research was carried out to know how important the aspect of hospitality is to enhance the experience of the customers. It was done by conducting a survey through online questionnaire.

To achieve the mentioned objective, we have the following research design. The sample size includes 100 respondents including under graduates/Postgraduates, working professionals and home makers ranging from the age group of 15 to age group of 46 and above. In terms of segmentation we chose Age and education as our segmentation variables. Moreover, to pursue detailed analysis we made use of various tools such as bar graphs, pie charts and line charts with the obtained responses. The methodology of research is purely based on the facts and insights that we collected through secondary research and the responses we received through the questionnaire as part of primary research.

4.1 Profile of the target sample- We included males and females of the age group ranging from 15 to the age above 46, where the sample size comprises of students, working professionals and home makers.

4.2 Source of the data-

Primary research: Sample size of 100

Secondary research: Newspapers, official sites, blogs, and articles published by consulting firms.

4.3 Period of the study- This study was conducted for a month.

4.4 Limitations of the study- Since customer experience varies from person to person, we did not restrict our age group to a certain segment, rather we concentrated the aggregate across the age groups.

4.5 Secondary research

Hospitality influences retail segment at a rapid pace. To bridge the gap between the expectations of the shopper w.r.t products, retailers are trying to redefine the timeline by focussing on service excellence and an environment which provides a scope to engage with the customers. By clearly understanding the customer buying behaviour retailers need to immerse in boosting their personalized multi-sensory experience , which creates a space for them to repeat and share their experience (ChloeMuir, 2016)

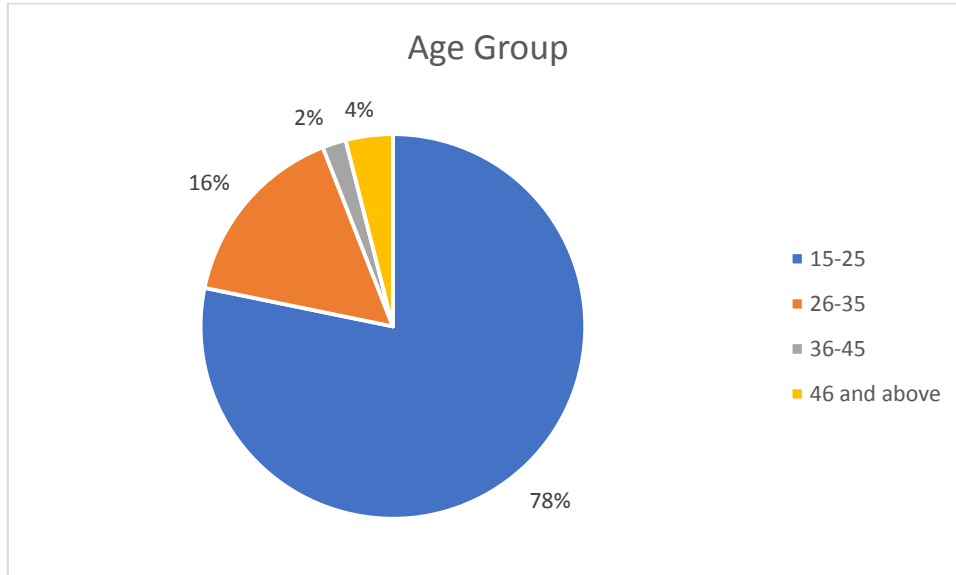
The combination of hospitality and retail is an amazing notion which embraces the potential of the journey in transforming customers desire to experience. Most importantly shoppers need to feel connected and uniquely meaningful in terms of the service they experienced. The integral part that drives consumer purchase is only when you align customers interests and preferences with the value system of the brand (JacksonThilenius, 2018).

To top the game in retail segment, undoubtedly retailers need to mark hospitality as the societal priority. Although the trend is evident from several years, hospitality is the new normal and one of the major assets in the retail backdrop. In addition to this focussing on insights drawn from customer feedback brings sustainable solution to face the disruption from the aggressive competitors. In other words, we can say that global consumer sentiments are moving with unprecedented speed. If the retailers don't address those desires then there is a chance of looming demise (Mckinsey&Company, 2019).

