# CUSTOMER SATISFACTION IN MODERN RETAIL SECTORS

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**Abstract**

Customer relationship management is the emerging sub-discipline of marketing. The business goals revolves around retaining existing customers, differentiating customers and offerings, maximizing customer lifetime values by exploiting full potential of cross selling and up selling strategies, increasing personal touch with communication and loyalty achieving higher revenues per customer. In an era of increasing disposable income, surplus of choices of goods and services with multiplier effects of globalization and most importantly customer-friendly credit policies enforce consumers always search for better and newer options. The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as department mental stores hypermarkets, supermarkets and specialty stores. Consumers are now seeking the convince of one-stop shopping, speedy and efficient processing, for best Consumers are also on the look-out for more information, better quality and s increased customer service. Retailing today is not only about selling at the shop but also about surveying the market offering choices and experience to customer at competitive prices and retaining them as well.

**Key words:** Area of Residence, Purchase & regular purchase, Earning members of family, duration of purchase etc.,

## Introduction

The globalization of the Indian Economy has brought forward a change in the Indian with the consumer becoming more aware of his value of money strength and their economic purchasing power becoming more evident than in the previous of product quality and service delivery which were earlier not very fixed in the consumer awareness are now very much demanded and delivered for in the new age format of organized product retailing in the Indian consumer goods market.

The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as department mental stores hypermarkets, supermarkets and specialty stores. Consumers are now seeking the convince of one-stop shopping, speedy and efficient processing, for best Consumers are also on the look-out for more information, better quality and increased customer service. The Indian retail market, which is the fifth largest globally, has been ranked as the most attractive emerging market for investment by AT Kearney's eighth annual Global Retail Development Index (GRDI) in

2009. As per a study conducted by the Indian Council for Research on International Economic relations (ICRIER), the retail sector is expected to contribute 22% of India's GDP by 2010. A McKinsey report, 'The rise of Indian Consumer Market` estimates that the Indian consumer market' estimates that the Indian consumer market is likely to grow four times by 2025.

**Retail Sector - An Overview**

Retail has played a major role world over in increasing productivity across a wide range of consumer goods and services. The impact can be best seen in countries like U.S.A., U.K, Mexico, Thailand and more recently China. Economies of countries like Singapore, Malaysia, Hong kong , Sri Lanka and Dubai are also heavily assisted by the retail sector Retail is the second-largest industry in the United States both in number of establishments and number of employees .

It is also one of the largest worldwide. The retail industry employs more than 22 million Americans and generates more than $3 trillion in retail sale annually. Retailing is U.S $7 trillion sector. Wal-Mart is the world's largest retailer. Wal-Mart has become the most successful retail brand in the world due to its ability to leverage size, market clout, and efficiency to create market dominance. Forbes Annual List of Billionaires has the largest number (45/497) from the retail business.

**Top Retailers Worldwide**

| Rank | Retailer | Home Country |
|------|----------|--------------|
| 1 | Wal-Mart Stores, Inc. | U.S.A. |
| 2 | Carrefour Group | France. |
| 3 | The Kroger Co. | U.S.A. |
| 4 | The Home Deport, Inc. | U.S.A. |
| 5 | Metro | Germany |

Sources: STORES / Deloitt Touche Tomahatsu

**Statement of the Problem**

A research in this respect to investigate how various stores attributes rate on shoppers' evaluation of stores employs various consumer variables to predict store patronage. The strategies and magnitudes of retail forays by the Indian retailers assure of attaining far reaching economic implications by directly affecting the lifestyle of millions of consumers, besides indirectly influencing livelihood of other millions. In this study, store loyalty is measured using parameters and consumers' buying behaviour in Spencer's Trichy. Trichy being a semi urban market with majority of people follow traditional shopping loyalty behaviors an attempt is being made to trace out the changing buyer behaviour due to the presence of a multi storied departmental stores.

## Objectives of the Study

1. To study the socio economic profile of the respondents.
2. To analyze the Spencer's buying behaviour and attitude and preference towards of the respondents in modern retail.
3. To trace out the variables associated with level of satisfaction of customers in Spencer's
4. To offer suitable suggestion

## Scope & Methodology

The area for this study is Trichy. The nature of data is primary, and has been collected by way of distributing the interview schedule to the customers of Spencer's. The required data for analysis has been gathered by using interview schedule. Random sampling method has been used. The sample size has been 100.Tools used for analysis is Percentage analyses, Chi-square test.

