

# A STUDY ON CUSTOMER SATISFACTION TOWARDS RETAIL STORES IN COIMBATORE CITY

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## ABSTRACT

Retailing is one of the fastest growing industries in India, catering to the world's second -largest consumer market. The past decade has been one of turmoil and transition in the world of retail. The objective of the researcher is to study the general profile of the respondents, customer awareness towards the retail stores, preference of the customers to select a particular retail stores and various services offered by the retail stores. The statistical tools like percentage analysis, ranking method and chi-square analysis were used. The researcher concluded that the retailers should offer different products and services to satisfy all the type of consumers.

## INTRODUCTION

India has emerged as the fourth largest economy in the world in terms of purchasing power parity and is expected to rank third by 2010, after the U.S and China. India is currently the twelfth largest consumer market by 2025, improving its position to the fifth. It is believed that 21 million people are employed in the retail sector in India, which is 7% of the total national work force. It is estimated that an additional eight million jobs will be generated through direct and indirect employment related to the retail sector. As India moves towards being a service-oriented economy, a rise in this percentage is expected. The number of retail outlets is growing at about 8.5% annually in the urban areas, and in towns with a population between 1,00,000 to 10,00,000 the growth rate is about 4.5%. With the increasing assertiveness of the Indian consumer and a growing supply-base-both from within India as well as from other countries(with imports becoming easier) - the retail sector in India is poised for a significant change in the coming decade.

India is rapidly evolving into an exciting and competitive marketplace with potential target consumers in both the niche and middle class segments. Manufacturer-owned and retail chain stores are springing up in urban areas to market consumer goods in a style similar to that of malls in more affluent countries.

Since independence, retail in India has evolved to support the unique needs of our country given its size and complexity. In India while retail has not as yet been a witness to a large number of formats emerging in the market at a very fast pace. The Indian market has just entered the stage of growth. The growth stage can last from 15-25 years. During this phase, various retail formats start emerging. Many retailers move from local to a national presence. The concept of the retailers private label starts emerging

Steady economic growth has fuelled the increase in personal income in India. Hence, income classification is considered. Compared with several advanced countries, where the overall population is aging, India is a very young nation with more than 70% of its population below the age of 40, and more than 47% below the age of 20. This age distribution is of significance to the markets of goods and service. The occupation of he people and changing lifestyle, family pattern influences the satisfaction of the customers.

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**STATEMENT OF THE PROBLEM :**

Retailing, one of the largest sector in the global economy is going through a transition phase not only in India, but also the world over and retail industry is undergoing exponential growth. It is the largest private sector industry in the world economy with the size of the global industry exceeding \$6.6 th according to the Euro monitor. The industry is also one of the largest sources of organized employment generation, even though it employs the latest technology in developed economics thereby reducing dependence on human resources.

Global majors also shows a keen interest towards the Indian market. International brands like Marks & Spencer, Samsonite, Lacoste, Mc Donald's, Le Marche etc have come to India through the franchise route of FDI. It is for this reason that the researcher selected this topic to know the various services offered by retail stores in satisfying their customers. Large Indian companies like Reliance retail, A.V.Birla retail, Essar Telecom retail, Future group, Shopper's Stop group, Tata, Goenka etc and many others are heavily investing in this industry.

**OBJECTIVES OF THE STUDY**

The objective of the study is considered on the extent of the Customer Satisfaction towards the retail stores in Coimbatore City.

- To study the general profile of the retail customers
- To study the customer awareness towards the retail stores .
- To study the factors influencing the retail store of the customers.
- To study about the services rendered by various retail stores in Coimbatore City to its customers.

**METHODOLOGY USED:**

The following methodology is used in this study.

**SAMPLING DESIGN**

Coimbatore is the Manchester of South India, which has network of housing units and number of mills with large number of labor forces. Every human being is needed to have provisions and other basic requirement for day to day living. A large number of populations, the Coimbatore city is needed to have a large number of retail stores to fulfill the public requirements.

For the purpose of the study, Big Bazaar, Nilgiris, Sri Kannan, More..., Sivali, Reliance fresh and many other retail stores were selected in Coimbatore City and from these stores, a total of 120 questionnaires were filled up. Customers in different age group, sex, education qualification, occupation, etc.,

**FIELDWORK AND COLLECTION OF DATA**

The fieldwork for study was conducted during the period between July 2009 to Sep 2009. The questionnaire was the major tool of data collection. The questionnaire was filled up by the customers. The filled up questionnaire were thoroughly checked and ensured the accuracy, consistency and completeness.

**STATISTICAL TOOLS**

- Percentage analysis.
- Rank analysis.
- Chi- Square analysis

Table no-1 General profile of the respondents.

