

EXPLORING CUSTOMER-CENTRIC MARKETING CAPABILITIES, TRUST, SATISFACTION, AND RETENTION IN RETAIL BUSINESS

Bodh Raj Sharma*, Aditi Sharma**

Abstract *The Indian retail business has been facing escalating competition, speedy technology adoption, and diverse customer profiles. Effective new product development, pricing, channel management, and marketing communications make up the marketing mix activities that define strong specialised marketing capabilities. The right choice of marketing capabilities can help retailers satisfy, retain, and edify long-term relationships with unshaken trust among their customers. Retail firms can achieve its objectives of a long-term relationship with the customers by successful implementation of various marketing capabilities. So, this research study explores various marketing capabilities, customer satisfaction, trust, and retention in the retail sector. The study is based on the responses obtained from customers and the analysis is performed through EFA. The results indicate eight types of marketing capabilities in the retail business. Indeed, there is a moderate level of satisfaction, trust, and retention in the retail business. The study provides implications for researchers, policymakers, and retailers.*

Keywords: *Marketing Capabilities, Trust, Customer Satisfaction, Retention, Retail Business*

INTRODUCTION

In the present era of globalisation and technological advancement, retail is one of the fastest-growing sectors, with a high growth rate in the developing economies. Indeed, the rapid growth, followed by the increased competition and emergence of new retail formats, creates new challenges and opportunities in the retail business (Rudawska & Bilinska-Reformat, 2018). Moreover, the formulation of marketing strategies decides the target market, along with the retail mix components, viz., merchandise, price, promotion, customer services, and store layout designs used by the retailers to fulfill the demands of the consumers and improve business performance (Gauri, Trivedi & Grewal, 2008). The earlier studies on retailing pay more attention in creating customer demand and delivering superior customer value. Meanwhile, by adopting the marketing capabilities, a retail firm can improve customer satisfaction, trust, retention, and financial performance (Vorhies & Morgan, 2005). However, there is a dearth of research on this aspect, particularly in the retail sector. Nevertheless, positive word of mouth also plays an important role in business performance, because satisfied customers generate new customers, thereby increasing the sales, margins, and market share (Eisingerich, Auh & Merlo, 2014). Capabilities mean the ability to carry out a

firm's functional activities and indicate how to improve and renew existing business (Yu, Ramanathan & Nath, 2014). The marketing capabilities can be defined as "the integrative processes designed to apply the knowledge, skills, and resources of the firm to market-related requirements of the business enabling it to add superior value to its goods and services, adapt to market conditions, take advantage of market opportunities and meet competitive threats". According to Pratono and Mahmood (2015), marketing capabilities are the skills required to manage the plan of the marketing mix and it also assists in generating superior customer value. The study by Moore and Fairhurst (2003) classified marketing capabilities into store image differentiation, promotional capability, customer service capability, and external knowledge. Meanwhile, Yao, Gong, and Wei (2016) explored how marketing capabilities help in achieving competitive advantage, while Jin and Cho (2018) opined that marketing and technological capabilities help a business to improve its performance. Business performance is the outcome of the operational activity of a firm, which includes the attainment of the firm's goals (Peng & Lin 2008). Taking into consideration the significance of marketing capabilities in retailing, the present study was conducted to know how different marketing capabilities in retailing affect customer satisfaction and trust, and help a retailer to retain their customers in the long run.

* Assistant Professor, Department of Commerce, University of Jammu, J&K, India. Email: drbodhsharma@gmail.com

** Ph.D Research Scholar, Department of Commerce, University of Jammu, J&K, India. Email: sharma.aditi7016@gmail.com

REVIEW OF LITERATURE

Marketing capabilities enable firms to manage marketing activities for gaining a competitive advantage and survive in the market (Golgeci & Gligor, 2017). The various marketing capabilities are customer relationship management capability (CRMC), store image differentiation capability (SIDC), service quality capability (SQC), merchandise assortment capability (MAC), promotion capability (PMC), pricing capability (PRC), selling capability (SC), and innovation capability (IC). Customer relationship management is considered a changing field in the new millennium and an important factor for the success of the firm (Jan & Abdullah, 2014; Bhat & Darzi, 2016). It is the philosophy of the management and approach that assists a firm to enhance revenue and improve customer value with service quality, by understanding and fulfilling the individual needs of the customers (Assimakopoulos, Papaioannou, Sarmaniotis & Georgiadis, 2015). Merchandise assortment means an assortment of different items, which a retailer sells in a merchandise category. Retailers have usually varied their assortments to fulfill the needs of specific groups of customers, provide diversity to customers, and sell different products and services to the existing customers. The merchandise assortment is a useful method to attract as well as retain customers in a particular business (Grewal, Levy, Mehrotra & Sharma, 2016). Service quality capability refers to the difference between the expectations of customers of service performance before receiving a service and their opinion after actually using the service (Asubonteng, McCleary & Swan, 1996). According to Paul, Mittal & Srivastav (2016), service quality is measured as the underpinning of satisfaction of customers in the entire service sector. Store image differentiation indicates the uniqueness that a retailer provides in his store image externally, along with the merchandising image (Moore & Fairhurst, 2003). Moreover, Zulqarnain, Zafar and Shahzad (2015) unearthed several factors affecting the choice of consumers for retail store, vis-à-vis, quality, price, ease, variety and assortment, and private labels. Promotional capability is one of the most important components of the marketing mix, which takes into consideration all the tasks directed towards target consumers, thus creating a sense of the importance of the product in acquiring a high level of satisfaction of consumers by fulfilling their desires and needs in comparison to the competitors' products (Nour & Almahirah, 2014). According to Pratono (2018), selling capability is the ability of a retailer to target customers and encourage them to purchase several brands of a product. A retailer requires SC to build a strong network for selling their products, and in this arrangement, a distribution agent is also involved, who offers reporting of targeted and segmented markets (Kamboj & Rahman, 2015). In fact, in today's

