

# A Study on a Customer Satisfaction towards Departmental Stores With Special Reference to Erode District-Using Weighted Average Score Analysis

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**Dr. B. Elamparithi**

*Assistant Professor & Head*

*Department of Commerce (Banking & Finance)*

*Erode Arts & Science College (Autonomous), (Self Finance Wing), Erode*

## Abstract

*A department store is a large-scale retail outlet that offers an extensive range of products categorized into specialized sections, ensuring customers can fulfill diverse shopping needs in one location. These departments typically feature merchandise such as apparel, home furnishings, electronics, and cosmetics. Modern department stores also frequently include sections for gardening, hardware, sports equipment, toiletries, and toys, while some expand their inventory to include food, books, jewelry, stationery, and pet supplies. Checkout systems vary, with discount stores positioning registers near the entrance and upscale establishments providing in-department service counters. Some department stores operate as part of a broader retail chain, whereas others function as standalone businesses.*

**Keywords:** Customer Satisfaction, Department Store, Approach of the Customer

## Introduction

A department store is a large retail establishment that sells a wide variety of products organized into departments to satisfy nearly every customer need under one roof. Departments focus on specific product types like clothing, furniture, or electronics. Department stores are located centrally, have a corporate structure, eliminate middlemen by buying directly from manufacturers, and maintain a variety of goods through centralized purchasing. Department stores are designed to offer premium service to high-income consumers who prioritize quality and convenience over price. These expansive retail establishments house an extensive assortment of goods, systematically arranged into distinct sections to accommodate a wide spectrum of customer needs under one roof. Each department specializes in a particular category, such as personal care, pharmaceuticals, furniture, groceries, electronics, apparel, and textiles. Catering to diverse market segments, department stores provide a comprehensive shopping experience with a broad range of products and services. In the United States, it is common for department stores to carry everything from small household essentials to large-scale goods, embodying the concept of "one-stop shopping."

Phrases like “from a pin to an elephant” encapsulate their vast product variety. However, despite their global prominence, full-scale department stores have yet to leave a significant mark on India’s retail industry.

### **Departmental Store**

Department store may be defined as a sizable retail establishment with several departments that provide the greatest variety of products and services in one location. It seeks to make purchasing more convenient and has the potential to become a “universal provider.” A department store is a sizable retail establishment that manages a broad range of specialty and shopping items and is divided into several departments for the purposes of control, service, and advertising. -K.R. Still and E.IV. II.

### **Features of Departmental Store**

The features of a departmental store distinguish it from other retail businesses. The store provides a premium shopping experience to satisfy customers and simplify their jobs.

#### **Features of Departmental Store**

##### **Wide Variety of Products**

Departmental stores sell various goods, such as clothing, food, home appliances, cosmetics, and electronics. Each section within the store caters to specific types of goods, so shoppers can quickly look for what they want in just one place.

##### **Centralized Location**

Most departmental stores are in major city centres or developed shopping malls. This attracts many customers while keeping life handy for people living around or passing by the area.

##### **Large-Scale Operations**

Departmental stores are operated on a large scale and require huge investments. They have various sections and trained staff for good service. The stores have efficient management for handling many customers daily.

##### **Modern Infrastructure and Facilities**

They are offering air-conditioned spaces, escalators, elevators, and parking facilities. They focus on providing customers with a comfortable shopping experience so they can have a good time while shopping.

##### **Customer-Focused Services**

Departmental stores offer home delivery, gift wrapping, product exchange, and instalment payments. Many others provide loyalty card programs and special discounts, especially for their daily customers.

##### **Fixed Pricing and Billing System**

Departmental stores have a fixed pricing system, whereas small shops do not. Automated billing also provides complete transparency while helping the customer quickly clear his bills.

##### **Self-Service Model**

Many departmental shops allow customers to browse the shops independently using self-service. The help of sales guys is only accessed when necessary while shopping.

### **Strong Brand Presence**

Most department stores are part of large retail chains, and they ensure the quality and trust of the brand. They attract more customers because of their good branding and marketing strategies.

### **Large Storage and Inventory Management**

Such stores have a big warehouse; these are stocked and ready. Modern retail management systems assist in tracking stock and sales, hence smooth working and better satisfaction from the customer's side.

