

Effectiveness of Organized Retail Outlets in Increasing Customer Satisfaction in Mysuru City

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ABSTRACT

Indian Retail industry is presently thriving and attracting vast attention to strengthen the economy in recognizing at global level. Global Retail Development Index-2017 pointed out that India has got first place in retail development. Indian market is anticipated to grow double from present level up to \$1.3 trillion by 2020. Consequently, organized retailers are willing to dominate in the retail world. In this phenomenon, there is a challenging task to organized retailers to boost the sale by satisfying the customers and retain them for long term. The study has intended to know the effectiveness of organized retail outlets in increasing customer satisfaction and to examine the changes in customer's satisfaction due to emergence of modern retail outlets in Mysuru city. The primary data has collected through structure questionnaire from 147 respondents and mall-Intercept interview method also used. The study used purposive sampling technique and the collected data have been analyzed with the help of suitable statistical methods like mean, Standard deviation and paired sample t- test. The study found that the mean value for eighteen tested attributes evidenced the variance from 3.1836 to 4.3537 with regard to changes made in customer satisfaction level after existence of organized retail outlets. The study statistically proved that all the attributes such as location convenience, time convenience, good quality, varieties of collections, good offers, product freshness, availability of branded items, store atmosphere, everything available under one roof, method of payment using debit/credit card, correctness of weight and measurement, billing system and proper description, communication of sales people, home delivery display of information, credit facility, parking facility, feedback consideration are contributing in the positive direction in increasing customer satisfaction level due to emergence of organized retail stores.

Keywords: Customer satisfaction, influenced factors, pre- existence and post existence of organised retail stores.

INTRODUCTION:

Retailing consists of all the activities involved in selling of goods or services to the final consumers or end user for personal use and non business use. Retail business consists of the sale of goods or merchandise from a predetermined location that would be the organized or unorganized retail stores. The major intention of the retail business is to get a platform for earn the profit by act as mediator between the manufactures and end customers. Organised retail outlets viz. shopping center, shopping mall, or shopping plaza and supermarkets are the modern adaptation of the historical marketplace to meet regular requirements of the customers. Organized retail store is a collection of independent retail stores, services, entertainment vicinity and a parking area, which is properly conceived, constructed, and maintained by a management firm as a separate business unit. An imperative aspect of the contemporary economic scenario in India is the emergence of organized retail. There has been taken in to consideration of widespread growth in organized retailing business in latest years and it is balanced for more

rapidly growth in the future.

The term customer satisfaction is commonly used in marketing which indicates the marketing performance in real life phenomenon. Customer satisfaction means a feeling of pleasure or disappointment that resulting from comparing products or service perceived performance or outcome in allied to his or her expectations. Consequently, satisfaction is a major function of perceived performance and expectations with regard to product or service. The perceived performance less than expectations that result in the customers are dissatisfied. When the perceived performance is matches the expectations that result in customer satisfied. Suppose the perceived performance exceeds expectations that result in the customer highly satisfied or delighted. The research studies those conducted on Customer satisfaction usually identifies how well an organization is performing better from the customer's viewpoint. It consents to any organization to be aware of how their targeted customers are agreed with the marketed product or service.

REVIEW OF LITERATURE:

Oliver (1981) described that the Customer satisfaction is the evaluation a customer makes to a certain exchange of products or services, which reflects the relation of the customer's expectations and their real perception which state the perceived performance. Reichheld & Schefer, (2000) described that the customer satisfaction is the key drivers of marketing and retention of existing customer is five times more profitable than acquire new customers. Gupta, (2004); Urbonavicius et al., (2005) contended in their study that the changing retail structure with large variety of products, quality of the product and less travel time had positively attracted the consumers towards it. The some other major factors were marketing strategies, convenient services, product variety and quality of service, behavior of sales people and price. Even though the factors namely retail formats and consumer demographics plays most important role in purchasing decision. However, the study also denoted that consumer choice of particular retail format was highly influenced by variety of retailers marketing strategies.

Mittal and Mittal (2008) in their study identified two set of key attributes such as shopping experience enhancers: reputation, ambient conditions, temperature, temperature and loyalty drivers: price, sales promotion, relationships. It was empirically proved that these are the important factors that need to be considered during marketing. Moreover, Dalwadi et al., 2010 pointed out that whereas designing retail operations emphasized on the following attributes which comfort and elegance, comprise proximity, customer attention, courteous staff members, free gifts and discounts, speedy and quality of service.

Westbrook (1981) contended in a study identified the eight variables such as Merchandising, Services, Sales personnel, Store environment, Product satisfaction, Store clientele, Value-price, and Special sales offers that likely influence customer satisfaction and dissatisfaction towards the retail stores. The study mainly evidenced that among them Sales persons, Store sales; Value price relationship, Product satisfaction, and Store environment were most powerful variables of retail customer satisfaction.