4.6 Primary research

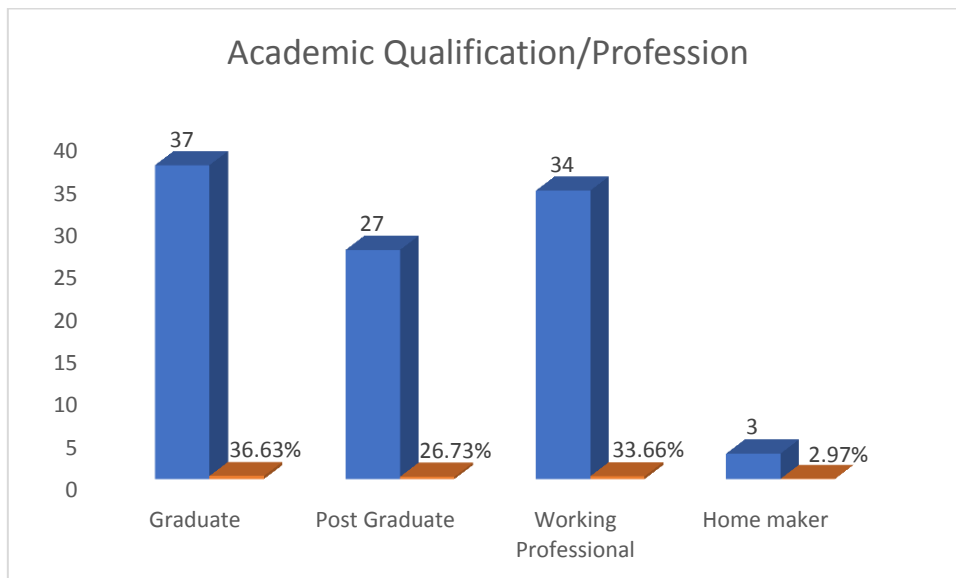
Primary data collected with the sample size of 100

1) Please specify your age group



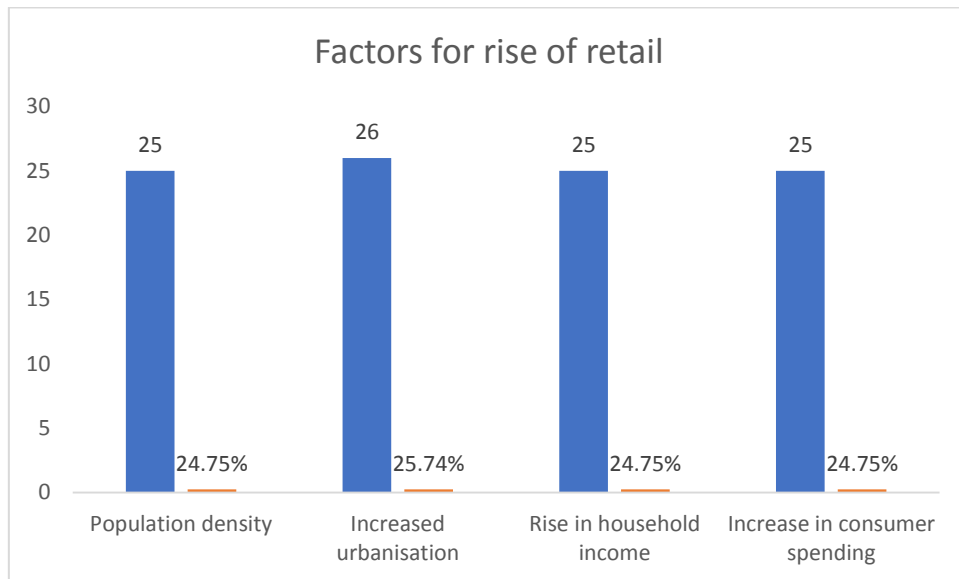
People across the age groups have participated in the survey. But according to the data age group ranging from 15-25 are the majority followed by the age group of 26-35.

2) Please specify your Academic qualification/Profession



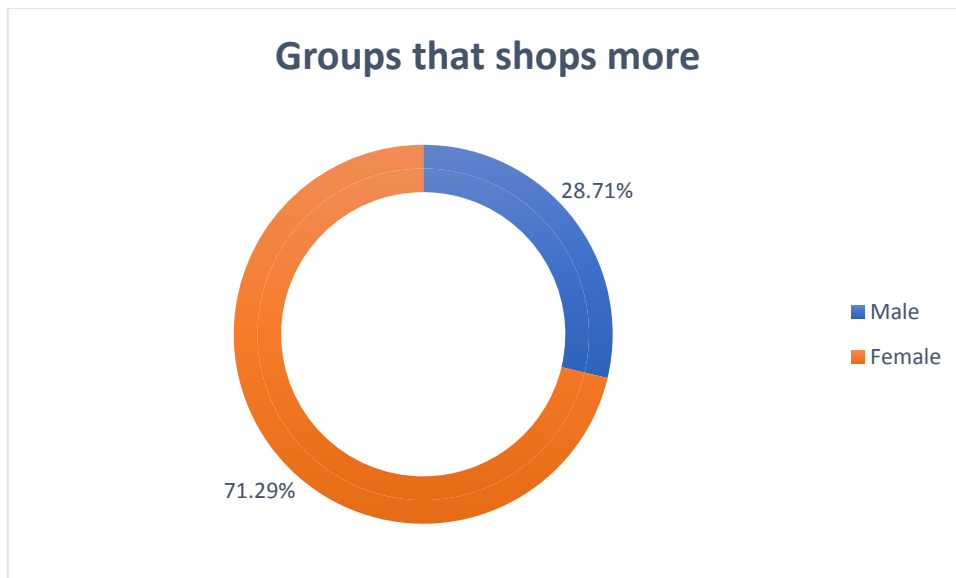
Based on the responses, Graduates topped the chart followed by working professionals and Postgraduates. It is a good sign to see even home makers are also stepping forward to shop in retail