### **Types of Department Store**

There are many departmental stores available in various formats, targeting different customer needs. Let's talk about the most common types.

#### **Single-Unit Departmental Store**

A single unit or departmental store is located at an impressive location and runs independently. It sells various product categories within one roof, making it convenient for shoppers. Shoppers Stop is one of the standalone stores located in malls.

#### **Chain Departmental Stores**

A chain of departmental stores operates many retail locations under the same brand name. This type of store ensures uniform pricing and stock with the same products at all their chains. The big chain departmental stores are Big Bazaar, Lifestyle, and Pantaloons.

#### **Discount Departmental Stores**

Discount departmental stores specialize in selling branded products at reduced prices. They attract budget-conscious customers, where items are sold on discount and value packs. D-Mart and Vishal Mega Mart operate in this category, and affordable quality products are rendered to customers.

#### **High-end Luxury Departmental Stores**

Luxury high-end departmental stores are retail stores that embrace premium customers who like exclusive brand appellations. They offer a luxurious shopping experience with personalized service to the customers. The Collective is an example of a luxury store offering designer fashion and accessories.

#### **Online Departmental Stores**

Online departmental stores are online platforms offering the same products as those offered by a physical store. They also provide home delivery, easy returns, and an effortless shopping experience. Examples of online departmental stores include Amazon and Flipkart Supermart.

### **Advantages and Disadvantages of Departmental Store**

Departmental stores simplify shopping, offering hundreds of thousands of products in a one-roof facility. It benefits the consumer directly and the business through efficient management and price competition. In addition, they have specific challenges that affect their operations and customer experience.

### **Advantages of Departmental Store**

Departmental stores provide easy and stress-free shopping experience with varieties of products all under one roof. They make use of modern infrastructure and management systems to serve the needs of customers conveniently.

1. All Facilities are Available: Save time and hassle, as all facilities are available in the store: One place with all desires of customers.
2. Better Customer Experience: Modern Store Layouts and Air-Conditioning and parking facilities make a better shopping experience.
3. High-Quality Products: Most departmental stores sell branded products, which therefore are reliable.
4. Competitive pricing and offers: It attracts customers with constant discounts and promotion sales.
5. Centralized Management: Most store departments run advanced billing, inventory, and customer service systems.

### **Disadvantages of Departmental Store**

Departmental stores may be convenient for consumers and provide various products, but they have many problems. Challenges are mainly high operational costs, competition, and lack of personalization in departmental stores.

1. High Operating Costs: Large stores require high investment to maintain modern infrastructure.
2. Expensive Products: Fixed pricing can exceed small retail shops and local markets.
3. Competition with Online Shopping: They prefer shopping online as it is cheaper and more convenient.
4. Limited Personalization: Unlike small retail shops, departments may not attain personal contact with the customers.
5. Overcrowding During Sales: Large crowds during festive seasons or discount sales can make shopping a hassle.

### **Objectives of the Study**

The specific objectives are as follows:

1. A departmental objective is a specific endpoint that you want your department to reach.
2. These objectives may be part of a larger departmental or organizational aim.
3. Objectives are measurable, and you can clearly define them. Because departmental objectives are measurable, you can easily determine whether or not the department meets them.
4. In addition to providing fixed success points, departmental objectives allow you and your department to identify your expectations.
5. When you always have a specific set of objectives to work toward, you can often decide what you should do in a new or uncertain situation.
6. This is because your aim is ultimately to always work toward achieving your objectives.

### **Methodology**

Data collection was conducted using a structured questionnaire to obtain the necessary information. A convenience sampling method, categorized under non-probability sampling techniques, was employed, and a total of 200 responses were gathered for the study. The questionnaire was carefully designed to ensure that participants could express their views openly and honestly.

## **Research Methodology and Research Design**

### **Sources of Data**

The present study follows a descriptive research approach, focusing on assessing customers' awareness levels regarding selected department stores in Erode District. Various techniques can be utilized for gathering primary data, including surveys and case studies. For this study, primary data was obtained from respondents visiting selected department stores in Erode District through a carefully structured questionnaire.