Beth et al., (2008) conducted a study to examine the importance of operations managers to understanding the order fulfilment desires and expectations of their retail customers. The study also made to establish the value-added role that operations management plays in developing retailer loyalty to meet competition. Empirical evidence was considered to prove the relationships between relational order fulfilment service, affective commitment, operational order fulfilment service, purchase behaviour, and customer loyalty & satisfaction.

Lim (2010) examined in a study on understanding American customer perceptions towards Japanese food products. The study found that Customer's ultimate satisfaction had significant affect of store atmosphere. Physical surroundings were the more helpful to generate image in the mind of customer and to influence their behavior that result in frequently visiting tendency. It denoted that physical atmosphere of the restaurants had the significant impacts on the customer's satisfaction. It also defined some variables like furnishing, lightning, sent, music and different other atmospheric factors among them persuade on increasing customer satisfaction.

Amit D et al.,(2011) found in a study that the correlation between personal satisfaction and customer purchasing behaviour in different pharmacies. It was determined on the basis of assorted quality of service provide by the pharmacy. The study found that pharmacy store choice behaviour among consumers pointed out that store image and perceptions along with individual characteristics had significant impact on the final outcome. Moreover, bringing more brand awareness, price and quality consciousness among consumers would lead to shift to organized retailers.

John & Prabakar (2012) contended in a study that the customer perception of retail service quality is an important part to the rising and the existing retailers in the market. The study revealed that perception of service quality influenced by a variety of nature with different customers even some of the general attributes like physical aspects and Personal interaction are the key dimensions of the customer perception. These factors are

probably resulting in customer satisfaction level. Hence, retail outlets need to frame their own marketing strategies In order to attract the customers on a longer basis.

SCOPE OF THE STUDY:

The scope of the study is mainly confined to Mysuru city. The study has been taken into the consideration the shoppers who visit to the organised retail stores like shopping malls, Supermarkets, and hypermarkets.

OBJECTIVES OF THE STUDY:

In the present paper an attempt has been made to attain the following objectives:

1. To identify the factors influence on customer satisfaction in Organised retail outlets.
2. To examine the changes occurs in customer satisfaction level due to the emergence of Organised retail outlets.
3. To come out with suggestions to Organised retail outlets.

HYPOTHESIS:

Keeping in view of the objectives of the study following hypothesis formulated.

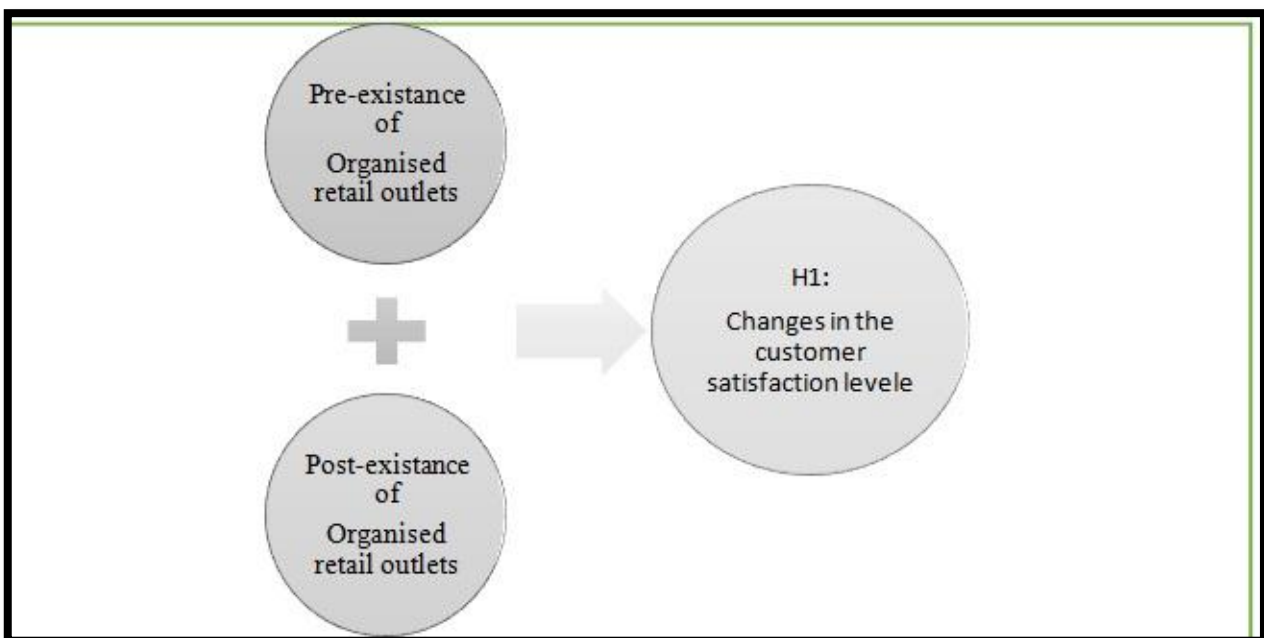
Null Hypothesis:

H0 “There is no significant difference in increasing the level of customer satisfaction pre – existence and post existence of organised retail outlets”.