competitive market, the retailers spend their vital resources to better their SC, to properly utilise opportunities in the market, and finally, attain their goals (Bundy, Shropshire & Buchholtz, 2013). In pricing capability, Gourville and Moon (2004) suggested that retailers should fight on a price basis and store at least one or various low-priced merchandise. Of course, in the consumer decision-making process, the price is not just one influencing factor (Ruiz-Real et al., 2018). Every connection in the channel management exhibits a relationship between a particular consumer and supplier; the reason for this relationship is to offer delivery needs of the immediate consumer, and afterwards, to repeat the practice during channel management for the advantage of the end-user (Tower & Burnes, 2008). Finally, innovation capability, which means attaining new opportunities and optimally using the resources to convert the innovative ideas into successful outcomes. For this reason, innovation is indispensable in the retailing industry, whereby the innovation ability of retailers is rising as one of the most serious elements for combating competition (Pantano, 2014; Hristov & Reynolds, 2015). Customer satisfaction has been interpreted by various researchers in several ways, one of which is a pleasurable feeling of a person, when the perception of product performance (outcome) is compared to his or her expectations (Singh, 2006). Customer satisfaction can be defined as a satisfying feeling for a product or service performance after its consumption (Belas & Gabcova, 2014). The study by Hui and Zheng (2010) portrayed satisfaction as an evaluative opinion for a specific transaction, coming from the supposed quality. According to Williams and Nauman (2011), there exists a relationship between customer satisfaction and business performance. Indeed, customer satisfaction is suggested by the experience of customers with a particular business (Terpstra & Verbeeten, 2014).

Trust is considered an essential attribute for maintaining long-term relationships between customers and suppliers (Han & Hyun, 2015). In this context, Oliveira, Alhinho, Rita and Dhillon (2017) provided that customers' attributes, firm characteristics, lack of integrity, privacy and security, and likability and interactions are the major sources of trust that influence the three dimensions of consumer trust, namely competence, integrity, and benevolence. Oliveira et al. (2017) argued that trust is the major influencing factor of a customer towards online shopping. In fact, physical stores have salespersons who act as a source of consumers' trust (Abbes & Goudey, 2015), but online shopping is done through the Internet; therefore, search tools and facilitate buttons have taken the place of salespersons, thus removing the base of consumer trust from the experience of shopping (Cho & Sagynov, 2015).

Customer retention has to turn into a main concern for the retail firms, because retaining customers is more beneficial

than investing in acquiring new ones (Alshurideh, 2016). Indeed, in service firms, customer retention is one of the most serious challenges (Ascarza, Neslin, Netzer, Anderson, Fader, Gupta & Provost, 2018). In fact, some researchers opined ‘continuation with the organisation’ as a synonym of customer retention (Ascarza et al., 2018). Further, Singh and Khan (2012) observed customer retention as a task of products, methods of service delivery, services, and reputation of an organisation.

OBJECTIVE

- To explore various marketing capabilities in the retail sector.
- To find out the dimensions of customer satisfaction, trust, and retention.
- To suggest various measures for enhancing retailer-customer relationships.

METHODOLOGY

The study explores the various forms of marketing capabilities, satisfaction, trust and retention. The various aspects of research methods are as follows:

Measures

The survey instrument used various existing scales, with some modifications. As outlined above, the marketing capabilities are comprised of various capabilities and researchers have designed a few scales in the extant literature. For CRMC, 15 items were taken from Sin, Alan and Yim (2005) and Wang and Feng (2012), while the SIDC items were taken from Wu, Yeh and Hsiao (2011), Diallo and Cliquet (2016), and Belwal and Belwal (2017). The SQC is based on ten items derived from the studies conducted by Tseng (2016) and Keith and Simmers (2011), whereas MAC, with 11 items, was generated from Asuquo and Igbongidi (2015). Furthermore, PMC, measured through ten items, was obtained from Hanaysha (2018) and Shamout (2016), while PRC represented by ten items was generated from Liozu and Hinterhuber (2013) and Rondan-Cataluña, Escobar-Perez and Moreno-Prada (2019). Similarly, SC (12 items) were taken from Kadic-Magljajlic et al. (2017), whereas IC, measured through ten items, from Bellingkrodt and Wallenburg (2015), Martin and Javalgi (2016), and Anning-Dorson (2017). In previous literature, numerous researchers have attempted studies on satisfaction, trust, and retention of customers. CS, comprised of 15 variables, was generated from Xie et al. (2017) and Berraies and Hamouda (2018). Similarly, trust is measured through ten items

obtained from Singh and Jain, (2015), and finally, customer retention was based on ten items taken from Aldaihani and Ali (2018) and Hanaysha (2018). All these measures were discussed with the academicians, researchers, and customers before finalisation of the survey instrument. The items of different constructs were designed and modified to suit the study area. These items were measured on the five-point Likert scale, from 5 (strongly agree) to 1 (strongly disagree). Indeed, to ensure reliable response and active involvement of the respondents while filling the questionnaire, some of the items were kept as marker variables, while similar items were phrased for judging internal consistency and cross-checking the data. The instrument also measured the various demographic variables (gender, age, marital status, occupation, qualification, monthly income, monthly expenditure, residence, family type, shopping decision made by, length of association with the outlet (Yrs), approximate visits made to the outlet, and mode of payment).

