



A STUDY ON THE CUSTOMER SATISFACTION IN THE ORGANIZED RETAIL OUTLETS

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ABSTRACT

Customer satisfaction has been recognized as the key pressure in the formation of consumers' future purchase intentions. Satisfied customers are treated as the asset of any business concern in the present competitive era since they will likely to tell others of their favorable experiences and thus engage in positive word of mouth advertising. The present study aims to analyze customer satisfaction in the organized retail outlets in the malappuram and Kozhikode districts of the Kerala state. The objectives are to identify the major factors constituting customer satisfaction in the organized retail outlets in the districts and to identify the attitude, behavior and perception of the customers those who are purchasing in organized retail outlets. A total of 150 retail customers were selected as sample for the study and data were collected by using structured questionnaires. Using descriptive statistics method, cross table analysis, chi-square test and correlation method (to compare between different means) the data collected is analyzed. The result of this analysis suggests the degree of customer satisfaction in terms of services provided by organized retail outlets in the districts.

KEY WORDS: Attitude, Behavior, Customer Satisfaction, Organized Retail Outlets.

INTRODUCTION

Retailing services have become very important in today's economy. The retailing industry plays a crucial role in the overall economy of India and contributing 14 to 15 percent to our GDP. Over the last fifteen years, the Indian retailing industry has been experiencing phenomenal growth with major retailers expanding to the broader South Asia and beyond. Retailers have positioned themselves for all kind of customer needs and income levels especially the growing young working population. Many retailers have been upgrading themselves by re-locating to upcoming modern malls and shopping centers, providing superior shopping atmosphere and experience especially in the urban and semi urban centers. The retail sector in India should embrace the marketing orientation perspective basically applicable to any retailer. Because, consumers are looking for higher values and are seeking a fair return in goods and services for their hard earned money and scarce time. They want products or services that meet their specific needs or wants and that are offered at competitive prices. Firms should attempt to find the most desirable balance between providing benefits to consumers and keeping their costs down. Consumers expect a good value in the form of reasonable price, selection, quality and service. In this, the marketing decisions revolving around the target market, product assortment, services and store atmosphere, store activities and experience, procurement, price decisions, discounts, communications and location decisions which are very critical to a retailer's success should be emphasized. Retail trade has emerged as one of the largest industry contributing to employment generation, revenue generation, increased turn over and many more.

ORGANIZED RETAILING IN INDIA

Organized retailing refers to trading activities undertaken by licensed retailers those who are registered for sales tax, Income tax and it includes the retail chains, corporate backed hyper market and directly owned large retail business. The main challenge facing the organized sector is the competition from unorganized sector. Unorganized retailing has been there in India for centuries, these are named as mom-pop stores. The main advantage in unorganized retailing is consumer familiarity that runs from generation to generation. It is a low cost structure; they are mostly operated by owners, have very low real estate and labour costs and have low taxes to pay. Organized retailing comprises of shopping malls, Multi-store mall and huge complexes that offers a large variety of products in terms of quantity and value of money. India is rated 5th most attractive emerging retail market because of a potential goldmine estimated to be US\$ 200 billion, of which organized retailing (i.e. modern trade) makes up more than 3 percent.

GROWTH AND CONTRIBUTION OF ORGANIZED RETAIL IN INDIA

The growth of the organized retail is expected to the extent of 637 billion at the end of 2015, according to the survey of Associated Chamber of Commerce. Organized retail industry was initially concentrated in metropolitan cities like Bangalore, Mumbai, Delhi, Kolkata and they entered small towns to facilitate rural segment. As the expansion of the organized retail outlets was happening in smaller cities and towns, it has become imperative to understand the perceptions of the customer about the retail service quality in such smaller towns in comparison with metros where organized retail outlet across the cities have already been accepted by the customers. The retail sector has played a phenomenal role

throughout the world in increasing productivity of consumer goods and services. The retail industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. The Indian retail industry is the largest among all the industries, accounting for over 10 percent of the country's GDP and around 8 percent of the employment. The main challenge facing the organized sector is the competition from unorganized sector. The organized retail segment is mainly dominated by the apparel and textile segment followed by the food, grocery and beverages segments.

OBJECTIVES OF THE STUDY

The main objectives behind the study are:

- * To identify the attitude and behavior and perception of customers towards the organized retail outlets.
- * To identify the factors constituting to the customer satisfaction in the organized retail outlets.

