



A Study On Service Quality Of Lulu Hypermarket With Reference To Coimbatore City

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Abstract

This study examines the service quality of Lulu Hypermarket in Coimbatore City, focusing on key dimensions such as tangibility, reliability, responsiveness, assurance, and empathy. The research aims to understand how demographic factors influence customer perceptions of service quality and their impact on customer satisfaction, trust, and loyalty. Using a structured survey methodology with over 150 respondents, statistical analyses such as ANOVA and Chi-square tests were conducted to identify significant relationships between service quality factors and customer behaviour. The findings indicate that first-time visitors report the highest satisfaction, while monthly visitors show lower satisfaction levels. However, no significant association was found between demographic factors like age and gender and customer perceptions of service quality. The study highlights the importance of employee behaviour, technological integration, and personalised customer engagement strategies in enhancing customer experience. Recommendations include improving store ambiance, inventory management, and targeted marketing efforts to increase customer retention and loyalty. The study provides valuable insights for Lulu Hypermarket's management to enhance service quality and maintain a competitive edge in the retail market.

Keywords : Service Quality, Customer Satisfaction, Retail Management, Consumer Perception, Lulu Hypermarket, Customer Loyalty

1.1 INTRODUCTION

Hypermarkets like Lulu have revolutionised retail by offering a diverse range of products under one roof, meeting consumer demands for efficiency, value, and convenience. Their entry into markets like Coimbatore reflects shifting consumer preferences toward modern retail, emphasizing service quality as a key differentiator. Service quality in hypermarkets is a multidimensional concept encompassing tangibility, reliability, responsiveness, assurance, and empathy. Tangibility refers to the store's physical environment, including cleanliness, lighting, and layout, which impact customer comfort and overall shopping experience. Reliability ensures that products are consistently available, checkout processes are smooth, and promotional offers are honored as promised, fostering trust among consumers. Assurance is built through knowledgeable and courteous staff, who play a crucial role in enhancing customer confidence and satisfaction. Responsiveness highlights the importance of prompt assistance from employees, especially in a high-traffic setting where customers expect quick resolutions to their inquiries. Empathy, though challenging in large-scale operations, enhances customer satisfaction by catering to individual needs, such as assisting elderly shoppers or providing product recommendations. Additionally, technological advancements, such as self-checkout counters and digital payment options, have further improved service efficiency. As hypermarkets continue to expand, their ability to maintain high service quality standards will determine their long-term success and customer loyalty in a highly competitive retail landscape.

1.2 STATEMENT OF THE PROBLEM

The study seeks to address the problem of understanding the service quality perceptions of customers at Lulu Hypermarket in Coimbatore City. Despite the increasing competition among retail outlets, there is limited empirical research on how various demographic factors, such as family type and purchasing frequency, influence customer satisfaction and loyalty in this specific context. Also, the availability and quality of branded products remain critical components of customer experience that need further exploration. Without a clear understanding of these elements, Lulu Hypermarket may struggle to enhance its service quality and effectively cater to the needs and preferences of its diverse customer base, ultimately impacting customer retention and overall business performance. Therefore, this study aims to identify the key factors that shape customer perceptions of service quality and loyalty within the hypermarket, providing insights that can inform strategic improvements.

1.3 OBJECTIVES OF THE STUDY

1. To analyse how demographic factors influence perceptions of service quality at LULU hypermarket.
2. To assess the factors that influence the service quality offered to the consumers.
3. To ascertain the impact of service quality offered by the LULU Hypermarket on customer satisfaction.
4. To study the influence of customer satisfaction on building trust and loyalty.
5. To assess the consumer trust and loyalty of LULU Hypermarket and its impact on consumer repurchase intentions at the same store.

1.4 SCOPE OF THE STUDY

The study on service quality at Lulu Hypermarket with reference to Coimbatore City focuses on understanding how various dimensions of service quality, including tangibility, reliability, responsiveness, assurance, and empathy, impact customer satisfaction and behavioral intentions such as repeat visits and recommendations. It examines customer perceptions in the context of Coimbatore's urban demographic, considering the role of technological integration, employee behaviour, and sustainability practices. The research also explores how demographic factors like age, gender, and income influence service expectations, with a goal of providing actionable insights for Lulu Hypermarket's management to enhance service delivery, improve customer experiences, and strengthen competitive positioning in the local retail market.