Sample

The survey instrument was administered to the customers residing in a northern Indian city. The selection of customers from India is justified on the grounds that it is the second populous and emerging nation, with millions of retail outlets. Customers visit the retailers to meet their choices and retailers have a wide scope for expansion. To the knowledge of the authors, it is the pioneer contribution to measure the customer’s perceived marketing capabilities, as earlier studies have contacted owners/managers as respondents, who might hide some facts, and it is possible to present the real picture of MC from the perspective of customers. In the current study, only those customers were personally contacted who have shopping experience of products such as apparel, footwear, and other related products (Moore and Fairhurst, 2003). The data were collected from 50 customers, selected through purposive sampling. The demographic characteristics are portrayed in Table 2.

The number of female customers (56%) was higher than their male counterparts. About two-thirds of the respondents were young, belonging to the age group 25-50. Indeed, about 64% of the unmarried respondents had enough disposable income for the consumption of fashionable products. Regarding the education level of the respondents, 58% were postgraduates and 34% were self-employed. The average monthly family income of respondents was between Rs 50,000 to Rs 1,00,000, while the average monthly expenditure was below Rs 20,000. Furthermore, a majority of the respondents lived in nuclear families. Most of the respondents agreed that they consulted others’ opinions while shopping. Out of various modes of payment, about half of the respondents preferred cash transactions.

Table 1: Demographic Characteristics (n = 50)

Variable	Category	Frequency	Percentage
Gender	Male	22	44
	Female	28	56
Qualification	Up to Graduation	20	40
	Post Graduate & above	30	60
Age	Below 25	15	30
	25-50	32	64
	Above 50	03	06
Marital Status	Married	18	36
	Unmarried	32	64
Occupation	Service	13	26
	Self-employed	17	34
	Others	20	40
Monthly Income	Below 50,000	16	32
	50,000-1,00,000	26	52
	1,00,000-1,50,000	06	12
	Above 1,50,000	02	04
Monthly Expenditure	Below 20,000	30	60
	20,000-40,000	17	34
	40,000-60,000	03	06
Residence	Urban	38	76
	Semi-urban	10	20
	Rural	02	04
Family Type	Joint	10	20
	Nuclear	40	80
Shopping decision made by	Self	04	08
	Collective	46	92
Length of association with the outlet (Yrs)	Below 2	11	22
	2-4	19	38
	Above 4	20	40
Approximate visits made to the outlet	Monthly	06	12
	Weekly	21	42
	Occasionally	23	46
Mode of payment	Cash	24	48
	Debit Card	16	32
	Credit Card	04	08
	Online Payments	06	12

FINDINGS

The data was analysed using SPSS (21 Version). The analysis and results are explained as follows:

Exploratory Factor Analysis

Marketing Capabilities

For data purification, exploratory factor analysis (EFA) was used with principal component analysis, along with varimax rotation. Factor analysis examines the underlying patterns or relationships for condensing the total data into minimum meaningful factors. The items having factor loadings above 0.50 and eigenvalues greater than one were processed for further analysis. After applying EFA on CRMC, SIDC, SQC, MAC, PMC, PRC, SC, and IC dimensions of marketing capabilities, the respective final solution emerged with four, three, three, three, two, three, three, and two factors respectively (Table 2). The four factors of CRMC are: customer preference ($\alpha = 0.81$), customer involvement ($\alpha = 0.73$), customer importance ($\alpha = 0.62$), and information sharing ($\alpha = 0.69$). In the SIDC construct, a total of 11 items were taken, out of which only nine items were retained and were converged into three factors, namely employees' conduct, store attributes, and interior facilities. Similarly, SQC has three factors (service quality, store response, and appearance) with eight items. Furthermore, in MAC, ten items remained and three factors emerged, namely product display, store layout, and product placement. In PMC construct, a total of ten items were taken, out of which eight were retained and clubbed into two factors, viz., sales offers and sales promotion. Under the PRC dimension of marketing capabilities, a total of ten items were taken; after analysis, nine items were clubbed into three factors, viz., price discount ($\alpha = 0.76$), price consciousness ($\alpha = 0.66$), and sale proneness ($\alpha = 0.63$). The SC construct has 12 items out of which 11 were retained and three factors were generated, which are salesperson's efforts ($\alpha = 0.85$), salesperson's knowledge, and customer focus. Finally, the last dimension of marketing capabilities, i.e., IC has ten items, and after analysis, eight items were retained in two factors, namely process innovation and product/services innovation (Table 2).

