

## **A STUDY OF CUSTOMER SATISFACTION IN ORGANISED RETAIL STORES WITH SPECIAL REFERENCE TO PUNE CITY**

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### **ABSTRACT**

Customer Satisfaction is widely recognized as a key pressure in the formations of consumers future purchase intentions. Satisfied customers are also likely to tell others of their favorable experiences and thus engage to positive words of mouth advertisement. The present study aims to investigate customer satisfaction in the organization dretail outlets in pune city of Maharashtra state in india. The objectives are to indentify the behaviors of the customers those who are purchasing in organization dretail outlets in pune city customers perception is a significant subject for most marketers. How the perceptions are formed and satisfied and the impacts they have on the success of a business. The article intends on examining customer perception in the organized retail stores. The goal is to identify the determinants of customer perception in the organized retail stores. A total sample size of the study I market so and retailers covered for the study supermarket, departmental stores.

**KEYWORDS:** Advertising, Retail Outlet, Attitude Behaviour, Customer Satisfaction.

### **INTRODUCTION**

Retailing has been defined by various authors in different ways, Philip Kotler defines retailing as, “All the activities involved in selling goods or services to the final consumers for personal, non-business use”. According to David Gilbert, “Retailing is any business that directs its marketing effort towards satisfying the final consumers based upon the organization of selling goods and services as a means of distribution”. Retail actually consists of the sale of physical goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mall, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purcahsers may be individuals or businesses. In commerce, a “retailer” buys goods or products in large quantities from manufacturers or directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. The term “retailer” is also applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power. Organized retail in India is growing at a fast pace. Many new organized retail stores are coming up every year. With more stores, the completion too is becoming intense. In order to attract customers, organized retailers are using various marketing strategies. But do these strategies go well with the customers? Are they successful in attracting the customers? The present study deals with these questions and tries to find right answer.

### **IMPORTANCE OF RESEARCH**

The Organized Retail Industry in the world faces a situation where they are facing a challenge to satisfy the customers. This has resulted in use of various marketing strategies by the retailers. In India, Organised retailers face the same dilemma and there is increasing competition to satisfy their own customers. In Maharashtra, especially in Pune the numbers of organized retail stores are increasing rapidly. Pune also has the highest number of students and techies as compared to any other city in the country. In this age of 20-30 yrs the ambition, aspiration and inclination towards glamour, movies and fashion is much. So, they spend it almost every month once or twice and to grab what’s cool and trendy in fashion and help retail to grow in the city. The study would enable the researcher to find the marketing strategies that helps to satisfy these customers. This study would also enable the Organized Retail Industry to face the dilemma of customer satisfaction with a distinct strategy. Also the findings of this study can be applicable not only to Pune city but also Organized Retail Stores elsewhere.

## **OBJECTIVES OF THE STUDY**

1. To identify the demographic profile of the customers visiting organized retail stores.
2. To find factors that attracts customers to buy at organized retail store.
3. To study factors that influence purchase decision.
4. To identify items those are purchased through impulse purchase behavior in organized retail stores.
5. To find out satisfaction level of customers with regards to Price at organized retail store.
6. To identify level of satisfaction among customers regarding salesperson of the organized retail stores.
7. To find satisfaction level of customers with respect to overall performance of organized retail store.
8. To identify factors those are important for organized retail stores while choosing the store location.
9. To identify the gap between marketing strategy used by retailers and that perceived by the customers.

## **HYPOTHESES OF THE STUDY**

1. Monthly purchase is same across different age groups.
2. There is no interaction effect of gender and qualification on monthly purchase.
3. There is no relationship between monthly purchase and factors influencing purchase decision.
4. There are no specific factors that attract customers to buy at organized retail store.
5. Customers are satisfied with price offered by organized retail store.
6. Customers are satisfied with overall performance of organized retail stores.

## **RESEARCH METHODOLOGY**

### **➤ Methods of Data Collection**

The researcher has collected the data for this research work by following methods.

#### **• Primary Data**

Data that is collected for the first time and that has not been used anywhere else is known as primary data. Primary data is more real, authentic and reliable in nature. Such data is usually collected by large government organizations, institutions, research bodies and individuals. Following are the methods used by researcher to collect primary data for the present study.