### **Sample Selected for the Study**

The study aims to assess customers' awareness levels regarding selected department stores in Erode District. The sample stores were chosen based on their size and the range of services they offer to customers. Numerous department stores operate within the district, but the researcher selected a few leading stores using a simple random sampling method. The selected stores include Jayasurya Department Stores, Kananki Department Stores, Annavari Department Stores, Raja Departmental Stores, Rathinam Super Market, and New Kolumbu Family Mart.

### **Statistical Tools**

The collected primary data from respondents were systematically analyzed and presented in tabular format. All statistical tests in this study were conducted at 5% and 1% significance levels. The study employed various statistical tools, including the following

Data were collected from three sources for the present study.

### **Collection of data**

- Primary data
- Secondary data

### **Primary Data**

Primary data refers to firsthand information gathered directly from its original source without relying on pre-existing records. It is typically collected specifically for a research study and may be publicly shared for future investigations. Since primary data is obtained to address a particular research problem, it is often considered credible, accurate, and unbiased.

### **Secondary Data**

Secondary data was obtained from multiple sources, including newspapers, magazines, academic journals, and online platforms.

- General reference books and scholarly materials were also utilized.
- The use of secondary data aimed to enhance accuracy, provide deeper insights, and strengthen interpretations, conclusions, and recommendations.

### **Sampling Techniques**

For the purpose of this project report, a convenience sampling technique—a type of non-probability sampling—was employed as the sampling approach. In this method, participants were selected based on specific criteria set by the researcher. Respondents were chosen according to their accessibility and willingness to participate, ensuring representation from various areas across the city of Coimbatore.

## Statistical Tools

The statistical tools are as follows.

- Simple percentage method
- Ranking Analysis
- Weighted Average method

## Scope of Study

The purpose of the research is to analyse the customers perception and satisfaction towards organised retail outlets, which includes customers awareness level, factors influencing the customers to make purchases from these organised departmental stores, the promotional strategies adopted by the departmental stores in the study area, and the problems faced by the customers in the departmental stores.

## Limitations of the Study

- There is a possibility of inaccuracies in data collection, as some investors may not have provided genuine responses to the questionnaire.
- Certain respondents exhibited a lack of engagement or reluctance to participate.
- The study is limited to a specific number of respondents within Erode Town.
- The sample size may not fully capture the diversity of the entire market.
- Some participants were hesitant to share personal details, which may impact the overall reliability of the findings.
- The research is geographically restricted to a particular region of Erode.

### Difference between Departmental Stores and Multiple Stores

Basis	Departmental Stores	Multiple Stores/Chain Stores
Area	They are centrally found within the city.	They are found in each imperative territory of the city.
Extend of Items	They bargain in a huge variety of items as the most point is to fulfill all desires of clients beneath a single roof.	They are specialized in as it were one line of item..
Administrations Advertised	They give a few administrations to the clients, like free domestic conveyance, magnanimous credit, etc	They give constrained services with regard to ensure and repair of the items
Estimating	They don't take after a uniform estimating	They maintain a uniform pricing policy.
Lesson of Clients	Clients having a place to higher salary bunches are pulled in by such stores.	Clients from all salary bunches are pulled in by them.
Credit Facilities	Credit offices are given to standard and rumored clients.	No credit offices are given as all deals are made in cash as it were.

## Review of Literature

Doyle and Fenwick (1974) have depicted and given a pilot outline of a unused methodology—individual distinction scaling—for measuring the pictures of different retail basic supply chains. In store picture investigate, we are concerned with the address of what draws customers to one store instead of another. Early approaches accentuated “gravity” or separate as the determinant of store devotion. But with urbanization and a more mobile population, comfort is now not the

overpowering calculate in choice. Progressively, relative costs and such variables as assortment of products sold, notoriety for quality, format, and stopping offices are the key determinants. Shoppers' discernments of these characteristics are regularly called a store's picture.

