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## **A STUDY ON CUSTOMER SATISFACTION WITH REFERENCE TO VINAYAK BAKERY AND ITS COMPETITORS AT HALIYAL**

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### **Abstract:**

*This comparative study on Vinayak bakery is for understanding the position of Vinayak Bakery in the market relative to its competitors. It is the oldest Bakery in Haliyal and well known for its brand reputation.*

*On the contrary we were able to understand the strategies rolled out by the competitors in the market. Consequently to determine the customer satisfaction at Haliyal a survey was conducted with sample size of 50 with the comparison of other bakeries' products and other facilities as well.*

**Keywords:** *Customer Satisfaction; Vinayak Bakery; Competitors.*

**Cite This Article:** Prof.Nitinchandra S, and Ms.Namita Hunswadkar. (2018). "A STUDY ON CUSTOMER SATISFACTION WITH REFERENCE TO VINAYAK BAKERY AND ITS COMPETITORS AT HALIYAL." *International Journal of Engineering Technologies and Management Research*, 5(3), 10-20. DOI: 10.5281/zenodo.1205999.

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## **1. Introduction**

### **1.1. Indian Bakery Scenario**

Bakery Industry is a rapidly growing industry in our country. This industry in India is the largest of food industries with an annual turnover of about Rs 3000 cr. India is the 2nd largest producer of Biscuits in world. It provides vast employment opportunities to the youth. India's exports of bakery products have also raised which is helping in the growth of the economy of the country. These days' women are also becoming professional in this industry as well. They can now easily prepare food with the readymade food items which need less labor and time.

The Indian Bakery sector consists of some of the large food categories like bread, biscuits, cakes etc. The Indian bakery market is estimated to be worth of Rs.16, 500 crores, growing at a healthy rate of 7.5%. The major categories are bread and biscuits cornering about 82% of Indian Bakery Market. Another product segment worth mentioning is Cakes and Pastries. This segment is estimated to be worth of Rs.1250 crores of which significant 65% is accounted for by the unorganized sector.

## 1.2. Introduction of the Title

Vinayak Bakery was started in the year 1949 at Haliyal by Gundurav Hunswadkar in a small piece of land which was of around 1000 sq feet and cost him around 30,000. The only products that were produced and sold at that point of time was Bread, Maska Batter, Toast(Rusk) and Nutmeg Biscuit. Further the bakery was looked after by Vinayak Hunswadkar who added some other product like khara and also improved process of production. Now the bakery is run by Umesh Hunswadkar (who is the sole Proprietor) who added many products like Cashew, White Coconut Cake, and Khari etc and also improved the manufacturing process by installing diesel machinery into the Bakery and all other necessary machineries required for the production of the different products.

## 1.3. Purpose of the Study

- 1) Oldest bakery with Brand Recognition
- 2) Too many bakeries have pitched in the market so understanding consumer perception regarding satisfaction of the products
- 3) Understanding the strategies rolled by the competitors in the market

## 1.4. Description of the keywords

- 1) Customer Satisfaction: it refers to the degree of meeting or exceeding the needs and expectation of the customer by a business organization (Lotler & Armstrong 2012; Levens, 2012; Schiffman & Kaunak, 2010). It is measured as the difference between customers, expected performance and perceived performance. Customer satisfaction sets prerequisites for growth and expansion of a business which eventually lead to improved profitability (Gilbert, 2006). Satisfied Customers are willing to purchase products or services more often, spend more and are less price sensitive(Bosque, Martin, & Collado, 2006 ; Gilbert, 2006; Homburg etal, 2003)
- 2) Brand: Borrowing Barn bridge's (1997) words, a trustworthy brand places the consumer-rather than a particular service or product-at the center of its world and relies more on understanding real consumer needs and fulfilling them. Brand trust goes beyond consumer's satisfaction with the functional performance of the product and its attributes (Aaker, 1996). Brand trust has been defined as "a feeling of security held by the consumers in their interaction with the brand, such that it is based on the perception that the brand is reliable and responsible for the interests and welfare of the consumers" (Delgado-Baluster Munuera-Aleman,2001 p.35)