Alternative Hypothesis:

H1 “There is a significant difference in increasing the level of customer satisfaction pre – existence and post existence of organised retail outlets”.

The figure No.1 showing the research model portrayed the changes made in the level of customer satisfaction after and before existence of organized retail outlets.



Source: Own

RESEARCH METHODOLOGY:

This study is an exploratory research in nature. The research design has been explained as follows.

Source of data:

To gather the information from the respondents who visiting the organised retail stores. Primary data has been together from the targeted respondents by administering structured questionnaire and mall-intercept interview

method also considered. The secondary data has been together from different sources such as journals, research articles, theses, books and much needed websites.

Sampling design:

Population: Customers visiting organised retail stores in Mysuru City, Karnataka State.

Sampling procedure: Purposive sampling technique

Sampling area: The area of sampling has been restricted to Mysuru city.

Sampling size: 147 respondents

DATA ANALYSIS:

The data is together from primary sources and totally 206 questionnaires were distributed to respondents. But 147 respondents were fully completed the questionnaire with the response rate of 71.53%. Suitable statistical techniques such as mean, standard deviation and paired- Sample t- test are used with the help of SPSS Software to analyze the data, testing hypothesis and interpret the data and to draw the conclusion at the end.

Table No 1: showing the Demographics profile of the respondents.

Particulars		No. of Respondents	in %
Gender	male	96	65.31
	Female	51	34.7
	Total	147	100
Age	15 to 25	73	49.7
	26-35	31	21
	36-45	22	14.8
	45-55	17	11.5
	56 and above	4	3
	Total	147	100.0
Income level	Rs.10,000 to 20,000	6	4
	Rs.20,001 to 30,000	29	20
	Rs.30,001 to 40,000	41	27
	Rs.40,001 to 50,000	49	34
	Rs.50,001 and above	22	15
	Total	147	100

Sources: Primary data

RESULT AND DISCUSSION:

Table no. 2 showing the changes in the level of customer satisfaction in the view of Pre-existence and post-existence of organised retail outlets

Paired sample statistics- Outcome in SPSS						
Measuring Attributes influence on Customer satisfaction	Before existence	N	Paired sample statistics		Sig.	Null Hypothesis Result
	After existence		Mean	Std. Deviation		
Location Convenience	Before	147	2.8503	0.69591	0.000	Rejected
	After	147	3.6598	0.75395		
Time convenience	Before	147	3.9863	1.14069	0.000	Rejected
	After	147	3.1836	0.38854		
Good quality	Before	147	3.6394	0.76700	0.000	Rejected
	After	147	4.2244	0.64950		
Varieties of collections	Before	147	2.7074	1.05474	0.000	Rejected
	After	147	4.0680	1.00451		
Good offers	Before	147	2.6666	0.72464	0.000	Rejected
	After	147	4.2176	0.81524		

Paired sample statistics- Outcome in SPSS						
Measuring Attributes influence on Customer satisfaction	Before existence	N	Paired sample statistics		Sig.	Null Hypothesis Result
	After existence		Mean	Std. Deviation		
Product freshness	Before	147	2.5306	0.87825	0.000	Rejected
	After	147	3.6190	1.17236		
Availability of branded items	Before	147	3.4625	0.82156	0.000	Rejected
	After	147	4.0680	1.00451		
Store Atmosphere	Before	147	2.0204	0.96137	0.000	Rejected
	After	147	4.0680	1.00451		
Everything available under one roof	Before	147	2.7959	0.84349	0.000	Rejected
	After	147	4.3537	0.59453		
Method of payment using Debit/credit card	Before	147	2.7074	1.05474	0.000	Rejected
	After	147	4.0476	1.11854		
Correctness of weight and measurement	Before	147	3.9319	0.93383	0.000	Rejected
	After	147	4.0680	1.00451		
Billing system and proper description	Before	147	2.9795	0.91014	0.000	Rejected
	After	147	4.1904	0.87063		
communication of Sales people	Before	147	2.6190	1.06844	0.000	Rejected
	After	147	4.1360	1.03129		
Home Delivery	Before	147	4.0612	1.00154	0.000	Rejected
	After	147	3.6938	0.99734		
Display of information	Before	147	2.7074	1.05474	0.000	Rejected
	After	147	4.1292	0.90108		
Credit facility	Before	147	3.0068	0.77191	0.000	Rejected
	After	147	4.1088	0.90757		
Parking facility	Before	147	2.8707	0.92360	0.000	Rejected
	After	147	4.0945	0.74537		
Feedback consideration	Before	147	2.4761	1.07483	0.000	Rejected
	After	147	4.0001	1.04684		