3) Please specify, which of the below factors contributed to the rise of retail in India



According to the data, respondents opine the main reasons behind the progress of retail in India is due to changing increase in density of population but in urban areas followed by household income and consumer spending. This reflects a true fact i.e, increase in income drives people to spend more which in turn leads to the vicious cycle of supply and demand.

4) Please specify, which segment do you think will shop more



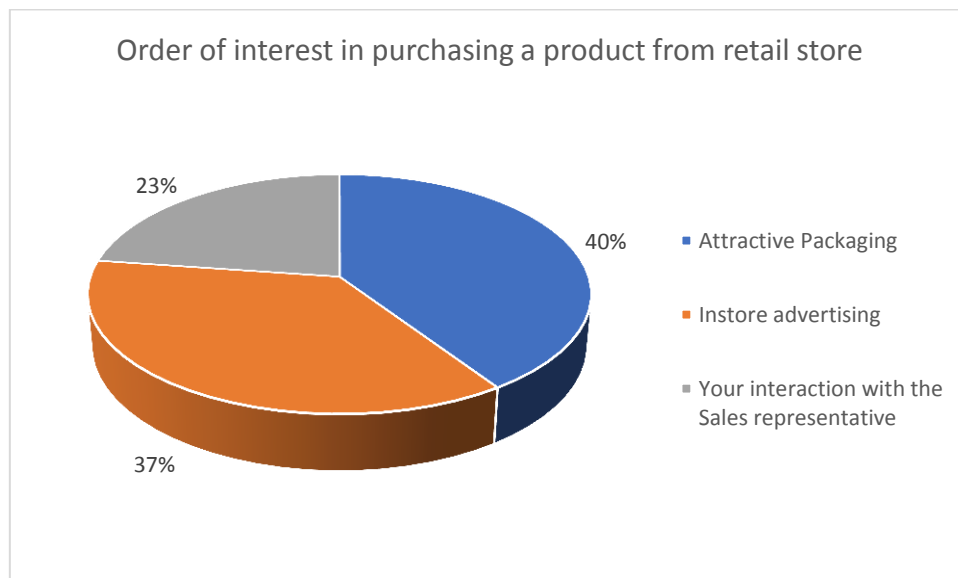
PWC reports states that Female purchases twice more than male group in the segment of e-commerce. But the interesting aspect is even is physical retail outlet the major percentage of shoppers are turned out to be females.

5) Which of the below factors drives you to shop in retail



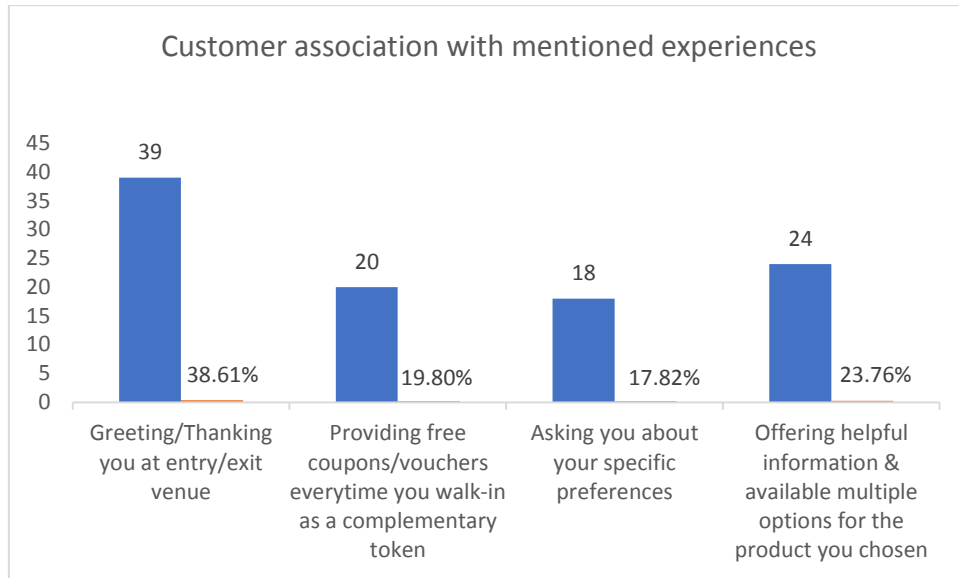
Majority of the respondents opine the vital factors to shop in retail is because of the availability of exclusive products followed by visual appeal. This instance clearly shows that even visual appeal plays a major role in driving the motivation of people to shop retail.