## 2. Literature Review

- 1) **Title:** Exploring the Impact of Customer Satisfaction on Food Retailers' Evolution: Managerial Lessons From Austria

**Author:** Thomas Foscht, Cesar Maloles, Judith Schloffer, Brnhard Swoboda & Swee-Lim Chia  
<http://www.tandfonline.com/doi/abs/10.1080/08974430802480669?scroll=top&needAccess=true&journalCode=wifa20>

Many studies have shown that customer satisfaction affects customer behavior and loyalty. There are, however, relatively few studies that examine the impact of customer satisfaction on store repatronage behavior by store-type choice. This study examines why Austrian consumers choose a certain store type (i.e., supermarket or bakery) for purchases in a particular product category (i.e., baked goods). Moreover, it assesses the impact of customer satisfaction on customer loyalty (i.e., the repatronage intention). The study found that customers valued different attributes for each store type. It also suggested that customer satisfaction and customers' intention to recommend varied by store type. Additionally, the bakery customers' tendency to spend more is positively related to their satisfaction level. Managerial implications for both types of stores are provided.

2) **Title:** A Study on Consumers behavior Towards Bakery Products In Delhi/NCR Region:  
<http://data.conferenceworld.in/IFUNA18DEC16/P409-421.pdf>

**Author:** Dr. Virender Khanna

Bakery products in India are common in use and very important for our society. Current study aims to measure the consumer behavior towards the bakery products. It was found from the study that among all the 4 components of marketing mix, pricing is the least affecting factor which causes problems in the marketing of the bakery products, as per the consumer's attitude towards marketing problems of bakery products. Bakery products are taking place of necessary products instead of luxury products, thus the price of the necessary products keep very less importance for the consumers now days in comparison to the remaining 3 components of the marketing mix, viz place, promotion and product.

### 3. Research objectives

- 1) To understand consumer perception regarding Vinayak Bakery Products
- 2) To analyze the different strategies adopted by the bakeries(competitors) at Haliyal
- 3) To understand why people choose Vinayak Bakery Product over others

### 4. Methodology

**Population:** Population is the entire pool from which is a statistical sample is drawn. Researchers gather information from a sample because of the difficulty of studying the entire population.

**Population Size:** Population of Haliyal is around 50,000

**Sample:** A sample is the smaller, manageable version of a larger group. It is a subset containing the characteristics of a larger population.

**Sample Size:** Sample size for the survey conducted is 50

**Constraints:** Time constraint of one month.

**Source of Data:****Primary Data:** Interaction with the customers for filling up the survey form**Secondary Data:** Some information is collected from the websites**Sampling Method:** For the survey conducted the sampling method used is Convenience Sampling Method.**Tools Used:**

- 1) Chi-Square Test
- 2) Factor Analysis
- 3) Binomial Test
- 4) Descriptive (Frequencies)

**Assumptions:** For all the tests used 1% Level of Significance is taken as Standard**Hypothesis:**

- 1) Occupation and Brand and Quality

<b>Chi-Square Tests</b>			
	Value	df	. Sig. (2-sided)
Pearson Chi-Square	28.007 <sup>a</sup>	12	<b>.006</b>
Likelihood Ratio	23.610	12	.023
Linear-by-Linear Association	.001	1	.980
N of Valid Cases	50		

Ho: There is no association between occupation and consumers preference to Brand and Quality

H1: There is association between occupation and consumer's preference to Brand and Quality

Here p value of 0.006 &gt; 0.01. Therefore Ho is rejected and H1 is accepted.