Table 2: EFA Results of Marketing Capabilities

Dimensions	Factors/Variables	Mean	FL	VE	Alpha	EV
CRMC	Customer Preferences			22.29	0.81	3.34
	Understand customer needs.	3.84	0.86			
	Personalised customer service	3.60	0.77			
	Customers' suggestions are the priority.	3.58	0.68			
	Apologise for the delay in services.	3.86	0.62			
	All the required information is shared.	3.50	0.53			
	Continual dialogue to improve relationships.	3.48	0.52			
	Customer's involvement			19.04	0.73	2.86
	Involvement in the improvement of services.	3.04	0.81			
	Involvement to overcome difficulties.	2.90	0.74			
	Use of ICT for integration.	3.42	0.70			
	Customer dealing			14.12	0.62	2.12
	Feedback from customers.	3.04	0.74			
	The rebuilding of the relationship.	3.26	0.71			
	Employees deal with patience.	4.02	0.59			
	Information sharing			12.19	0.69	1.83
	Sound relationship.	3.82	0.81			
Sharing of market information.	3.38	0.63				
Two-way communication.	3.80	0.57				
SIDC	Employees' Conduct			19.86	0.71	1.79
	Employee's conduct is polite.	4.22	0.86			
	Exchange in the store.	3.76	0.85			
	Store attributes			18.90	0.61	1.70
	It is easy to move within this store.	4.40	0.79			
	This store is well organised.	4.38	0.69			
	Store layout is clear.	4.30	0.58			
	Interior facilities			17.93	0.55	1.61
	The interior decoration is pleasant.	3.98	0.76			
	The store is always clean.	4.22	0.70			
	I feel comfortable while shopping.	4.36	0.50			
	The music in the store is peaceful.	4.04	0.86			
SQC	Reliability			27.37	0.76	2.19
	I feel safe in the transactions with this store.	4.12	0.86			
	The store has an attractive ambiance.	4.26	0.81			
	The store offers high-quality merchandise.	4.10	0.61			
	Store response			26.44	0.68	2.12
	Willingly handling returns and exchanges.	3.84	0.89			
	Employees instill confidence.	4.06	0.70			
	Provides services as per promise.	4.02	0.62			
	Appearance			18.28	0.45	1.46
	Service quality of the store is satisfactory.	4.32	0.88			
	The store has modern-looking fixtures.	4.10	0.64			

Dimensions	Factors/Variables	Mean	FL	VE	Alpha	EV
MAC	Product Arrangement			25.14	0.80	2.52
	Products are in different varieties.	4.20	0.87			
	The product displays are well arranged.	4.26	0.81			
	Merchandise display is not jumbled.	4.04	0.59			
	Presentation of products			22.12	0.71	2.21
	The store offers an eye-catching display.	4.00	0.83			
	The presentation of merchandise is creative.	3.78	0.69			
	Ease of finding new items.	4.08	0.56			
	Displays affect impulsive buying decision.	3.48	0.53			
	Proper placement of products			17.64	0.63	1.76
	Shelf space is appropriately occupied.	4.32	0.84			
	Availability of latest merchandise.	4.08	0.69			
	Discount items are displayed separately.	3.94	0.60			
PMC	Awareness of Product			33.10	0.78	2.65
	I know about product through advertisement.	3.40	0.79			
	A coupon enables one to buy another brand.	2.78	0.73			
	Additional gifts with more purchases.	3.28	0.73			
	Coupons for future purchasing.	3.74	0.70			
	Price deals are frequently offered.	3.90	0.60			
	Sales promotion			24.99	0.63	1.99
	Seasonal promotions are available.	4.26	0.83			
	The price deals are offered on many items.	3.60	0.75			
The store provides special offers during festivals.	4.08	0.63				
PRC	Price Discount			23.58	0.76	2.12
	The store offers discounts.	3.82	0.91			
	Extra discount on the additional purchase.	3.48	0.85			
	Price discount convinces to buy another brand.	3.44	0.70			
	Price consciousness			20.72	0.66	1.86
	I put extra effort to find lower prices.	3.54	0.84			
	Prices are low compared to others.	3.14	0.74			
	Higher the price, higher the quality.	3.34	0.71			
	Sale proneness			20.30	0.63	1.83
	It is good to buy a discounted price brand.	4.24	0.84			
	I buy a brand that gives good offers.	3.56	0.71			
	The price discount is a reason to buy.	3.96	0.67			
SC	Sale Oriented			29.37	0.85	3.23
	Salespeople try to discover needs.	2.82	0.83			
	Store staff prioritises customer choice.	2.70	0.81			
	No selling pressure on customer.	2.86	0.79			
	Staff assists in shopping decision.	2.88	0.73			
	Store employees never force to buy more.	3.24	0.66			
	Salesman knowledge			23.22	0.79	2.55
	Salespeople know their job very well.	4.00	0.87			
	Interaction with the salesperson was excellent.	4.00	0.79			
	Provide truthful information about a brand.	3.44	0.67			
	The staff sees interest of customers.	3.68	0.66			
	Customer-oriented			17.51	0.85	1.93
	Store employees try to figure out my needs.	3.80	0.87			
Store staff tries to sell most needed products.	3.72	0.85				

Dimensions	Factors/Variables	Mean	FL	VE	Alpha	EV
IC	Process Innovation			24.13	0.74	2.41
	Stock is customised as per market demands.	3.86	0.80			
	Store invests in new process technology.	3.86	0.73			
	The store always takes initiatives to innovate.	3.70	0.66			
	Innovative maintenance systems.	3.78	0.62			
	Product/services innovation			22.80	0.76	2.28
	Store is creative in its methods of operation.	3.48	0.74			
	New products are introduced in this store first.	3.78	0.73			
	The store always seeks new ideas from us.	3.10	0.70			
	Innovative before-sale/after-sale service.	3.44	0.63			

Source: Survey (FL = Factor Loading, EV = Eigenvalue, VE = Variance Explained).