Kau and Ehrenberg (1984)<sup>2</sup>Studies have shown that consumers in the United Kingdom demonstrate low store loyalty when purchasing grocery products. There is little differentiation or segmentation between various chains or store groups, suggesting that brand loyalty within a particular chain is also minimal. Over time, shoppers tend to spread their purchases across different brands and store chains, aligning with shifts in market share. This behavior reflects broader trends of market fragmentation and evolving consumer preferences

Steenkamp and Wedel (1991)<sup>3</sup>Various studies have examined market segmentation approaches based on store image, focusing on six key features. One notable technique discussed is fuzzy cluster-wise regression analysis, which allows for more precise segmentation by categorizing consumers into distinct segments while simultaneously identifying the importance of specific store image attributes within each segment. This method is argued to offer advantages over traditional approaches, as it does not impose limitations on the number of stores a consumer can evaluate, making it adaptable to a broader range of retail settings.

Kerin et al. (1992)<sup>4</sup>Studies have explored the influence of in-store shopping experiences on consumers' perceptions of price, quality, and overall value in retail environments. The findings indicate that the shopping experience within the store plays a more significant role in shaping consumers' value perceptions than either the price or quality of the merchandise itself. This suggests that factors such as store atmosphere, customer service, and overall ambiance may hold greater importance in determining a consumer's evaluation of a store's value proposition.

Uncles and Hammond (1995)<sup>5</sup>Researchers have explored how shopper behavior in grocery stores follows consistent and predictable patterns, allowing store managers to use scanning records to assess customer preferences and purchasing habits. This predictability enables managers to compare shopping behaviors across various stores, benchmarking performance and identifying trends. By leveraging this data, managers can gain insights into consumer loyalty and adjust strategies accordingly, optimizing store operations and enhancing customer satisfaction.

Customer Opinion Regarding Various Sales Promotion Techniques Followed by the Departmental Stores in Erode District -Weighted Average Score Analysis

The weighted normal score investigation works with with the client perspective concerning diverse deals advancement approaches worked by the departmental stores within the consider zone. The angles taken in a bunch as supposition variables are given as a list underneath:

1. Buy One Get One Free
2. Flat 50% Discount on all Products
3. Free Gifts
4. Free Sample
5. Coupons
6. Seasonal Discounts
7. Lucky Draw
8. Festival Bonanza
9. Offer on Selected Items
10. Privilege Card
11. Value added products
12. One day offers

To achieve the motive of computation, the general five-point scaling method was executed that records all the qualitative data into a measurable, meaningful quantitative data. For the agreeability levels the score mapped are given as follows:

Strongly Agree	=	Score 5
Agree	=	Score 4
Neutral	=	Score 3
Disagree	=	Score 2
Strongly Disagree	=	Score 1

In this part of the analysis, the customer opinion concerning various sales promotion techniques followed by the departmental stores was figured out and the outcomes are displayed in the below tables with appropriate understandings.

**Table 4.5.1 Customer Opinion regarding Various Sales Promotion Techniques followed by the Departmental Stores**

S.No	Customers Opinion regarding Various Sales Promotion Techniques followed by the Departmental Stores	R-1	R-2	R-3	R-4	R-5	Total Score	Weighted Average Score	Rank
1	Purchase One Get One Free	179	482	91	23	9	3151	4.02	II
2	Level 50% Markdown on all Items	133	394	151	90	16	2890	3.69	X
3	Free Endowments	145	398	185	41	15	2969	3.79	VIII
4	Free Test	181	381	116	82	24	2965	3.78	IX
5	Coupons	178	473	77	42	14	3111	3.97	V
6	Regular Rebates	189	451	98	36	10	3125	3.99	IV
7	Fortunate Draw	137	339	197	97	14	2840	3.62	XII
8	Celebration Bonanza	195	422	118	39	10	3105	3.96	VI
9	Offer on Chosen Things	212	471	65	24	12	3199	4.08	I
10	Benefit Card	168	468	92	37	19	3081	3.93	VII
11	Esteem included items	141	371	172	73	27	2878	3.67	XI
12	One day offers	192	461	88	32	11	3143	4.01	III