Hence there is an association between occupation and consumer's preference to Brand and Quality

**5. Occupation and Availability of Products**

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.874 <sup>a</sup>	12	<b>.714</b>
Likelihood Ratio	9.166	12	.689
Linear-by-Linear Association	.012	1	.914
N of Valid Cases	50		

Ho: There is no association between occupation and consumers preference for availability of Products

H1: There is association between occupation and consumers preference for availability of Products

Here p value of  $0.714 > 0.01$ . Therefore Ho is accepted and H1 is rejected

Hence there is no association between occupation and consumers preference for availability of Products

### 6. Occupation and Nearness to Market

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.693 <sup>a</sup>	12	<b>.041</b>
Likelihood Ratio	26.383	12	.009
Linear-by-Linear Association	1.178	1	.278
N of Valid Cases	50		

Ho: There is no association between occupation and consumers preference to Nearness to Market

H1: There is association between occupation and consumers preference to Nearness to Market

Here p value  $0.041 > 0.01$  and therefore Ho is Accepted and H1 is Rejected

Hence there is no association between occupation and consumers preference to Nearness to Market

### 7. Occupation and Customer\_ Service

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.578 <sup>a</sup>	12	<b>.480</b>
Likelihood Ratio	14.770	12	.254
Linear-by-Linear Association	1.774	1	.183
N of Valid Cases	50		

Ho: There is no association between occupation and consumers preference for Customer Friendly Service

H1: there is association between occupation and consumers preference to Customer Friendly Service

Here p value  $0.480 > 0.01$ . Therefore Ho is accepted and H1 is rejected.

Hence there is no association between occupation and consumers preference for Customer Friendly Service

## 8. Income and Biscuit Preference

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.491 <sup>a</sup>	12	<b>.170</b>
Likelihood Ratio	19.235	12	.083
Linear-by-Linear Association	1.996	1	.158
N of Valid Cases	48		

Ho: There is no association between income and the consumption of the biscuits.  
 H1: There is an association between income with the consumption of the Biscuits.  
 Here p value  $0.170 > 0.01$ . Therefore Ho is Accepted and H1 is Rejected.

Hence there is no association between income and consumption of biscuits.

## 9. Income and Cake Preference

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.743 <sup>a</sup>	12	<b>.256</b>
Likelihood Ratio	18.679	12	.097
Linear-by-Linear Association	2.336	1	.126
N of Valid Cases	48		

Ho: There is no association between income and consumption of cake  
 H1: There is an association between income and consumption of cake  
 Here p value of  $0.256 > 0.01$ . Therefore Ho is Accepted and H1 is Rejected

Hence there is no association between income and consumption of the cake

## 10. Income and Toast Preference

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.599 <sup>a</sup>	12	<b>.883</b>
Likelihood Ratio	8.325	12	.759
Linear-by-Linear Association	.094	1	.759
N of Valid Cases	48		

Ho: There is no association between income and the consumption of the Toast, Batter, Khari  
 H1: There is an association between income and consumption of the Toast, Batter, Khari

Here  $0.883 > 0.01$ . Therefore  $H_0$  is Accepted and  $H_1$  is Rejected.

Hence there is no association between income and consumption of the Toast, Batter, Khari.

### 11. Income and Bread Preference

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.532 <sup>a</sup>	12	<b>.657</b>
Likelihood Ratio	11.776	12	.464
Linear-by-Linear Association	3.135	1	.077
N of Valid Cases	48		

$H_0$ : There is no association between income and the consumption of bread

$H_1$ : There is an association between income and the consumption of bread

Here p value of  $0.657 > 0.01$ . Therefore  $H_0$  is Accepted and  $H_1$  is Rejected

Hence there is no association between income and the consumption of the bread.

### 12. Income and Preference for Other Products

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.253 <sup>a</sup>	12	<b>.840</b>
Likelihood Ratio	7.885	12	.794
Linear-by-Linear Association	.743	1	.389
N of Valid Cases	48		

$H_0$ : There is no association between income and the consumption of the other products

$H_1$ : There is an association between income and the consumption of the other products

Here p value of  $0.840 > 0.01$  Therefore  $H_0$  is Accepted and  $H_1$  is Rejected

Hence there is no association between income and the consumption of the other products

### 13. Number of Customers Visited Vinayak Bakery

Binomial Test						
		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Visit	Group 1	Yes	<b>50</b>	1.00	.50	<b>.000<sup>a</sup></b>
	Total		50	1.00		

Here we can see that out of all 50 samples selected every one of them have visited Vinayak Bakery at least once in their life time.