Customer Satisfaction

Under this construct, a total of 15 items were considered, and one item was deleted due to loadings below 0.50, hence, EFA converged the remaining items into four factors, namely

employees' involvement ($\alpha = 0.71$), meeting expectations ($\alpha = 0.77$), trustworthiness ($\alpha = 0.80$) having an overall mean of 3.91 explaining 18.19% of the variance; and finally, store facilities ($\alpha = 0.63$) with an overall mean of 3.73 explaining 12.16% of the variance, consisting of three items (Table 3).

Table 3: EFA Results of Customer Satisfaction

Factors	Mean	FL	VE	Alpha	EV
Employees' Involvement			19.06	0.71	2.67
Satisfaction with employee behaviour.	4.12	0.82			
Assistance in the buying decision process.	3.86	0.81			
I am grateful this store exists.	3.98	0.58			
Shopping in this store is pleasant.	4.02	0.55			
Meeting Expectations			18.75	0.77	2.63
You have satisfaction from this store.	4.12	0.86			
The store is highly concerned about privacy of information.	3.76	0.77			
What is expected from the store, assess your satisfaction.	4.00	0.67			
Trustworthiness			18.19	0.80	2.55
The salespeople never manipulated the product information.	3.84	0.83			
The products in the store make me satisfied.	3.76	0.75			
Store product quality is very impressive.	4.02	0.65			
I am delighted to visit this store.	4.00	0.62			
Store Facilities			12.16	0.63	1.70
The store has enough billing counters to serve the customers.	3.38	0.72			
The store provides proper and safe packing of products.	4.02	0.57			
I am highly satisfied with the price of the products.	3.80	0.55			

Customer Trust

The construct has ten items, and eight items retained after performing EFA, as shown in Table 4. The two factors were

worthiness ($\alpha = 0.82$), with an overall mean value of 3.89 explaining 33.04% of the variance, consisting of five items; and experience, with three items sharing 20.58% variance explained.

Table 4: EFA Results of Customer Trust

Factors	Mean	FL	VE	Alpha	EV
F1: Worthiness			33.04	0.82	3.30
Complete information about brands.	3.84	0.82			
Communication in the store is transparent.	3.90	0.79			
More value in terms of benefits, compared to cost.	3.72	0.73			
Employees of the retail store are reliable.	4.00	0.72			
I can get the products I need from the store.	4.00	0.62			
F2: Experience			20.58	0.65	2.06
The brands in the retail store are reliable.	4.28	0.75			
The atmosphere inside the retail store is always pleasant.	4.18	0.70			
I enjoy visiting the retail store.	4.20	0.64			

Customer Retention

In this construct, ten items were generated, and after factor analysis, all the items were retained with two factors (Table 5). The first factor, attachment ($\alpha = 0.89$), emerged

with an overall mean of 3.40 explaining 38.12% of the variance, consisting of seven items; the second factor, reward, consisted of three items (mean value = 3.35, variance explained = 23.24%, and $\alpha = 0.68$).

Table 5: EFA Results of Customer Retention

Factors	Mean	FL	VE	Alpha	EV
Attachment			38.12	0.89	3.81
I buy from this store even if there is no discount.	3.48	0.82			
I have the intention to continue my relationship with this store.	3.88	0.78			
I am emotionally attached to the store.	2.94	0.73			
I consider this outlet my first choice for shopping.	3.50	0.72			
I always repurchase the product from this store.	3.46	0.69			
I buy from this store even if the prices are slightly high.	3.30	0.68			
I wait for the product to be back in stock if it is available.	3.27	0.62			
Reward			23.24	0.68	2.32
The store provides me retention reward for future purchases.	2.94	0.81			
Employees' attitude enhances my repurchase intention.	3.58	0.74			
The store provides us membership cards.	3.54	0.65			

DISCUSSION

The Indian retail industry has been seen as an attractive sector for investors from all over the world with this most recent research, which has rated India's retail sector the top target for retailers for an attractive emerging retail market (Sivanesan & Green, 2019). Every retail business has its exclusive strategies and offerings to make their business sustainable in the market. Many players are entering this sector and for survival, they have to compete with others in the market; however, it is very difficult to compete in the dynamic environment so few survive to achieve their goals (Paige & Littrell, 2002). So, the study presents the perceptions of customers regarding the marketing capabilities of retailers. It is evident from the above analysis

that customers are influenced by the retailers' different strategies, like CRMC help to build long-term relationship with customers by knowing their preferences, dealing with patience, taking their feedback, and building trust by sharing information with them. In fact, customers appreciate the information provided to them about the brand. SIDC helps a retailer to differentiate their store from other competitors in the market by providing facilities like pleasant music, appropriate space, interior decoration, and so on. The study highlights that retailers should also focus on service quality they are providing to their customers, as a customer feels happy when retailers willingly handle their returns and exchanges, as well as provide them high-quality merchandise. The customers, in satisfying their needs and wants, aspire for the right product at the right time, place, price, and

promotion. The retailers use their MAC to make their product arrangement and display attractive to customers, so that they can easily find the required product. PMC attracts new customers from the market by making them aware of the availability of the product and it also helps retailers retain their existing customers by providing them coupons, discounts, and attractive price deals. Each capability helps retailers satisfy their customers and build trust for a long-term relationship. One of the most important capabilities, i.e., SC can be customer-oriented or sale-oriented. The staff who are recruited by the retailers influence its sale performance, as the recruited employee has to deal with the customers; therefore, their behaviour and interactions can boost sales or vice-versa. Finally, IC is important in every field as no one can continue his business in stages. Retailers have to renovate or innovate from time to time to compete with and sustain themselves in the market, as everyone wants to experience new things, which can be possible only when innovation takes place in the outlets. The results depict that customer involvement, meeting expectations, and trustworthiness influence customer satisfaction in the retail sector. Only a satisfied customer can retain and build a long-term relationship with a retailer. So, it is very important to consider these marketing capabilities while planning any business strategies, as it will help a retailer satisfy their customers and build trust towards their dealings, helping retain them in the future.