Sources: Primary data

The table no.1 depicts the demographic profile of the respondents. Majorly 63.3% of respondents are male and 34.7 % are belongs female category. 49.7% of the respondents belong to the age group of 15 to 25 which means to say majority of them are youngers and they have excited to involve in shopping at organized retail stores. Remaining 21%, 14.8%, 11.5% and 3% of respondents are comes under the age group of 26-35, 36-45, 45-55 and 56 and above respectively. However, 34% of the respondents are comes under the income level (per month) Rs. 40,001 to 50,000. Remaining 27%, 20%, 15%, 4% of respondents are comes under the income level of Rs. 30,001to 40,000, Rs. 20,001 and 30,000, Rs. 50,000 and above, Rs. 10,000 to 20,001 respectively.

The table no.2 evidenced that the changes occurs in customer satisfaction due to existence of organized retail outlets. The paired sample mean value of all the attributes stood at less than 4.00 which varying from 2.0204 to 3.9863 for before (Pre-Existence) existence of organized retail outlets. The analysis of mean value demonstrated that the respondents had low moderate agreement about the attributes which likely influenced on increasing customer satisfaction. Time convenience mean value towards the pre-existence of organized retail outlets is 3.9863 which denoted the moderately high. However, least opinion was given towards the store atmosphere which represented the mean value of 2.0204.

On the other part, the mean value for eighteen attributes exhibited the variance from 3.1836 to 4.3537 with regard to changes in customer satisfaction level after existence (Post-Existence) of organized retail outlets. Respondents showed highly positive agreement about all the attributes however the mean value of time convenience, product freshness, location convenience, home delivery are stood at 3.1836, 3.6190, 3.6598 and 3.6938 respectively i.e. less than 4.00. Moreover, the mean value of remaining attributes like good quality, varieties of collections, good offers, availability of branded items, store atmosphere, everything available under one roof, method of payment using Debit/credit card, correctness of weight and measurement, billing system and proper description, communication of sales people, display of information, credit facility, parking facility,

feedback consideration stood at more than 4.00 which indicated the rating from 'high' to 'very high'. Among them the highest mean value of everything available under one roof stood at 4.3537 and good quality, good offers are stood at 4.2244 and 4.2176 respectively.

Respondents have stated divergence of opinion regard to the varieties of collections, method of payment using debit/credit card, communication of sales people and feedback consideration which indicating standard deviation more than '1' for both before and after existence of organised retail outlets. However, time convenience, home delivery and display of information indicating divergence of opinion regard to the before existence of organised retail stores. Whereas respondents have given divergence of opinion towards the product freshness, Store Atmosphere, Correctness of weight and measurement for the satisfaction attributes after existence of organised retail outlets.

The study evidenced that to decide whether there is a statistically significant difference in increasing the level of customer satisfaction pre – existence and post existence of organised retail outlets. The convention is that when the p-value is smaller than 0.05 the null hypotheses are rejected which proved in the above table. Therefore, it can be inferred that all attributes which considered to test are positively impacting on increasing the level of customer satisfaction due to the emergence of organized retail outlets.

SUGGESTIONS:

The study revealed few suggestions based on the facts findings and mall- intercept interview method. It recommended to sellers and marketers who are involving in organized retail activities to perform better to meet the expectations of the targeted customers. Time convenience, product freshness, location convenience, home deliveries are to be strengthen by using the aid like don't make the customer panic at the closing hours and make business as per the customer time and location convenience. Organized retailers have to be concentrate on freshness of the product when they offered it for sale if seems to no freshness remove it. Moreover, there is a considerable thing that usually organized retailers restricted to kilometers or shopping value when customers asked to get home delivery of the product. Hence, make necessary arrangement for the same to enhance the customer satisfaction.

CONCLUSION:

Customer satisfaction is the most considerable issue concerning all kinds of business organization and Customer satisfaction is the major indicator of marketing performance. Based on the result, the study can be concluded that when compared to pre-existence and post existence of organized retail outlets, organised retailers are working better in meeting the requirements of shoppers in all aspects. The study proved that all attributes like location convenience, time convenience, good quality, varieties of collections, good offers, product freshness, availability of branded items, store atmosphere, everything available under one roof, method of payment using debit/credit card, correctness of weight and measurement, billing system and proper description, communication of sales people, home delivery display of information, credit facility, parking facility, feedback consideration are contributing in the positive direction in increasing customer satisfaction level. The study concluded that there is a possibility to enhance shopper's satisfaction when organized retailers implemented innovative marketing tactics and strategies to retain the existing customers.

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