## Retail formats in India

- Mom-and-pop stores: they are family owned business catering to small sections; they are individually handled retail outlets and have a personal touch.
- Departmental stores: are general retail merchandisers offering quality products and services.
- Convenience stores: are located in residential areas with slightly higher prices goods due to the convenience offered.
- Shopping malls: the biggest form of retail in India, malls offers customers a mix of all types of products and services including entertainment and food under a single roof.
- E-trailers: are retailers providing online buying and selling of products and services.
- Discount stores: these are factory outlets that give discount on the MRP.
- Vending: it is a relatively new entry, in the retail sector. Here beverages, snacks and other small items can be bought via vending machine.
- Category killers: small specialty stores that offer a variety of categories.
- They are known as category killers as they focus on specific categories, such as electronics and sporting goods. This is also known as Multi Brand Outlets or MBO's.
- Specialty stores: are retail chains dealing in specific categories and provide deep assortment. Mumbai's Crossword Book Store and RPG's Music World is a couple of examples.

## Factors Responsible For the Development of the Retail Sector

- Rising incomes and improvements in infrastructure are enlarging consumer markets and accelerating the convergence of consumer tastes. Looking at income classification, the National Council of Applied Economic Research (NCAER) classified approximately 50% of the Indian population as low income in 1994-95; this is expected to decline to 17.8% by 2006-07.
- Liberalization of the Indian economy which has led to the opening up of the market for consumer goods has helped the MNC brands like Kellogs, Unilever, Nestle, etc.

to make significant inroads into the vast consumer market by offering a wide range of Choices to the Indian consumers.

- Shift in consumer demand to foreign brands like McDonalds, Sony A Panasonic, etc.,
- The internet revolution is making the Indian consumer more accessible to the growing influences of domestic and foreign retail chains.

**Analysis and Interpretation**

**Socio Economic Profile Preference and Attitude of Respondents in Buying Behaviour**

| S.No. | Name of the variable | No: of Respondents | Percentages |
|---|---|---|---|
| 1 | Area of Residence | | |
| | Urban | 31 | 31 |
| | Semi-Urban | 35 | 35 |
| | Rural | 34 | 34 |
| | Total | 100 | 100 |
| 2 | Age | | |
| | up to 20.years | 12 | 12 |
| | 21-30years | 51 | 51 |
| | 31-40years | 25 | 25 |
| | Above 40 Years | 12 | 12 |
| | Total | 100 | 100 |
| 3 | Gender | | |
| | Male | 48 | 48 |
| | Female | 52 | 52 |
| | Total | 100 | 100 |
| 4 | Type of Family | | |
| | Joint | 16 | 16 |
| | Nuclear | 84 | 84 |
| | Total | 100 | 100 |
| 5 | Education Qualification | | |
| | No Formal Education | 12 | 12 |
| | Up to School Level | 35 | 35 |
| | UG | 20 | 20 |
| | PG | 18 | 18 |
| | Professionals | 15 | 15 |
| | Total | 100 | 100 |
| 6 | Occupation | | |
| | Agriculture | 10 | 10 |
| | Business | 16 | 16 |
| | Employee | 41 | 41 |
| | Professionals | 12 | 12 |
| | House Wife | 6 | 6 |
| | Students | 14 | 14 |
| | Total | 100 | 100 |

| 7 | Monthly Income | | |
|---|---|---|---|
| | Up to5000 | 39 | 39 |
| | 50001-10,000 | 31 | 31 |
| | 10001-20,000 | 10 | 10 |
| | Above20,000 | 5 | 5 |
| | Others | 14 | 14 |
| | Total | 100 | 100 |

(Source: Primary data)

