

Service Marketing Mix Influence on Customer Satisfaction: A Detailed Study of Naturals Ice Cream in Mumbai

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ABSTRACT

The ice cream industry in India has gained immense popularity, driven by a growing middle class, increased purchasing power, and evolving consumer tastes. In 2023, the Indian ice cream market was valued at USD 3.12 billion and is projected to grow at a CAGR of 13.5% through 2029, according to TechSci. Major players in Mumbai's ice cream market include Amul, HUL, Havmor, Mother Dairy, Naturals Ice Cream, Baskin Robbins, and Wowfills. This research aims to explore the service marketing strategies of Naturals Ice Cream and their impact on customer satisfaction.

Keywords: Service Marketing, Customer Satisfaction, Distribution Network, Fresh and Natural Origin

Introduction

Naturals Ice Cream, founded by Mr. Raghunandan Srinivas Kamath, has become a unique and popular brand in India. Leveraging his extensive knowledge of fruits—covering quality, storage, ripeness, and optimal usage—Kamath started a small shop in 1984. Today, Naturals boasts over 165 franchise outlets across multiple states in India. The brand's success is attributed to its USP: "Taste the Original, which is Natural."

History of Ice Cream

The history of ice cream dates back to ancient civilizations. Early versions of ice cream were enjoyed by the Greeks and Romans, who flavoured snow and ice with honey and fruit. In the 13th century, Marco Polo is credited with bringing a recipe for a frozen dessert resembling modern sherbet from China to Europe. By the 17th century, ice cream was becoming popular in France and England, enjoyed primarily by the elite. The first recorded recipe for ice cream in England appeared in the late 17th century.

Ice cream gained widespread popularity in the United States in the 18th century, with the first ice cream parlour opening in New York in 1776. The invention of mechanical refrigeration in the 19th century revolutionized the industry, making ice cream more accessible to the general public. Today, ice cream is a global phenomenon, enjoyed in a variety of flavours and forms.

History of Naturals Ice Cream

Naturals Ice Cream was born out of the entrepreneurial spirit of Mr. Raghunandan Srinivas Kamath, who opened a small ice cream shop in 1984 in Mumbai. Kamath's deep understanding of fruits and his commitment to using natural ingredients set Naturals apart from other brands. His innovative approach to creating flavours from fresh fruits and dry fruits quickly gained popularity.

Naturals Ice Cream's unique selling proposition, "Taste the Original," reflects its commitment to natural and authentic flavours. Over the years, Naturals expanded its presence, establishing more than 165 franchise outlets across India. The brand's growth can be attributed to its consistent quality, customer-centric approach, and strategic marketing initiatives. Today, Naturals Ice Cream continues to innovate, introducing new flavours while maintaining its core values of natural ingredients and exceptional taste. The brand has become synonymous with quality and authenticity, earning a loyal customer base and a strong reputation in the competitive ice cream market.

Review of Literature

1. Service Marketing

Service marketing is distinct from product marketing due to the intangible nature of services, requiring unique strategies and approaches. **Kotler and Keller (2016)** emphasize the importance of the service marketing mix, also known as the 7Ps: Product, Price, Place, Promotion, People, Process, and Physical Evidence. These elements collectively influence customer perceptions and satisfaction.

Lovelock and Wirtz (2016) discuss the critical role of service quality and customer satisfaction in service marketing. They highlight the SERVQUAL model, which measures service quality based on five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. High service quality leads to increased customer satisfaction, loyalty, and positive word-of-mouth.

2. Customer Satisfaction

Customer satisfaction is a key determinant of business success, particularly in the service industry. **Zeithaml, Bitner, and Gremler (2018)** define customer satisfaction as the customer's evaluation of a product or service in terms of whether it has met their needs and expectations. High levels of customer satisfaction are associated with customer loyalty, repeat purchases, and positive word-of-mouth.

Oliver (2014) presents the Expectancy Disconfirmation Theory, which posits that customer satisfaction is determined by the gap between expected and perceived performance. If the perceived performance exceeds expectations, customers are satisfied; if it falls short, they are dissatisfied. This theory underscores the importance of managing customer expectations and delivering high-quality service.

3. Ice Cream Industry

The ice cream industry is characterized by intense competition and a diverse range of products and flavours. According to a report by TechSci (2023), the Indian ice cream market was valued at USD 3.12 billion in 2023 and is projected to grow at a CAGR of 13.5% through 2029. Major players in the market include Amul, HUL, Havmor, Mother Dairy, Naturals Ice Cream, Baskin Robbins, and Wowfills.

Research on consumer behavior in the ice cream industry highlights the importance of product quality, flavour variety, and brand image in influencing purchase decisions. A study by **Gupta and Singh (2020)** found that consumers prioritize taste, natural ingredients, and brand reputation when choosing ice cream. The study also revealed that innovative flavours and effective marketing strategies are crucial for attracting and retaining customers.