**Sources:** Computed

The table 4.5.1 implies that, the positioning of the customer opinion regarding different sales promotion strategies followed by the departmental stores in the study area. 'Offer on Selected Items' obtained first rank by the preferred sample of customer with the overall score of 3199 and average of 4.08. 'Buy One Get One Free' was next in line with the total of 3151 and average of 4.02. 'One day offers' was third in line with the sum total of 3143 and average score of 4.01. 'Seasonal Discounts' affianced the fourth rank with the total sum of 3125 and mean score of 3.99. 'Coupons' occupied fifth consign with the overall score of 3111 and mean value of 3.97. 'Festival Bonanza' gained sixth rank with the summation of 3105 and mean of 3.96. 'Privilege Card' placed itself on the seventh spot with the total of 3081 and mean score of 3.93. 'Free Gifts' obtained eighth grade with the sum of 2969 and mean value of 3.79. 'Free Sample' got ninth place with the total worth of 2965 and mean value of 3.78. 'Flat 50% Discount on all Products' was positioned in the



tenth rank by the recognized sample customer with the sum total of 2890 and mean score of 3.69. 'Value added products' engaged in the eleventh grade with the total value of 2878 and mean value of 3.67. Finally, 'Lucky Draw' was graded twelfth and last by the chosen sample customer with the overall summation of 2840 and mean of 3.62.

It is clear from the table result that for the customer opinion with respect to various sales promotion techniques employed by the departmental stores, the factor 'Offer on Selected Items' was the one to secure first place among the sample respondents in Erode District. Since the customer purchase process begins with creating product knowledge and interest, hence offering discounts is a proven way to do just that. Customers are fascinated by discounts and tend to spread them by word-of-mouth which is a cost-effective and efficient way to acquire new customers. A crucial advantage of 'Offer on Selected Items' is promoting new arrivals in stores to customer. It is a common psychology that new and unfamiliar products might not pull in customers' traffic to store, but once they come inside the store, unique 'Offer on Selected Items' can draw in attention in the direction of these products. Furthermore, these kinds of sales promotion strategies also assist in elevating customer traffic and the customers are aware of the stores. Promotion can be also done by offering free samples which work effectively for customers.

### **Suggestions and Recommendations**

This section presents practical suggestions based on the study's findings, focusing on areas where improvements can be made. Several issues have been identified, and the recommendations aim to raise customer awareness when engaging with department stores. These proposals are outlined below to guide enhancements in customer experience and store operations, with the objective of increasing customer satisfaction and loyalty. By implementing these strategies, department stores can better inform their customers and create a more effective shopping environment.

1. Use broad-reaching marketing channels like social media ads, online content, and traditional media (TV, radio, newspapers) to raise awareness. Regularly interact with customers on social media platforms to keep our store top-of-mind.
2. Retail groups should design and launch innovative loyalty programs at the earliest opportunity to reward their regular customers. These programs can effectively foster customer loyalty by providing exclusive benefits, thus encouraging repeat purchases and long-term engagement with the brand.
3. In conclusion, Reliance Fresh, a subsidiary of the Reliance Group under Mukesh Ambani, operates more than 1,000 outlets nationwide and caters to over 2.5 million customers. With its widespread presence, Reliance Fresh continues to expand its reach, offering a wide variety of products to meet the needs of consumers across the country. Mostly the age group between 18 to 45 years visits the store.
4. The study of the report shows there many people prefer to go to reliance fresh rather than store.
5. The study of my report shows that the people visits the reliance store in a month
6. To buy grocery.
7. Many people visit frequently to buy Grocessary.
8. The study shows that the customers find their products easily in reliance fresh.
9. The billing system of is fast due to less crowd.
10. People are more satisfied by the services provided at the reliance store.
11. This study shows that, in both the stores, prices charged are reasonable only on some product.

## Conclusion

The analysis of customers' awareness levels regarding department stores reveals several important insights, like customers from specific demographics, such as urban dwellers and higher-income groups, exhibit a high level of awareness about department stores. These customers are likely to be familiar with a range of department store brands and their offerings. This awareness is often driven by targeted marketing campaigns, prime store locations, and frequent promotions. In broader customer segments, awareness is moderate and can be influenced by factors such as regional marketing efforts and word-of-mouth. While many customers are aware of department stores, their knowledge may be limited to a few prominent brands or locations, rather than a comprehensive understanding of the store's full range of services and products. Effective marketing campaigns can significantly enhance awareness and drive customer traffic to department stores. Conversely, insufficient marketing efforts may result in lower visibility and reduced customer engagement.

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