### 14. Factors Considered While Visiting Vinayak Bakery

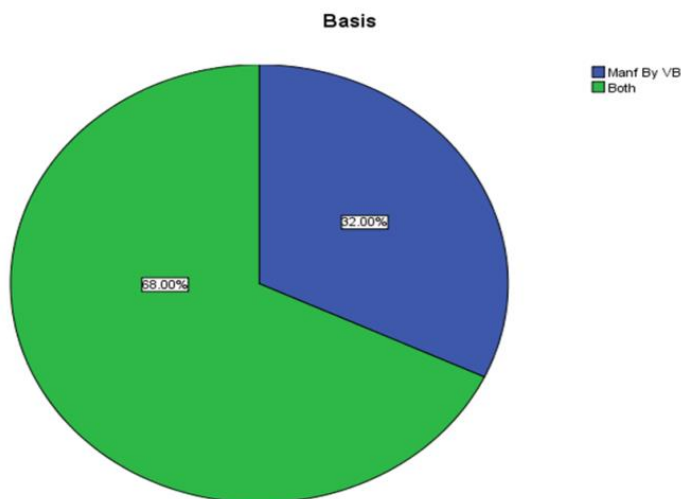
**Rotated Component Matrix<sup>a</sup>**

	Component	
	1	2
Brand_ Quality	<b>.745</b>	-.115
Availability	.126	<b>.918</b>
Nearness	-.962	.006
Customer _Friendly	.333	-.772

From the above table we can see that Brand and Quality is the main factor or primary factor as to why people go in for Vinayak Bakery products, similarly the second major factor is Availability of different products into the Bakery. (3rd is Customer Friendly Service and 4th is Nearness to Market)

### 15. Products Purchased on Regular Basis

<b>Basis</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufactured By VB	16	32.0	<b>32.0</b>	32.0
	Both	34	68.0	<b>68.0</b>	100.0
	Total	50	100.0	100.0	



Here we can see that around 32% of consumers purchase only products produced by Vinayak bakery and 68% of consumers prefer both. (Produced and not produced)



**16. Availability of Products at Vinayak Bakery with Others**

<b>Bakeries and Scale</b>	<b>Highly Satisfied</b>	<b>Satisfied</b>	<b>Total Satisfaction</b>
<b>Vinayak Bakery</b>	70%	28%	98%
<b>Iyengar Bakery</b>	5%	45%	50%
<b>Lakshmi Bakery</b>	6%	18%	24%
<b>BB Bakery</b>		23%	23%

Based on a 5 point satisfaction scale, the extract of the data is presented above in which we can see that 98% of consumers are satisfied with the products availability at Vinayak Bakery when compare to others.

**17. Services Offered at Vinayak Bakery**

<b>Bakeries and Scale</b>	<b>Highly Satisfied</b>	<b>Satisfied</b>	<b>Total Satisfaction</b>
<b>Vinayak Bakery</b>	52%	34%	90%
<b>Iyengar Bakery</b>	3%	58%	31%
<b>Lakshmi Bakery</b>	6%	18%	18%
<b>BB Bakery</b>		23%	23%

Hence we can see that 90% of people are satisfied with the services offered at Vinayak Bakery when compared to others.

**18. Prices charged on Products at Vinayak Bakery**

<b>Bakeries and Scale</b>	<b>Highly Satisfied</b>	<b>Satisfied</b>	<b>Total Satisfaction</b>
<b>Vinayak Bakery</b>	60%	30%	90%
<b>Iyengar Bakery</b>	3%	53%	56%
<b>Lakshmi Bakery</b>		24%	24%
<b>BB Bakery</b>	3%	13%	16%

So we can see that 90% of people are satisfied with the prices set by Vinayak Bakery when compared to others.