4. Naturals Ice Cream

Naturals Ice Cream has been a subject of interest in various studies due to its unique positioning and successful business model. **Sharma and Kaur (2019)** examined the brand's emphasis on natural ingredients and its impact on customer loyalty. They found that Naturals' commitment to quality and authenticity resonated well with consumers, leading to high levels of customer satisfaction and positive word-of-mouth.

A study by **Desai (2021)** explored the marketing strategies of Naturals Ice Cream, focusing on its service marketing mix. The study highlighted the brand's effective use of social media, attractive store ambiance, and customer-centric approach as key factors contributing to its success. Desai concluded that Naturals' ability to consistently deliver high-quality, natural ice cream has cemented its position as a leading player in the Indian ice cream market.

Objectives of the Study

1. To examine the Service Marketing Mix of Naturals Ice Cream.
2. To assess the customer satisfaction level with Naturals Ice Cream.

Research Methodology

This descriptive research involved data collection through observation, questionnaires, and interviews. A non-probability convenience sampling technique was employed, with a sample size of 1000 respondents. The sampling area was South Mumbai. The time frame was for 3 months March - June 2024. Data analysis tools included percentage analysis as descriptive statistics.

Data Analysis & Interpretation

A. Observation Method at Outlets

Naturals Ice Cream recently updated their logo after 40 years in business. The new logo, featuring "NATURALS-Taste the Original" with an inverted "A" and a scoop on top, is now visible at all outlets and on packaging. Naturals offers value-for-money pricing to target broad segments and accepts online orders via ordernaturalsicecreams.in, Swiggy, and Zomato. The brand promotes through Facebook, Twitter, and Instagram. New physical evidence includes employee uniforms (green and black), product display boards, pamphlets, uniform seating arrangements, and ambiance across outlets. Employees are well-trained in product knowledge and customer service.

B. Data Analysis and Interpretation

- **Product Usage:** 97% of respondents have enjoyed Naturals Ice Cream. Purchase reasons include cravings (25%), availability (17%), special occasions (17%), spending time with loved ones (38%), and climate (3%).
- **Brand Awareness:** 40% of respondents learned about Naturals through word-of-mouth, 17% from strong brand image, 10% from store ambiance and internal promotions, and 33% from a combination of these factors.
- **Preferences:** 70% prefer cups, while the rest prefer waffle cones. 38% associate Naturals with family and friends time. 65% spend over Rs. 300 on cup ice cream and family packs. Tender Coconut (52%), Mango (76%), and

Roasted Almond (62%) are the most favoured flavors. 70% find product availability excellent, while 30% find it good. Satisfaction levels are high, with 40% highly satisfied, 45% satisfied, and 5% moderately satisfied.

Findings

Star Rating for Service Marketing Mix of Naturals Ice Cream:

Service Mix	Star Rating	Percentage
Product (Quality, Taste, Quantity, Packing, Flavors)	*****	85%
Price	****	56%
Place	****	60%
Promotion	****	45%
People	*****	61%
Process	****	53%
Physical Evidence	****	58%

Conceptual framework

The conceptual framework was prepared with the interview conducted of the sales representative and the Store Manager. This model helps to assess customer satisfaction and improve the customer satisfaction and loyalty.

SERVQUAL Model for Naturals Ice Cream

The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry, is a tool for measuring service quality across five dimensions: Tangibles, Reliability, Responsiveness, Assurance, and Empathy. Applying this model to Naturals Ice Cream can help evaluate and enhance their service quality to improve customer satisfaction.

1. Tangibles

Tangibles refer to the physical aspects of service delivery, including facilities, equipment, personnel appearance, and communication materials.

Current Status at Naturals Ice Cream:

- Outlets:** Clean, well-maintained stores with uniform seating arrangements and attractive ambiance.
- Employee Uniforms:** Employees wear green and black uniforms, creating a professional and cohesive appearance.
- Logo and Branding:** Updated logo with "NATURALS-Taste the Original," featuring an inverted "A" with a scoop on top, visible on all packaging and store signage.
- Product Display:** Clear and appealing product display boards and pamphlets at outlets.

Recommendations:

- Continue maintaining high standards of cleanliness and upkeep.
- Regularly update store interiors to keep the ambiance fresh and inviting.
- Ensure consistency in the appearance and behavior of employees across all outlets.

2. Reliability

Reliability refers to the ability to perform the promised service dependably and accurately.

Current Status at Naturals Ice Cream:

- Product Consistency:** High-quality, natural ice cream flavors that meet customer expectations.
- Availability:** Seasonal and regular flavors are consistently available.
- Order Accuracy:** Accurate and timely fulfillment of both in-store and online orders.