**General Buying Behaviour**

| S.No. | Name of the variable | No. of respondents | Percentages |
|---|---|---|---|
| 1 | Place of purchase | | |
| | Whole sale shop | 34 | 34 |
| | Retail shop | 51 | 51 |
| | Departmental stores | 15 | 15 |
| | Total | 100 | 100 |
| 2 | Regularity of purchase | | |
| | Weekly once | 19 | 19 |
| | Once in15days | 29 | 29 |
| | Monthly once | 28 | 28 |
| | No fixed time schedule | 24 | 24 |
| | Total | 100 | 100 |
| 3 | Amount spend on purchase | | |
| | Up to RS2000 | 24 | 24 |
| | RS2001 toRS5000 | 41 | 41 |
| | AboveRS5000 | 35 | 35 |
| | Total | 100 | 100 |
| 4 | Individual making purchase | | |
| | Always self | 28 | 28 |
| | Always spouse | 34 | 34 |
| | Self- spouse | 9 | 9 |
| | Always any one from the family | 23 | 23 |
| | Any one family member | 6 | 6 |
| | Total | 100 | 100 |
| 5 | Mode of delivery | | |
| | Door delivery by shop –keeper | 40 | 40 |
| | Self | 60 | 60 |
| | Total | 100 | 100 |
| 6 | Mode of purchase | | |
| | Cash | 78 | 78 |
| | Credit Card | 10 | 10 |
| | Both | 12 | 12 |
| | Total | 100 | 100 |

| 7 | Habit of changing shop | | |
|---|---|---|---|
| | Always | 11 | 11 |
| | Occasionally | 52 | 52 |
| | Rarely | 15 | 15 |
| | Never | 22 | 22 |
| | Total | 100 | 100 |
| 8 | Reason for changing shop | | |
| | Lack of quality | 6 | 6 |
| | Lack of variety | 6 | 6 |
| | Price difference | 21 | 21 |
| | Poor customer service | 40 | 40 |
| | Accessibility | 5 | 5 |
| | Others | 22 | 22 |
| | Total | 100 | 100 |
| 9 | Items regularly buying on Spencer's | | |
| | Only provision | 7 | 7 |
| | Only vegetable | 11 | 11 |
| | Gift | 2 | 2 |
| | All items | 80 | 80 |
| | Total | 100 | 100 |
| 10 | Nature of shifting to Spencer's | | |
| | Completely shifted | 82 | 82 |
| | Only for selected items | 18 | 18 |
| | Total | 100 | 100 |
| 11 | Discount purchase | | |
| | Always | 16 | 16 |
| | Occasionally | 46 | 46 |
| | Rarely | 28 | 28 |
| | Never | 10 | 10 |
| | Total | 100 | 100 |
| 12 | Prefer time of purchase | | |
| | Morning | 14 | 14 |
| | After Noon | 38 | 38 |
| | Evening | 48 | 48 |
| | Total | 100 | 100 |
| 13 | Comparison with other departmental | | |
| | Good | 32 | 32 |
| | Better | 35 | 35 |
| | Best | 30 | 30 |
| | Bad | 2 | 2 |
| | Poor | 1 | 1 |
| | Total | 100 | 100 |

(Source: Primary Data)

**Variables Associated with General Buying Behaviour - Chi Square Test**

| S.No. | Variable | Chi - Square Value | Result |
|---|---|---|---|
| | **Area of Residence** | | |
| 1 | Place of purchase | 2.724 | Not Associated |
| 2 | Regularly of purchase | 22.799 | Associated |
| 3 | Habit of changing shop | 4.083 | Not Associated |
| 4 | Shifting to Spencer's | 7.525 | Associated |
| | **Gender** | | |
| 1 | Place of purchase | 13.025 | Associated |
| 2 | Regularly of purchase | 8.415 | Associated |
| 3 | Habit of changing shop | 2.033 | Not Associated |
| 4 | Shifting to Spencer's | 7.658 | Not Associated |
| | **Type of family** | | |
| 1 | Place of purchase | 4.6 | Not Associated |
| 2 | Regularly of purchase | 7.625 | Not Associated |
| 3 | Habit of changing shop | 3.37 | Not Associated |
| 4 | Shifting to Spencer's | 0.047 | Not Associated |
| | **No. of Earning Members** | | |
| 1 | Place of purchase | 3.476 | Not Associated |
| 2 | Regularly of purchase | 15.979 | Not Associated |
| 3 | Habit of changing shop | 5.179 | Not Associated |
| 4 | Shifting to Spencer's | 3.35 | Not Associated |

(Source: Primary Data)

**Findings**

It is found from the Table no: 1 majority of the respondents aided from semi-urban and rural areas they constitute 35%. More than 50% of the respondents belong to the age group of 21-30 years. Female respondents are more in number (52%) and majority of them live in nuclear family style. The educational qualification of majority of the respondents is up to school level and under graduation. Out of 100 respondents majority (41 %) works as employees followed by business people. The income level of majority of the respondent falls between Rs. 5000-10,000. Table no: 2. shows the general grocery buying behaviour of the respondents. It is found that majority of respondents (51 %) purchase from retail shop and (34%) respondent's boy from whole sale shop. Only (15%) respondents used to buy from departmental stores before Spencer's Commence in Trichy. There regularity of buying shows that majority of the respondents (29%) boy once in 15 days and once in month. (24%) respondents follow no regular time schedule in buying. It is found that out of 100 respondents, majority of the (40 %) respondents spending on purchase Rs 2001 to Rs 5000.