**19. Cleanliness and Maintenance at Vinayak Bakery**

<b>Bakeries and Scale</b>	<b>Highly Satisfied</b>	<b>Satisfied</b>	<b>Total Satisfaction</b>
<b>Vinayak Bakery</b>	82%	18%	100%
<b>Iyengar Bakery</b>		59%	59%
<b>Lakshmi Bakery</b>		17%	17%
<b>BB Bakery</b>		20%	20%

We can see that 100% of consumers agree that there is cleanliness and maintenance of the store at Vinayak Bakery

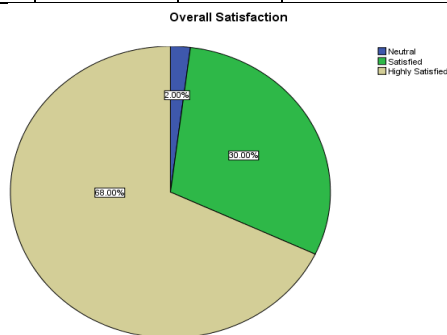
### 20. Products Which are Preferred More At Vinayak Bakery

Rotated Component Matrix <sup>a</sup>		
	Component	
	1	2
Biscuit Preference	-.851	.014
Cake Preference	-.165	.719
Toast Preference	.621	.431
Bread Preference	.725	-.212
Others Preference	-.099	-.856

From the above table we can clearly see that bread is most preferred product by the consumers at Haliyal followed by cake.

### 21. Overall Satisfaction of Vinayak Bakery

Overall Satisfaction					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	2.0	2.0	2.0
	Satisfied	15	30.0	30.0	32.0
	Highly Satisfied	34	68.0	68.0	100.0
	Total	50	100.0	100.0	



Now we can see that out of 100%, 68% of them are highly satisfied, 30% are satisfied and 2% are neutral with all the facilities and products that are offered at Haliyal.

### 22. Preferences of Consumers for Producing and Marketing A New Product

Binomial Test						
		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
New Prod	Group 1	Yes	49	.98	.50	.000 <sup>a</sup>
	Group 2	No	1	.02		
	Total		50	1.00		

Here we can see that out of all 50 respondents, 48 of them want Vinayak bakery to come up with new product.

### 22.1. Key Findings and Conclusion

- 1) There was a close relationship between the occupation of the consumers and their preference to the Brand of Vinayak Bakery
- 2) We could find that out of all 50 samples selected every one of them has visited Vinayak Bakery at least once in their life time.
- 3) We could see that Brand and Quality is the Main factor or primary factor as to why people go in for Vinayak Bakery, similarly the second major factor is Availability of different products in the Bakery. (3rd is Customer Friendly Service and 4th is Nearness to Market)
- 4) We could also see that around 32% of consumers purchase only products produced by Vinayak bakery and 68% of consumers prefer both.(Produced and Not produced)
- 5) We could see that 98% of consumers are satisfied with the products availability at Vinayak Bakery so it stands 1st in Market, 2nd is Iyengar Bakery with 50% and 3rd Lakshmi Bakery with 24%.
- 6) We could see that 90% of people are satisfied with the services offered at Vinayak Bakery so it stands 1st in Market, 2nd is Iyengar Bakery with 31% and 3rd B Bakery with 23%.
- 7) We can see that 90% of people are satisfied with the prices set by Vinayak Bakery so it stands 1st in Market, 2nd is Iyengar Bakery with 56% and 3rd Lakshmi Bakery with 24%.
- 8) We can see that 100% of consumers agree that there is cleanliness and maintenance of the store so it stands 1st in Market, 2nd is Iyengar Bakery with 59% and 3rd is B Bakery with 20%.
- 9) We can clearly see that bread is most preferred product by the consumers at Haliyal followed by cake at Vinayak Bakery
- 10) We could see that out of all 50 respondents, 48 of them (96%) want Vinayak bakery to come up with a new product but only a minor portion of them don't want to go for new product.

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