Recommendations:

- Implement regular training programs to ensure consistent service delivery across all outlets.
- Use customer feedback to continuously monitor and improve product consistency.
- Enhance inventory management to prevent stockouts and ensure availability of popular flavours.

3. Responsiveness

Responsiveness is the willingness to help customers and provide prompt service.

Current Status at Naturals Ice Cream:

- a. **Customer Service:** Employees are well-trained to assist customers with their queries and provide flavour recommendations.
- b. **Online Orders:** Prompt handling of online orders through platforms like ordernaturalsicecreams.in, Swiggy, and Zomato.
- c. **Social media:** Active engagement with customers on social media platforms such as Facebook, Twitter, and Instagram.

Recommendations:

- Enhance employee training to further improve responsiveness and customer interaction skills.
- Monitor and respond to customer inquiries and complaints on social media in a timely manner.
- Optimize online order processing to reduce delivery times and enhance customer satisfaction.

4. Assurance

Assurance encompasses the knowledge and courtesy of employees and their ability to inspire trust and confidence.

Current Status at Naturals Ice Cream:

- a. **Employee Knowledge:** Employees are knowledgeable about the different flavours and ingredients used in the ice cream.
- b. **Brand Trust:** Strong brand reputation built on natural and high-quality ingredients.
- c. **Customer Safety:** Adherence to hygiene and safety standards in ice cream production and serving.

Recommendations:

- a. Regularly update employee training materials to include the latest product information and customer service techniques.
- b. Conduct periodic audits to ensure compliance with hygiene and safety standards.
- c. Share behind-the-scenes content on social media to build trust and transparency with customers.

5. Empathy

Empathy is the provision of caring, individualized attention to customers.

Current Status at Naturals Ice Cream:

Customer Interaction: Employees are trained to provide personalized service and make customers feel valued.

Feedback Mechanisms: Availability of feedback forms and active listening to customer suggestions and complaints.

Loyalty Programs: Initiatives to reward repeat customers and encourage loyalty.

Recommendations:

- Implement more personalized marketing strategies, such as birthday discounts or exclusive previews of new flavors.
- Enhance the loyalty program with tiered rewards and special benefits for frequent customers.
- Regularly review customer feedback to identify areas for improvement and implement changes based on customer suggestions.

The SERVQUAL model to Naturals Ice Cream highlights the brand's strengths in maintaining high service quality across all five dimensions. By addressing the recommendations provided, Naturals can further enhance their service quality, leading to improved customer satisfaction and loyalty.

Overall Recommendations

1. **Customer Loyalty Programs:** Implement loyalty programs to reward repeat customers and encourage word-of-mouth promotion.
2. **Sustainability Initiatives:** Emphasize eco-friendly practices in packaging and operations to attract environmentally conscious consumers.

Societal Benefits of the Study

This study on Naturals Ice Cream's service marketing mix and customer satisfaction offers several benefits to society:

1. **Enhanced Consumer Experience:** By identifying factors that influence customer satisfaction, the study helps Naturals Ice Cream improve their service quality, leading to a better consumer experience. Satisfied customers are more likely to enjoy their purchases and share positive experiences with others.

2. **Informed Decision-Making:** The insights gained from this study can guide other businesses in the ice cream industry and beyond in refining their service marketing strategies. This contributes to higher standards of service across the industry, benefiting consumers at large.

Limitations of the study

1. **Geographical Limitation:** The study is restricted to South Mumbai, which may limit the generalizability of the findings to other regions or cities in India. Consumer behavior and preferences may vary across different geographic locations.
2. **Sample Size and Sampling Technique:** The use of non-probability convenience sampling and a sample size of 1000 respondents may not fully represent the entire population of Naturals Ice Cream customers.
3. **Focus on Naturals Ice Cream:** The study is centered on Naturals Ice Cream, and the findings may not be directly applicable to other ice cream brands or the broader ice cream industry.
4. **Limited Depth on External Factors:** The study primarily focuses on internal factors (service marketing mix) and their influence on customer satisfaction. External factors such as economic conditions, competitive actions, and regulatory changes are not extensively covered.

Future Scope of the Study

The future scope of this study on Naturals Ice Cream's service marketing mix and customer satisfaction includes expanding the research geographically to other cities and regions, conducting longitudinal studies to track changes over time, and performing comparative analyses with other major players in the ice cream industry. Further, it can explore the impact of digital technologies and innovative marketing strategies on customer engagement, conduct detailed customer segmentation analyses, and investigate the effects of product innovation and sustainability initiatives on customer preferences.

Conclusion

Naturals Ice Cream's success lies in its innovative, natural flavors. High customer satisfaction is driven by value-for-money products and services. Naturals relies on customers to act as brand ambassadors through positive word-of-mouth, ensuring continued high satisfaction levels with their natural origin ice cream.

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