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



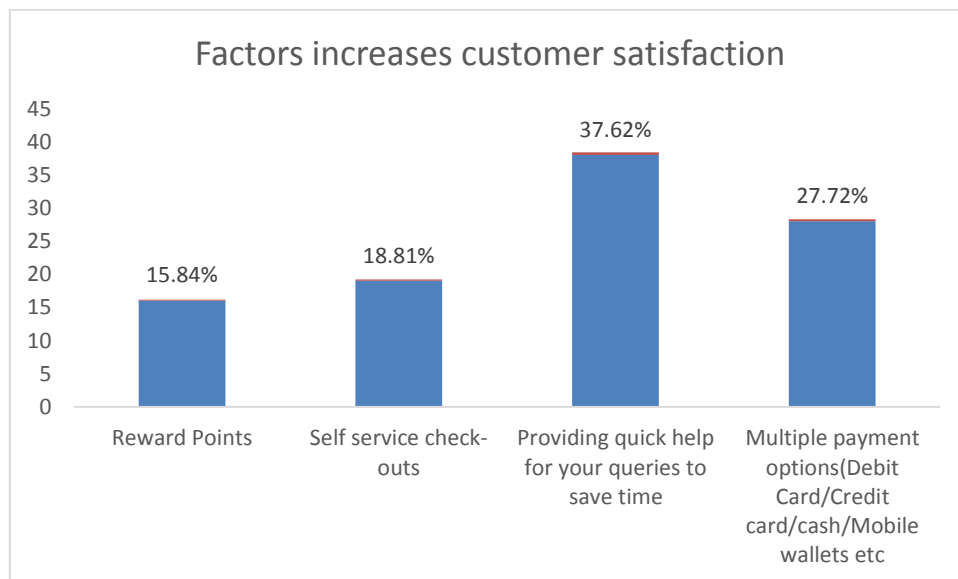
According to the data, 40% of the people opine attractive packaging is one of the main factors followed by instore advertising are crucial to purchase the product from retail store. This shows even in-store advertising actively promotes the services and engages the customer interests.

7) Please specify did you associate with any of the below mentioned experiences



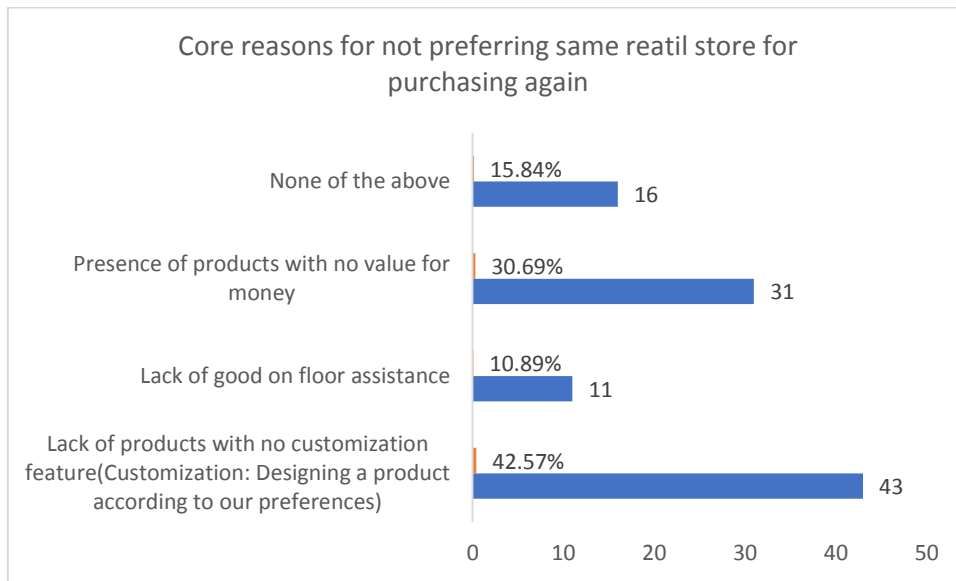
Most of the respondents opine they had witnessed experiences such as Greeting/Thanking at entry/exit point followed by offering available information and multiple options for the chosen product. This shows majority of the customers expecting good assistance and hospitality in the retail store.