1.5 SIGNIFICANCE OF THE STUDY

The significance of this study lies in its ability to provide valuable insights into the factors that influence service quality and customer satisfaction at Lulu Hypermarket in Coimbatore City. By understanding the key dimensions of service quality, the research helps identify strengths and areas for improvement, enabling Lulu Hypermarket to tailor its service strategies more effectively. It highlights the impact of customer perceptions on repeat visits, loyalty, and word-of-mouth recommendations, which are crucial for sustaining a competitive edge in the retail market. Additionally, the study sheds light on the role of technology and employee behaviour in enhancing the customer experience. The findings are significant for management, as they offer practical recommendations for improving service quality, optimising customer service practices, and fostering long-term customer relationships, ultimately contributing to business growth and customer satisfaction. Furthermore, the study adds to existing literature on retail service quality and serves as a reference for future research in the field.

1.6 LIMITATIONS OF THE STUDY

1. The study's findings may not apply to regions outside Coimbatore city.
2. A small or non-representative sample may lead to biased conclusions about service quality.
3. Customer feedback may be influenced by biases such as social desirability or inaccurate recall.
4. The study may not account for long-term trends or seasonal variations in customer perceptions.
5. The study may overlook the influence of evolving technology on service quality.

1.7 RESEARCH METHODOLOGY

The research adopts a structured design to ensure systematic data collection and analysis, employing a non-probability convenience sampling method for efficiency. Primary data is gathered through surveys and structured questionnaires from consumers shopping at Lulu Hypermarket in Coimbatore, offering direct insights into service quality perceptions. The study focuses on Coimbatore as the sample area, with the sample unit comprising local shoppers to understand their experiences and expectations. The target population includes all Lulu Hypermarket customers in the region, covering diverse demographics to ensure a well-rounded perspective. A sample size of over 150+ respondents was chosen to capture varied consumer opinions and enable meaningful analysis. While convenience sampling allows quick and cost-effective data

collection, it may introduce biases due to the non-random selection of participants. Nonetheless, this approach provides valuable insights into customer satisfaction, expectations, and service quality at Lulu Hypermarket, contributing to a better understanding of consumer behaviour in Coimbatore's evolving retail landscape.

2. REVIEW OF LITERATURE

Employee Behaviour and Its Impact on Service Quality in Lulu Hypermarket, Coimbatore - Nair, R., & Thomas, V. (2023)¹

Nair and Thomas explore the impact of employee behaviour on the overall service quality at Lulu Hypermarket in Coimbatore. Their study concludes that positive employee behaviour, including attentiveness and friendliness, significantly enhances customer perceptions of service quality. The paper recommends that Lulu Hypermarket continue to invest in employee training programs that focus on enhancing interpersonal skills and developing a customer-centric attitude among staff.

Technological Advancements in Retail and Their Impact on Service Quality - Agarwal, S., & Jain, S. (2023)²

Agarwal and Jain's study focuses on the integration of technology in retail, specifically at Lulu Hypermarket, and its effect on service quality. The study examines the implementation of self-service kiosks, mobile apps, and online shopping platforms, finding that these innovations significantly improve customer satisfaction by providing more convenience, reducing waiting times, and offering personalised services. The authors suggest that Lulu can further enhance its service quality by continuously adopting emerging technologies to improve the customer experience.

Employee Training and Its Role in Enhancing Service Quality in Retail - Yadav, M., & Meena, R. (2023)³

Yadav and Meena's paper emphasises the importance of employee training in improving service quality in the retail sector. Their study finds that well-trained employees at Lulu Hypermarket, who are knowledgeable about products and services, play a crucial role in enhancing customer satisfaction. The authors suggest that Lulu should invest more in regular staff training programs that focus on improving technical skills, communication, and customer service expertise.

Impact of Customer Experience on Service Quality in Retail - Agarwal, R., & Gupta, P. (2024)⁴

Agarwal and Gupta focus on the role of customer experience in influencing perceptions of service quality. The study suggests that providing a personalised shopping experience is vital for creating positive customer perceptions at Lulu Hypermarket. Their research indicates that improving touch-points such as in-store interactions, digital platforms, and loyalty programs can lead to higher customer satisfaction and a better overall service quality evaluation.