ANALYSIS AND INTERPRETATION

Table No.1 Demographic profile of the respondents

Particulars	Classification	Number of Respondents	Percentage
Age	Below 25 years	33	22
	25-35 years	49	32.66
	35-45 years	28	18.66
	45-55 years	30	20
	Above 55 years	10	6.66
Gender	Male	81	54
	Female	69	46
Educational Qualification	Literate	19	12.66
	School level	26	17.33
	Graduate	61	40.66
	Post graduate	28	18.66
	Professional	16	10.67
Monthly Income	Below 10000/-	39	26
	10000/- - 20000/-	47	31.33
	20000/- - 30000/-	38	25.33
	30000/- - 40000/-	12	8
	Above 40000/-	14	9.33
Average monthly purchase from organized retail outlets	Below 1000/-	6	4
	1000/- - 2000/-	11	7.33
	2000/- - 3000/-	34	22.66
	3000/- - 4000/-	38	25.33
	4000/- - 5000/-	41	27.33
	Above 5000/-	20	13.33

Source: Primary data collected

SCOPE OF THE STUDY

The scope of this study is very wide and highly valuable. Because the study deals with the customer satisfaction towards organized outlets which is very essential for retailing and the knowledge about level of dissatisfaction will lead retailer to take corrective actions so that he can better his market position. Also, it deals with various problems in the present retail store products and promotional schemes.

RESEARCH METHODOLOGY

The purpose of this research is to identify the factors constituting to the customer satisfaction in the organized retail outlets and to analyze their behavior and perception towards these outlets. Therefore descriptive research design is used to serve the purpose. Data has been collected from a 150 conveniently selected retail customers of the malappuram and Kozhikode districts were by using structured questionnaire. The period of the study is from November September 2014- November 2014.

The table makes it clear that 54% of the respondents are male and 46% are female. It found that majority of the respondents (32.66) fall in the age group of 25-35 years and 40.66 are graduates. 31.33 of respondents are in the income level of Rs 10000/- to 20000/- and only 9.33% of respondents have the monthly income above Rs 40000/-. Most of the respondents (27.33%) spend Rs 4,000-Rs 5,000 of their monthly budget towards their purchase in the organized outlets.

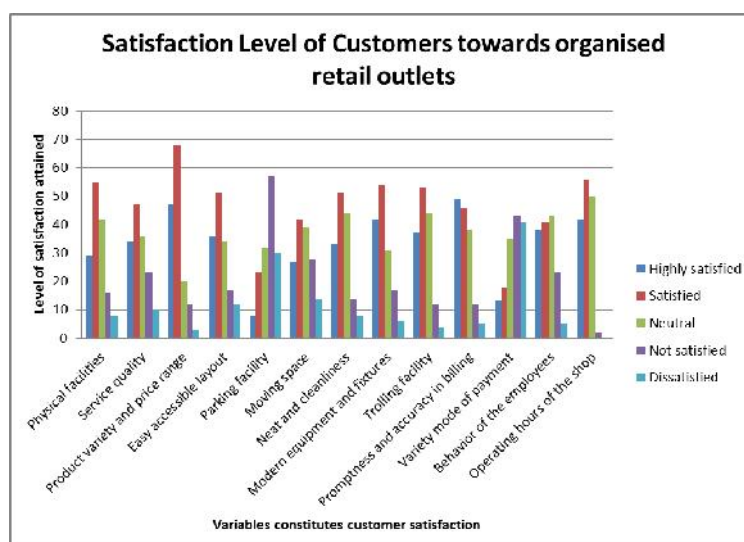
SATISFACTION LEVEL OF THE RESPONDENTS

In order to identify the level of satisfaction attained by the respondents from the organized retail outlets, several variables like physical facilities in the shop, quality of the services offered, availability of variety products with different price bands, easy accessible layout, moving space, neat and cleanliness in the shop, accuracy in billing, variety mode of payment, parking facility, behavior of the employees etc were used.

Table No: 2 Satisfaction of the respondents towards services provided from organized retail outlets

Particulars	Highly satisfied		Satisfied		Neutral		Not satisfied		Dissatisfied	
	No.	%	No.	%	No.	%	No.	%	No.	%
Physical facilities	29	19	55	37	42	28	16	11	8	5
Service quality	34	23	47	31	36	24	23	15	10	7
Product variety and price range	47	32	68	45	20	13	12	8	3	2
Easy accessible layout	36	24	51	34	34	23	17	11	12	8
Parking facility	8	5	23	16	32	21	57	38	30	20
Moving space	27	18	42	28	39	26	28	19	14	9
Neat and cleanliness	33	22	51	34	44	29	14	10	8	5
Modern equipment and fixtures	42	28	54	36	31	21	17	11	6	4
Trolling facility	37	25	53	35	44	29	12	8	4	3
Promptness and accuracy in billing	49	33	46	31	38	25	12	8	5	3
Variety mode of payment	13	9	18	12	35	23	43	29	41	27
Behavior of the employees	38	26	41	27	43	29	23	15	5	3
Operating hours of the shop	42	28	56	38	50	33	2	1	0	0