#### **A. Questionnaire**

For survey based research, questionnaire is most commonly used instrument. Questionnaire consists of a list of questions; either open ended, close ended, multiple choice, rating or ranking questions. Respondents give their response to each of the question in the questionnaire. Researcher has conducted a survey and collected the primary data from 500 customers and 50 retail store managers with the help of structured questionnaire.

#### **B. Personal Interview**

Interview is another instrument used to collect primary data. Interview can be structured or unstructured. In a structured interview, a pre defined set of questions are asked to the respondents in a face-to-face conversation. Along with recording the statements, interview helps the research to observe the body language, reactions and expression of the respondents. For collecting more data about the research work, researcher had carried structured interview of the 25% of the customers and all the store managers.

#### **• Secondary Data**

Secondary data is the data that has been already collected by someone else and used in some work. This data is not original in character. Secondary data is considered backbone for any research work as this helps in building

the literature review. The secondary data for the present study includes books, Ph.D. thesis, articles in periodical, newspapers, research paper, and journals. It also includes the data collected from the internet.

### **SAMPLING DESIGN**

According to the information collected from the government offices approximately 32 lakh was the population of Pune city in 2011. So the same constitutes universe for the customer sample.

The universe for selected retail stores in Pune city was 58.

### **SAMPLE OF THE STUDY**

Sample for present study were customers and retailers. A total of 500 customers and 50 retailers were selected. The distribution for retailers was as follows :-

<b>Sr. No.</b>	<b>Types of Retailers</b>	<b>Sample Size</b>
1	Supermarkets	16
2	Department Stores	17
3	Hypermarkets	17
	Total	50

### **RETAILERS COVERED FOR THE STUDY**

<b>Sr.No.</b>	<b>Supermarkets</b>	<b>Departmental Stores</b>	<b>Hypermarkets</b>
1	Reliance Fresh	Reliance Mart	Pune Central
2	More	Vishal Megamart	Big Bazaar
3	Spencers	Shoppers Stop	D-Mart
4	Star Daily	Fab India	Star Bazaar
5		Westside	
6		Megamart	

### **RESEARCH FINDINGS**

#### **Findings with regard to Customers-**

1. Majority of the respondents (57.80%) were female.
2. Maximum number (90.60%) of the respondents had minimum qualification up to graduation. Only few respondents (9.40%) were under graduate.
3. Maximum number (87.60%) of the respondents were earner and few (12.40%) of them were non-earners.
4. Majority of the respondents (59.40%) under study were married, whereas some respondents (37.60%) were single.
5. The study represented all age group customers. The sample was not bias towards any age group.
6. Majority of the respondents (66.600%) had annual income more than 5 lakhs per annum whereas few respondents (34%) had annual income below 5 lakhs.
7. Maximum number of the respondents (81.40%) visited more than once to the organized retail store over a month whereas few respondents (18.60%) visited the store only once.
8. Maximum number of the respondents (81.40%) visited more than once to the organized retail store over a month whereas few respondents (18.60%) visited the store only once.
9. Most of the respondents purchases (73.60%) below Rs. 5000 per month, whereas only few respondents purchases (3.40%) more than Rs. 10,000 per month.
10. Majority of the respondents (62.20%) prefer to shop on weekends, whereas the others (37.80%) prefer to shop at the beginning of the week or midweek.
11. Maximum number of the respondents (93.20%) shopped with companion, while few respondents (6.80%) prefer to shop alone.