IMPLICATIONS

In today's competitive market, retailers face huge competition. It is therefore important for retailers to sustain their businesses, while retaining their customers and attracting new ones to increase their market share, as well as profit, in the long run. It is suggested that retailers should use appropriate strategies to sustain their business in the market. To sustain their business in the market, retailers should consider different capabilities in their sector (Moore & Fairhurst, 2003). Based on the findings, the study recommended various managerial implications to the retailer to boost their business performance and customer retention. The retailer should focus on helping customers overcome difficulties while purchasing, and maintain and build strong relationships with customers. In a promotional capability, the retailer should focus on advertisements like coupons and discounts to attract customers for future purchases. It is found that customers are not satisfied with store employees; the retailer should therefore provide basic training to the staff on how to deal with customers, how they can discover customer needs, provide assistance while shopping, and provide information about the brand. Customers of all the

retail stores have pointed out that the stores focus less on innovation activities; as they do not seek new ideas, there is no innovation on before-sales and after-sales services. It is suggested that employees should make more effort to help customers while purchasing, should have enough billing counters to save the customers' time, and should provide various types of discounts to attract and retain customers. In fact, to retain customers, a retailer should make efforts to build an emotional relationship with their customers, like giving extra discounts on their special days, as well as providing them membership cards for future repurchase.

CONCLUSION

To survive in today's competitive and dynamic environment, retailers need to manage their capabilities to satisfy the consumers and to retain them, as marketing capabilities play an important role in enhancing customer satisfaction and trust towards the retailer. Various researches define marketing capabilities and their contribution to the retail sector. There are many marketing capabilities; however, from the retailers' perspective, eight capabilities are taken into consideration. The results of EFA show various dimensions of marketing capabilities that a retailer can use to satisfy, as well as sustain, their customers in the long run. This research presents original theorisation and literature review about various marketing capabilities, customer satisfaction, trust, and retention. Thus, despite several limitations, the present study systematically examined various marketing capabilities which are important for retailers and helps them sustain their business in the market, as well as the response of consumers to these capabilities.

LIMITATIONS AND FUTURE RESEARCH

The limitation of this research could be that only one state in India is taken into consideration for the study, and this is not sufficient to generalise on the retail firms. In the future, a large sample size should be generated from other cities as well. This study was restricted to customers who shop from specialty retail stores. It is necessary to investigate the consumption behaviour of customers buying electronic/durable products and the effect of marketing capabilities on their shopping behaviour. In the future, retailers' perspectives may be included; it will be interesting to compare the different perspectives. Investigating the effect of these marketing capabilities on customer satisfaction and financial performance can be an interesting research area. Finally, the relationship among customer satisfaction, trust, and retention, with some mediators and moderators, can be researched in the future.