A. (2024)5

Kumar and Shah's study looks forward into the future of service quality in retail, with a focus on Lulu Hypermarket. The paper discusses emerging trends such as the rise of artificial intelligence (AI) and automation in retail service delivery. Their study anticipates that Lulu Hypermarket will need to embrace these technologies, including AI-driven customer service and chatbots, to remain competitive while improving service efficiency and quality.

3. DATA ANALYSIS & INTERPRETATION

3.1 STATISTICAL TOOLS USED FOR DATA ANALYSIS

3.1.1 One - way ANOVA analysis

3.1.2 Chi-square analysis

3.1.1 One-way ANOVA analysis

TABLE - 3.1.1

To assess if there is any difference between the (Grouped variable) customer satisfaction with Lulu Hypermarket services and environment based on the frequency of visits. Hypothesis H₀, was framed. One-way ANOVA, were performed and the results were presented below.

H₀ - There is no significant difference in (Grouped variable) customer satisfaction with Lulu Hypermarket services and environment based on the frequency of visits.

Descriptives						
Customer Satisfaction with Lulu Hypermarket Services and Environment						
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	Upper Bound
					Lower Bound	Bound
Once a week	7	11.5714	2.37045	0.89595	9.3791	13.7637
Once a month	75	10.9600	1.95517	0.22576	10.5102	11.4098
Occasionally	98	11.6224	1.66539	0.16823	11.2886	11.9563
Fist time visitor	27	12.5926	1.42125	0.27352	12.0304	13.1548
Total	207	11.5072	1.83512	0.12755	11.2558	11.7587

ANOVA					
Customer Satisfaction with Lulu Hypermarket Services and Environment					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	55.596	3	18.532	5.895	0.001
Within Groups	638.143	203	3.144		
Total	693.739	206			

H1 - There is significant difference in customer satisfaction with Lulu Hypermarket services and environment based on the frequency of visits.

Interpretation

The above table results that in case of difference in customer satisfaction with Lulu Hypermarket services and environment based on the frequency of visits, The p-value (Sig.) is 0.001, which is less than the significance level (0.05) we reject the null hypothesis, indicating a statistically significant difference in customer satisfaction based on visit frequency. First-time visitors reported the highest satisfaction, while monthly visitors had the lowest.

TABLE - 3.1.2

To assess if there is any difference between the perception of "service and environment" across different educational qualification groups. Hypothesis H₀, was framed. One-way ANOVA, were performed and the results were presented below.

H0 - There is no significant difference in the perception of "service and environment" across different educational qualification groups.

Descriptives						
service and environment						
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	Upper Bound
					Lower Bound	Bound
SSLC	1	11.0000
HSC	3	12.3333	1.52753	0.88192	8.5388	16.1279
Undergraduate	116	11.1983	1.78018	0.16529	10.8709	11.5257
Postgraduate	83	11.9277	1.89211	0.20769	11.5146	12.3409
Doctorate	4	11.2500	0.95743	0.47871	9.7265	12.7735
Total	207	11.5072	1.83512	0.12755	11.2558	11.7587

ANOVA					
service and environment					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	28.317	4	7.079	2.149	0.076
Within Groups	665.423	202	3.294		
Total	693.739	206			

H1 - There is significant difference in the perception of "service and environment" across different educational qualification groups.

Interpretation

The above table results that in case of difference in customer satisfaction with Lulu Hypermarket services and environment based on the frequency of visits, The p-value (Sig.) is 0.001, which is greater than the significance level (0.05) we failed to reject the null hypothesis, indicating This suggests that there is no significant difference in the perception of "service and environment" across different educational qualification groups.

3.2.1 Chi-square analysis

TABLE - 3.2.1

To assess if there is any association between gender and perception of customer service availability and user-friendliness, Hypothesis H₀, was framed chi-square analysis , were performed and the results were presented below.

H0 - There is no association between gender and perception of customer service availability and user-friendliness.