12. Attractive offers and discounts ( weighted average score of 4.04 and 3.88 respectively) were the important factors which attracts the customers to buy at organized retail store, whereas parking space ( weighted average score of 2.45) could not attract the customers more.
13. Discount offers and brands ( weighted average score of 4.31 and 3.94 respectively) were the most influential factors to buy a particular item, whereas environment ( weighted average score of 2.90) fails to influence customers.
14. Customer himself (average of 25.80%) was the greatest influencer, followed by kids (average of 14.64%) around all the categories in making the purchase decision, whereas friends (average of 4.83%) were the least infulencer.
15. Majority (average of 53.20%) of the respondents purchased the products through planned purchase behavior and others (average of 46.80%) purchased it through impulse or unplanned purchase behavior.
16. Majority (51.40%) of the respondents makes payment through credit card/debit card whereas others (48.60%) prefer to make the payment through cash.
17. Most of the customers (73.60%) were satisfied by the discount offered by organized retail stores.
18. Majority (53.20%) of the respondents were satisfied with the price offered by the organized retailers, whereas only few (20.40%) respondents were dissatisfied.
19. Most of the respondents were satisfied with services of installation of electronic goods ( weighted average score of 3.09) and timely service of goods ( weighted average score of 3.07), whereas others were dissatisfied with service of free home delivery ( weighted average score of 2.34)
20. Most of the respondents prefer newspaper ( weighted average score of 3.87) and radio ( weighted average score of 3.208) to collect information about different offers by organized retailers, whereas cable television ( weighted average score of 2.41) was least preferred.

## **SUGGESTIONS**

1. Customers when asked about their degree of satisfaction with reference to service support, they showed dissatisfaction towards the billing system. Thus, organized retailers should take effective steps to improve their billing and ensure flawless and convenient billing process. Researcher also suggests addition of billing counters especially during peak hours or during weekends/holidays.
2. When asked about their degree of satisfaction with reference to services provided by organized retailers, customers were dissatisfied with the free home delivery facility. Customers are used to free home delivery, as this is provided by the unorganized retailers. Taking this into consideration, organized retailers should start home delivery services as this would increase store accessibility and make the buying more convenient especially for store avoiders.
3. It is observed that majority of the customers shop through planned purchase behavior. Organized retailers should find ways to increase impulse purchase by the customers. To increase impulse purchasing behavior among customers it is suggested to give more importance to in-store advertisements. In-store advertisements like frequent announcements of the latest offers, discounts, lucky draws or communication through signage should be increased.
4. Customers when asked about the tools from which they collect information regarding organized retail stores, they rated newspaper & radio as the most preferred tool. Therefore it is advised to the organized retailers that advertisement in local media should be given more focus.
5. Majority of the customers were dissatisfied with the salesperson ability to resolve their problems. Organized retail stores should therefore, train their employees to handle the customers complaints effectively and also they should train them to portray courteous behavior to make customers shopping more effectual.
6. When asked about their satisfaction level with regards to miscellaneous factors, customers were dissatisfied with the child care facility provided by organized retailers. It is thus suggested that retailers should give importance to child care facility. Also retailers should ensure that there are rest areas or human parking spaces so that people can relax while shopping.

## **CONCLUSION**

1. To attract customers on weekends/ holidays retailers use various kind of strategies. To keep them interested to shop during weekdays also, retailers should encourage in-store promotions like lucky draws, surprise winners and so on at random. Also retailers should develop more engaging customer loyalty programs.

The Ideal loyalty program should have following features:

- i) Create desire to be the members of the scheme.
  - ii) Offer concrete, visible & real benefits to the customers.
  - iii) Strong emotional appeal.
2. Customers when asked about different factors that attract them to buy from organized retail store were neutral in their opinion regarding accessibility or location of the retail store. So, location of store was not an important factor for them. Hence it is advised to the retailers that, location of store should not be given major consideration as long as it is accessible using local transportation facilities. As real estate price at busy commercial areas is unaffordable, standalone stores in well-connected areas should be preferred.
3. Customers when asked about what factors influence them to buy a particular item, gave maximum preference to discount offers provided by the stores. Therefore, it is suggested that organized retailers should try and give more discount offers in order to attract the customers. One of technique that retailers can use for providing discounts and offers is product bundling. In product bundling two or more products are packed together and offered at discounted price.
4. When asked about the information maintained in the database, all the organized retailers said that they maintain customer's transaction details and their contact information. But very few retailers maintain customer shopping preferences. It is therefore advised that retailers should maintain customer shopping preferences in their database as these would help in offering specific offers to individual customers. Thus in-turn, resulting in higher customer satisfaction.
5. When asked about what strategies organized retailers use to develop sustainable competitive advantage, majority of the retailers rated developing private label brands as a important strategy. It is further suggested that, retailers should keep more private label brands as these would give higher profitability and also reduce dependence on manufacturers. Thus, leading to sustainable competitive advantage.

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