REFERENCES

- Abbes, M., & Goudey, A. (2015). How salespersons induce trust between consumers and retailers: The case of French well-being stores. *International Journal of Retail & Distribution Management*, 43(12), 1104-1125.
- Aldaihani, F. M. F., & Ali, N. A. B. (2018). The mediating role of customer empowerment in the effect of relationship marketing on customer retention: An empirical demonstration from Islamic banks in Kuwait. *European Journal of Economics, Finance and Administrative Sciences*, 99, 42-52.
- Alshurideh, M. T. (2016). Is customer retention beneficial for customers: A conceptual background. *Journal of Research in Marketing*, 5(3), 382-389.
- Anning-Dorson, T. (2017). Moderation-mediation effect of market demand and organization culture on innovation and performance relationship. *Marketing Intelligence & Planning*, 35(2), 222-242.
- Ascarza, E., Neslin, S. A., Netzer, O., Anderson, Z., Fader, P. S., Gupta, S., & Provost, F. (2018). In pursuit of enhanced customer retention management: Review, key issues, and future directions. *Customer Needs and Solutions*, 5(1-2), 65-81.
- Assimakopoulos, C., Papaioannou, E., Sarmaniotis, C., & Georgiadis, C. K. (2015). Online reviews as a feedback mechanism for hotel CRM systems. *Anatolia*, 26(1), 5-20.
- Asubonteng, P., McCleary, K. J., & Swan, J. E. (1996). SERVQUAL revisited: A critical review of service quality. *Journal of Services Marketing*, 10(6), 62-81.
- Asuquo, E. E., & Igbongidi, P. B. (2015). Retail store merchandise assortment and display and their influence on consumer impulse buying behaviour in north-west Nigeria. *Global Journal of Management and Business Research*, 15(6), 1-9.
- Belas, J., & Gabcova, L. (2014). Reasons for satisfaction and dissatisfaction of bank customers: Study from Slovakia and the Czech Republic. *International Journal of Entrepreneurial Knowledge*, 2(1), 4-13.
- Bellingkrodt, S., & Wallenburg, C. M. (2015). The role of customer relations for innovativeness and customer satisfaction. *The International Journal of Logistics Management*, 26(2), 254-274.
- Belwal, R., & Belwal, S. (2017). Factors affecting store image and the choice of hypermarkets in Oman. *International Journal of Retail & Distribution Management*, 45(6), 587-607.
- Berraies, S., & Hamouda, M. (2018). Customer empowerment and firms' performance. *International Journal of Bank Marketing*, 36(2), 336-356.
- Bhat, S. A., & Darzi, M. A. (2016). Customer relationship management: An approach to competitive advantage in the banking sector by exploring the mediational role of loyalty. *International Journal of Bank Marketing*, 34(3), 388-410.
- Bundy, J., Shropshire, C., & Buchholtz, A. K. (2013). Strategic cognition and issue salience: Toward an explanation of firm responsiveness to stakeholder concerns. *Academy of Management Review*, 38(3), 352-376.
- Cho, Y. C., & Sagynov, E. (2015). Exploring factors that affect usefulness, ease of use, trust, and purchase intention in the online environment. *International Journal of Management & Information Systems (IJMIS)*, 19(1), 21-36.
- Diallo, M. F., & Cliquet, G. (2016). Store image perceptions and customer knowledge cues in emerging markets. *International Journal of Retail & Distribution Management*, 44(12), 1182-1205.
- Eisingerich, A. B., Auh, S., & Merlo, O. (2014). Acta non verba? The role of customer participation and word of mouth in the relationship between service firms' customer satisfaction and sales performance. *Journal of Service Research*, 17(1), 40-53.
- Gauri, D. K., Trivedi, M., & Grewal, D. (2008). Understanding the determinants of retail strategy: An empirical analysis. *Journal of Retailing*, 84(3), 256-267.
- Golgeci, I., & Gligor, D. M. (2017). The interplay between key marketing and supply chain management capabilities: The role of integrative mechanisms. *Journal of Business & Industrial Marketing*, 32(3), 472-483.
- Gourville, J. T., & Moon, Y. (2004). Managing price expectations through product overlap. *Journal of Retailing*, 80(1), 23-35.
- Grewal, D., Levy, M., Mehrotra, A., & Sharma, A. (2016). Planning merchandising decisions to account for regional and product assortment differences. *Journal of Retailing*, 75(3), 405-424.
- Han, H., & Hyun, S. S. (2017). Impact of hotel-restaurant image and quality of physical-environment, service, and food on satisfaction and intention. *International Journal of Hospitality Management*, 63, 82-92.
- Hanaysha, J. R. (2018). An examination of the factors affecting consumer's purchase decision in the Malaysian retail market. *PSU Research Review*, 2(1), 7-23.
- Hanaysha, J. R. (2018). Customer retention and the mediating role of perceived value in retail industry. *World Journal of Entrepreneurship, Management and Sustainable Development*, 14(1), 2-24.
- Hristov, L., & Reynolds, J. (2015). Perceptions and practices of innovation in retailing: Challenges of definition