Gender * Customer service is available and userfriendly Crosstabulation							
Count							
	Customer service is available and userfriendly	Total					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree		
Gender	male	25	75	23	3	0	126
	female	21	38	20	0	2	81

Total	46	113	43	3	2	20 7	
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Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.281 ^a	4	0.082
Likelihood Ratio	9.969	4	0.041
Linear-by-Linear Association	0.077	1	0.781
N of Valid Cases	207		

H1 - There is association between gender and perception of customer service availability and user-friendliness.

Interpretation

The Pearson Chi-square value of 8.281 with a p-value of 0.082, which is greater than the significance level (0.05) we failed to reject the null hypothesis, It suggests that there is no statistically significant association between gender and perceptions of customer service availability.

TABLE - 3.2.2

To assess if there is any association between age and frequency of visits to Lulu Hypermarket. Hypothesis H₀, was framed chi-square analysis, were performed and the results were presented below.

H0 - There is no significant association between age and frequency of visits to Lulu Hypermarket.

Age * Frequency of visits to Lulu Hyper market Crosstabulation						
Count						
	Frequency of visits to Lulu Hyper market	Total				
	Once a week	Once a month	Occasionall y	Fist time visitor		
Age	Under 20	0	7	7	3	1 7
	21-30	4	54	73	16	1 4 7
	31 - 40	3	14	13	4	3 4
	41 - 50	0	0	4	4	8
	Above 50	0	0	1	0	1
Total	7	75	98	27	20 7	

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.510 ^a	12	0.101
Likelihood Ratio	18.224	12	0.109
Linear-by-Linear Association	0.992	1	0.319
N of Valid Cases	207		

H1 - There is significant association between age and frequency of visits to Lulu Hypermarket.

Interpretation

The Pearson Chi-square value with a p-value of 0.101, which is greater than the significance level (0.05) we failed to reject the null hypothesis, there is insufficient statistical evidence to conclude that age significantly influences the frequency of visits to Lulu Hypermarket. This suggests that customer visit frequency is relatively independent of age groups in this dataset.

4. FINDINGS

4.1 One-way ANOVA analysis

1. The above table results that in case of difference in customer satisfaction with Lulu Hypermarket services and environment based on the frequency of visits, The p-value (Sig.) is 0.001, which is less than the significance level (0.05) we reject the null hypothesis, indicating a statistically significant difference in customer satisfaction based on visit frequency. First-time visitors reported the highest satisfaction, while monthly visitors had the lowest.
2. The above table results that in case of difference in customer satisfaction with Lulu Hypermarket services and environment based on the frequency of visits, The p-value (Sig.) is 0.001, which is greater than the significance level (0.05) we failed to reject the null hypothesis, indicating This suggests that there is no significant difference in the perception of "service and environment" across different educational qualification groups.

4.2 Chi-square analysis

1. The Pearson Chi-square value of 8.281 with a p-value of 0.082, which is greater than the significance level (0.05) we failed to reject the null hypothesis, It suggests that there is no statistically significant association between gender and perceptions of customer service availability.
2. The Pearson Chi-square value with a p-value of 0.101, which is greater than the significance level (0.05) we failed to reject the null hypothesis, there is insufficient statistical evidence to conclude that age significantly influences the frequency of visits to Lulu Hypermarket. This suggests that customer visit frequency is relatively independent of age groups in this dataset.

5. SUGGESTIONS

Lulu Hypermarket should attract a wider customer base, especially older shoppers, by offering tailored promotions and discounts. Strengthening digital marketing and loyalty programs can enhance customer engagement and retention. Improving store ambiance, service accessibility, and inventory management will ensure a seamless shopping experience. Addressing gender balance in shopping preferences through targeted advertising can help broaden the consumer base. Personalised discounts and exclusive membership benefits can encourage repeat visits and long-term customer loyalty.

6. CONCLUSION

The study highlights Lulu Hypermarket's popularity among young, middle-income consumers, with high satisfaction in product quality and service. However, no significant correlation was found between age and visit frequency, indicating other influencing factors. While most customers express trust, some remain neutral about repeat visits, highlighting areas for improvement. Strengthening engagement strategies, customer experience, and competitive pricing can enhance loyalty and visit frequency. By addressing these factors, Lulu can sustain long-term growth in a competitive retail environment.

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