8) Which of the below factors increases customer satisfaction



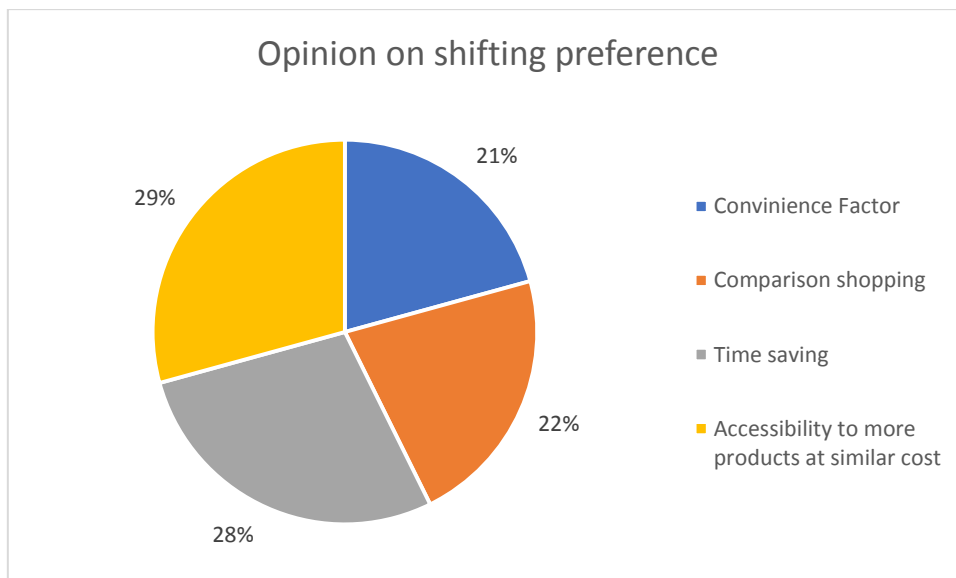
Based on the data, shoppers opine activities involved in time saving followed by availability of multiple payments options increases their level of satisfaction to a great extent.

9) What do you think are the core reasons for not preferring same retail store for purchasing again



According to the responses many of the people opine their core reasons behind shifting their preference to other stores is because of showcasing products with no feature of customization and value for money. This is a clear instance which reflects people turned value conscious in this fast-paced environment and people want their products purchased are in accordance to their tastes and preferences.

10) Please specify your opinion upon shifting from retail to e-tail



Based on the study, customers opine their vital reason behind shift from retail to e-tail is the provision of accessing more alternative products ranging in similar cost followed by feature of comparing multiple products. Because to sustain as a potential retailer it's important to create a comfortable environment and products according to the customer convenience.

11) 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.

<p>Demographics Age: 15-25 Education: Graduate</p>	<p>Goals/Aspirations Experience the visual appeal Socializing Direct interaction within store representative</p>	<p>Frustrations Long waiting time Lack of convenience in comparing multiple products</p>
<p>Buying roles Direct Indirect</p>		<p>Needs Experience Relaxation</p>
<p>Channels Social Media Hoardings Promotions on TV</p>	<p>Buyer's journey Awareness (Promotions) Consideration (Features of product) Decision making (Purchasing the product) Advocacy(Customer Feedback)</p>	<p>Content sources Blogs/websites Print & Broadcast media</p>

Recommendations:

5. Recommendations

Since customers opined visual appeal is one the driving factor to shop in retail, imparting string in store visuals will give good returns

Also, we can think upon utilizing AI to greet and thank customers and assist them in providing information about the products they want to purchase

Most importantly if we can develop store specific products, we can ensure better customer footfall when compared to other cases.

6. Conclusion

Based on the study, customers opined the core reasons behind the rise of retail is mainly due to increase in the percentage of population in urban area and household income. The critical factors that motivates customers to purchase in retail are exclusive products and the visual appeal. In addition to this the main reasons behind shifting their preference to e-commerce is due to the availability of comparison-shopping feature and accessibility of various products ranging in similar cost. Most importantly it's good to see that despite the advent of technology majority of people still interested to recommend people to shop in physical retail outlet.

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