- and measurement. *International Journal of Retail & Distribution Management*, 43(2), 126-147.
- Hui, E. C., & Zheng, X. (2010). Measuring customer satisfaction of FM service in housing sector: A structural equation model approach. *Facilities*, 28(5/6), 306-320.
- Jan, M. T., & Abdullah, K. (2014). The impact of technology CSFs on customer satisfaction and the role of trust: An empirical study of the banks in Malaysia. *The International Journal of Bank Marketing*, 32(5), 429-447.
- Jin, B., & Cho, H. J. (2018). Examining the role of international entrepreneurial orientation, domestic market competition, and technological and marketing capabilities on SME's export performance. *Journal of Business & Industrial Marketing*, 33(5), 585-598.
- Kadic-Maglajlic, S., Micevski, M., Arslanagic-Kalajdzic, M., & Lee, N. (2017). Customer and selling orientations of retail salespeople and the sales manager's ability-to-perceive-emotions: A multi-level approach. *Journal of Business Research*, 80, 53-62.
- Kamboj, S., & Rahman, Z. (2015). Marketing capabilities and firm performance: Literature review and future research agenda. *International Journal of Productivity and Performance Management*, 64(8), 1041-1067.
- Keith, N. K., & Simmers, C. S. (2011). Measuring service quality perceptions of restaurant experiences: The disparity between comment cards and DINESERV. *Journal of Foodservice Business Research*, 14(1), 20-32.
- Khare, A., Ahtani, D., & Khattar, M. (2014). Influence of price perception and shopping motives on Indian consumers' attitude towards retailer promotions in malls. *Asia Pacific Journal of Marketing and Logistics*, 26(2), 272-295.
- Kuruvilla, S. J., Joshi, N., & Shah, N. (2009). Do men and women really shop differently? An exploration of gender differences in mall shopping in India. *International Journal of Consumer Studies*, 33(6), 715-723.
- Liozu, S. M., & Hinterhuber, A. (2013). Pricing orientation, pricing capabilities, and firm performance. *Management Decision*, 51(3), 594-614.
- Martin, S. L., & Javalgi, R. R. G. (2016). Entrepreneurial orientation, marketing capabilities and performance: The moderating role of competitive intensity on Latin American international new ventures. *Journal of Business Research*, 69(6), 2040-2051.
- Moore, M., & Fairhurst, A. (2003). Marketing capabilities and firm performance in fashion retailing. *Journal of Fashion Marketing and Management: An International Journal*, 7(4), 386-397.
- Nour, M. I., & Almahirah, M. S. (2014). The impact of promotional mix elements on consumers purchasing decisions. *International Business and Management*, 8(2), 143-151.
- Oliveira, T., Alinho, M., Rita, P., & Dhillon, G. (2017). Modelling and testing consumer trust dimensions in e-commerce. *Computers in Human Behavior*, 71, 153-164.
- Paige, R. C., & Littrell, M. A. (2002). Craft retailers' criteria for success and associated business strategies. *Journal of Small Business Management*, 40(4), 314-331.
- Pantano, E. (2014). Innovation drivers in retail industry. *International Journal of Information Management*, 34(3), 344-350.
- Paul, J., Mittal, A., & Srivastav, G. (2016). Impact of service quality on customer satisfaction in private and public sector banks. *International Journal of Bank Marketing*, 34(5), 606-622.
- Peng, Y. S., & Lin, S. S. (2008). Local responsiveness pressure, subsidiary resources, green management adoption and subsidiary's performance: Evidence from Taiwanese manufactures. *Journal of Business Ethics*, 79(1-2), 199-212.
- Pratono, A. H. (2018). From social network to firm performance: The mediating effect of trust, selling capability and pricing capability. *Management Research Review*, 41(6), 680-700.
- Pratono, A. H., & Mahmood, R. (2015). Mediating effect of marketing capability and reward philosophy in the relationship between entrepreneurial orientation and firm performance. *Journal of Global Entrepreneurship Research*, 5(1), 1-12.
- Rondan-Cataluña, F. J., Escobar-Perez, B., & Moreno-Prada, M. A. (2019). Setting acceptable prices: A key for success in retailing. *Spanish Journal of Marketing-ESIC*, 23(1), 119-139.
- Rudawska, E. D., & Bilinska-Reformat, K. (2018). The development of food retail formats - Evidence from Poland. *British Food Journal*, 120(2), 309-324.
- Ruiz-Real, J. L., Gázquez-Abad, J. C., Esteban-Millat, I., & Martínez-López, F. J. (2018). Betting exclusively by private labels: Could it have negative consequences for retailers? *Spanish Journal of Marketing-ESIC*, 22(2), 183-202.
- Shamout, M. D. (2016). The impact of promotional tools on consumer buying behavior in retail market. *International Journal of Business and Social Science*, 7(1), 75-85.
- Sin, L. Y., Alan, C. B., & Yim, F. H. (2005). CRM: Conceptualization and scale development. *European Journal of Marketing*, 39(11/12), 1264-1290.
- Singh, H. (2006). The importance of customer satisfaction in relation to customer loyalty and retention. *Academy of Marketing Science*, 60(193-225), 1-7.

- Singh, R., & Khan, I. A. (2012). An approach to increase customer retention and loyalty in B2C world. *International Journal of Scientific and Research Publications*, 2(6), 1-5.
- Singh, V., & Jain, A. (2015). Consumer trust in retail: Development of a multiple item scale. *Journal of Economics, Business and Management*, 3(10), 971-976.
- Sivanesan, R., & Green, G. J. (2019). Impact of organized retail on unorganized retail sector. *Asian Journal of Managerial Science*, 8(1), 28-34.
- Terpstra, M., & Verbeeten, F. H. (2014). Customer satisfaction: Cost driver or value driver? Empirical evidence from the financial services industry. *European Management Journal*, 32(3), 499-508.
- Towers, N., & Burnes, B. (2008). A composite framework of supply chain management and enterprise planning for small and medium-sized manufacturing enterprises. *Supply Chain Management: An International Journal*, 13(5), 349-355.
- Tseng, S. M. (2016). Knowledge management capability, customer relationship management, and service quality. *Journal of Enterprise Information Management*, 29(2), 202-221.
- Vorhies, D. W., & Morgan, N. A. (2005). Benchmarking marketing capabilities for sustainable competitive advantage. *Journal of Marketing*, 69(1), 80-94.
- Wang, Y., & Feng, H. (2012). Customer relationship management capabilities. *Management Decision*, 50(1), 115-129.
- Williams, P., & Naumann, E. (2011). Customer satisfaction and business performance: A firm-level analysis. *Journal of Services Marketing*, 25(1), 20-32.
- Wu, P. C., Yeh, G. Y. Y., & Hsiao, C. R. (2011). The effect of store image and service quality on brand image and purchase intention for private label brands. *Australasian Marketing Journal (AMJ)*, 19(1), 30-39.
- Xie, X., Jia, Y., Meng, X., & Li, C. (2017). Corporate social responsibility, customer satisfaction, and financial performance: The moderating effect of the institutional environment in two transition economies. *Journal of Cleaner Production*, 150, 26-39.
- Yao, Q., Gong, S., & Wei, H. (2016). Marketing capabilities drive competitive advantages: Evidence from China's agribusinesses. *Agricultural Research*, 5(3), 305-315.
- Yu, W., Ramanathan, R., & Nath, P. (2014). The impacts of marketing and operations capabilities on financial performance in the UK retail sector: A resource-based perspective. *Industrial Marketing Management*, 43(1), 25-31.
- Zulqarnain, H., Zafar, A. U., & Shahzad, M. (2015). Factors that affect the choice of consumers in selecting retail store, for grocery shopping. *International Journal of Multidisciplinary and Current Research*, 3(1), 1167-1172.