Source: Primary data collected



From this analysis, it is clear that organized retail outlets provide better and improved quality of services, variety and advanced product range as compared to the

unorganized retail outlets in order to capture more and more market share by attracting large number of new customers and by retaining the existing customers. Majority of the customers

are satisfied with the product variety and price range, physical facilities, adaption of modern equipment and fixtures, operating hours, quality of service provided by the organized retail outlets etc. They are also satisfied with self service, product price, visual merchandising, home delivery and fast checkout. They feel that the store layout is easily accessible to find the products. But at the same time the study points out some difficulties associated with the organized retail outlets like improper and insufficient parking facility and in this era of technological advancement, the customers need for having variety mode of payment in the shops as their convenience. But majority shops are lacking these facilities. By using Chi-Square test it is made clear that there is no relationship between satisfaction level towards quality of service offered and the education qualification of respondents. The

organized retail outlets should provide good parking facilities to their customers. Most of the stores do not accept credit and debit cards. Since most of the customers are youngsters and employed, they feel more comfortable with card payment than cash, these stores are expected to make this facility available to all the customers so that they can save their time and energy.

TESTING OF HYPOTHESIS

TEST 1:-

Ho: The level of satisfaction attained in the products variety and price brands and the education qualification of the respondents are independent.

H₁: The level of satisfaction attained in the products variety and price brands and the education qualification of the respondents are not independent.

Table No: 3 Satisfaction attained in product variety and price brands and Education Qualification – Cross Tabulation

Satisfaction attained in product variety and price brand Education Qualification ⇒	Highly satisfied	Satisfied	Neutral	Not satisfied	Dissatisfied	Total
Literate ↓	3	9	2	3	2	19
School level	11	6	3	5	1	26
Graduate	10	36	13	2	0	61
Post graduate	14	11	2	1	0	28
Professional	9	6	0	1	0	16
Total	47	68	20	12	3	150

Degree of freedom = (r-1) (c-1) = 16

Chi-square value = 42.3919

Table value at 5% level of significance = 26.3

Since the calculated value is higher than the table value, the null hypothesis is to be rejected and the alternative hypothesis can be accepted. So it can be stated that the satisfaction attained by the customers from the organized retail outlets towards the availability of products variety and price brands in the shops and their education qualification are interconnected.

TEST 2:-

Ho: The level of satisfaction attained in the quality of services provided and the average monthly purchase made by the respondents are independent.

H₁: The level of satisfaction attained in the quality of services provided and the average monthly purchase made by the respondents are not independent.



Table No:4 Satisfaction attained in Quality of Services and Average Monthly Purchase from the Organized Retail Outlets – Cross Tabulation

Satisfaction in quality of services Avg. monthly purchase	⇒ Highly satisfied	Satisfied	Neutral	Not satisfied	Dissatisfied	Total
↓						
Below 1000/-	1	2	1	2	0	6
1000 - 2000/-	3	3	2	2	1	11
2000/ - 3000/-	4	6	12	8	4	34
3000/ - 4000/-	11	15	7	3	2	38
Above 4000/-	15	21	14	8	3	61
Total	34	47	36	23	10	150

Degree of freedom = $(r-1)(c-1) = 16$

Chi-square value = 15.97669

Table value at 5% level of significance = 26.3

Since the calculated value is less than the table value, the null hypothesis can be accepted. That means the level of satisfaction attained in the quality of services provided and the average monthly purchase made by the respondents are independent.

The total satisfaction towards the organized retail outlets are being generated as a result of a mixture of different variables in a specified combination so that the firm can capture customer's attraction and retain the existing customers. This will help them to capture more market share and widening the market day by day with innovative products and services which will delight the customers.

CONCLUSION

The retail sector is playing phenomenal role throughout the world in increasing productivity of consumer goods and services. The retail industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. The Indian retail industry is the largest among all the industries, accounting for over 14-15 percent of the country's GDP and around 8 percent of the employment. The main challenge facing the organized sector is the competition from unorganized sector. Retailer is an interface between manufacturer & consumer, who ensures the easy flow of goods and services to the customer. The time has gone when customers were moving only to the shops nearby to their residence and the rapid

modernization of Indian society has increased the share of organized retail in total retail industry. The growing speed of this sector has enhanced the neck to neck competition between the retail players so to sustain & enhance the market share they are trying to keep customers happier & satisfied by offering more values to the customers to their hardly earned money.

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