Based on the mode of delivery out of 100 respondents, majority of them (60%) prefer self buying than the door delivery.

It is found that out of 100 respondents, majority of them (77%) used to buy their products by cash than with credit card. The reason for changing their shop (40%) respondents due to poor customer service. (21%) respondents changing their shop for price difference and

(6.0%) due to lack of quantity, and ( 22% ) due to other reason. It is found that out of 100 respondents majority of the respondents  ( 52% ) occasionally change their shop, (11%) respondents always change their shop,  ( 15% ) rarely and  ( 22% ) never change their shop.

The regularity of buying on items Spencer's shows that (81%) respondents buy all items and (7%) respondents only provision, (11) respondents by only vegetables, (2%) respondents buy only gift items. The preferable time of purchasing of respondents shows that majority of the respondents (48%) prefer evening time for purchasing, (38%) respondents prefer after noon time and (14%) respondents prefer morning time for purchasing. Comparing other departmental  stories out of 100 respondents majority of the respondents (35%) feel Spencer's  better (32%)  respondents feel  good (30%) respondents saying best, (2%) respondents saying best and remaining  (1.%) as poor.

## Variables Associated With Grocery Buying Behaviour

- The variables associated with grocery buying behaviour. It is found that Area of residence is found associated with
- Regularity of purchase and ii) Shifted from others to Spencer's
- As far as Area of residence is concerned regularity in purchase shows semi urban area respondents follow no fixed time schedule and buying from the same shop for more than five years. Single shop buying behaviour is found more with rural and semi urban areas. The habit of changing shop is low in rural and semi urban areas. Respondents of urban areas completely shifted their purchase to   buying regularity has not changed with semi urban respondents and the regular buying habit moved to irregular for more rural respondents. Hence the implication is rural and semi urban respondents are to be attracted by breaking their loyalty.

## Gender is associated with

i)   Place of purchase
ii)  Regularity of purchase
iii) Single shop buying behaviour
iv)  Shifted to Spencer's
v)   Change in buying regularity
vi)  Duration of purchase and

It is found that both male and female respondents buy horn departmental stores followed by whole sale shops. No much difference is found with regards to buying regularity and duration of buying from the same shop. Majority of male respondents prefer to buy branded items and prefer to buy all items in single shop. shop changing behaviour and changing buying regularity is less with male respondents. Hence it is implied that efforts are needed to retain female counterparts.

## Type of family is found associated with

i) Duration of purchase
ii) Buying regularity
iii) Change in regularity of purchase after shifted to Spencer's

It is observed that nuclear family members buy at departmental stores with no regularity in purchase and prefer branded items. They buy in single shop but change the shop frequently. They also shifted completely to Spencer's and found with change in buying regularity also.
Number of earning members is associated with

i) Regularity of buying and

ii) Change in regularity of buying

It is found that departmental stores are preferred by family with two earning I members preferring branded items; occasionally change their shop, and buying regularity. Hence it is implied that family with more number of earning members follow regular buying habits.

## Suggestions

Suitable marketing strategic are to be designed to attract more customers from semi—urban areas. Facilities like parking of vehicles. Lift facilities are to be provided to attract people of different family styles and male respondents in particular.  More offers and discount schemes will increase the customer base belongs to low income group. Adding more branded items will improve sales. Trained sales persons will enhance customer satisfaction. Areas of door delivery can be extended.

## Conclusion

Retailing today is not only about selling at the shop but also about surveying the market offering choices and experience to customer at competitive prices and retaining them as well. Supermarkets have grown substantially become more concentrated while there has been entry of new grocery store forms. This new options provide customers with alternatives in every aspect of shopping. Retailers must understand customers using innovative ideas. They have to identify regular shoppers and build their loyalty. A study in this respect will enable retailers to collect information about customer`s choice and hence this study was carried out. It is found that though the Spencer's give the necessary ambience it has to improve customer care practices and operating efficiencies.

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