PARTICULARS	CLASSIFICATION	NO.	PERCENTAGE
AGE GROUP	Below 20	39	32
	21 to 40	68	57
	41 to 60	9	8
	Above 60	4	3
	<b>Total</b>	<b>120</b>	<b>100</b>
SEX	Male	76	63
	Female	44	37
	<b>Total</b>	<b>120</b>	<b>100</b>
MARTIAL STATUS	Married	45	37
	Unmarried	75	63
	<b>Total</b>	<b>120</b>	<b>100</b>
EDUCATIONAL QUALIFICATION	Schooling	13	11
	Graduation	79	66
	Post Graduation	18	15
	Professional	6	5
	Others	4	3
	<b>Total</b>	<b>120</b>	<b>100</b>
OCCUPATION	Business	24	20
	Professional	15	13
	Student	16	13
	Homemakers	18	15
	Employed	47	39
	<b>Total</b>	<b>120</b>	<b>100</b>
AREA OF RESIDENCE	City	86	72
	Outside the city	34	28
	<b>Total</b>	<b>120</b>	<b>100</b>
TYPE OF FAMILY	Joint family	57	47
	Nuclear family	63	53
	<b>Total</b>	<b>120</b>	<b>100</b>
SIZE OF FAMILY	Up to 2	15	13
	3 to 4	64	53
	5 to 6	27	22
	Above 6	14	12
	<b>Total</b>	<b>120</b>	<b>100</b>

Source: Primary data

The table no-1 shows the general profile of the selected respondents. 57 percent Of the respondents visiting retail stores belongs to the age group of 20 to 40. 63 percent are male respondents and 63 percent are unmarried. 66 percent of the respondents are graduates. And 39 percent are employed. 72 percent of the respondents are residing in the city. 53 percent of the respondents are from nuclear type of family. 53 percent of the respondents belongs to 3 to 4 members family size.

**Table no - 2 Awareness and retail stores purchase.**

Particulars	Classification	No of Respondents	Percentage
Source of information	Family members	48	40
	Advertisement	21	18
	Friends and Neighbours	34	28
	Others	17	14
Frequency of Purchase	Daily	6	5
	Weekly	66	55
	Fortnight	10	8
	Monthly	38	32
Purchase from same retail Stores	Yes	90	75
	No	30	25

Source: Primary data

Customer Awareness and Retail store visit of the respondents are given in the Table no-2. 40 percent of the respondents gathered information regarding the retail stores from their family members. 55 percent of the respondents have the habit of visiting the retail stores weekly. and 75 percent of them prefer same retail store for their regular purchase.

**Table No - 3 Ranking factors for preferring a particular retail store.**

Factors	No of respondents	Rank
Quality	24	2
Wide range of variety	19	3
Everything in one palace	26	1
Price	12	6
Quantity	6	7
Discount & offers	15	4
Convenience	15	4
Hospitality	3	8

Source: Primary data

Table no-3 depicts the ranking factors for preferring a particular retail store. The respondents ranked first for the availability of everything in one place and next to the quality of the goods. Rank three was placed for wide range and variety of goods and correspondingly, discount and offers, price and quantity. The respondents ranked last for the hospitality rendered by the retail stores.

**Table No - 4 Opinion on the services offered in the retail stores**

Particulars		HS	S	NSN D	DS	HDS	TOTAL
Self service	No	41	73	6	0	0	120
	%	34	61	5	0	0	100
Full service	No	18	85	15	2	0	120
	%	15	71	12	2	0	100
Service of Door delivery	No	37	65	14	4	0	120
	%	31	54	12	3	0	100
Service of seasonal sales festival sales	No	32	67	17	2	2	100
	%	27	55	14	2	2	100
Handling of defective products	No	16	49	44	6	5	120
	%	13	41	37	5	4	100
Providing quality Products at reasonable price	No	25	82	11	2	0	120
	%	21	68	9	2	0	100
Providing wide product range	No	25	72	20	3	0	120
	%	21	60	17	2	0	100
Product availability	No	18	75	23	4	0	120
	%	15	63	19	3	0	100
Convenient working days & hours	No	17	84	17	2	0	120
	%	14	70	14	2	0	100
Credit facility	No	10	73	28	6	3	120
	%	8	61	24	5	2	100

Source: Primary data

H.S- Highly Satisfied , S - Satisfied , NSND - Neither Satisfied nor Dissatisfied,  
DS - Dissatisfied, HDS - Highly Dissatisfied

The Table no-4 depicts the opinion of the services offered in the retail stores. 61 percent of the respondents are satisfied with the self service of the retail stores. 71 percent of the respondents are satisfied with the full service provided by the retail stores. 54 percent of the respondents are satisfied by the door delivery services offered by the retail stores. 55 percent of the respondents are satisfied by the seasonal and festival sales offered by the retail stores. 41 percent are satisfied with by the way the retail stores handles the defective products. 68 percent are satisfied by the product quality and price offered by the retail stores. 60 percent are satisfied with the wide product range and varieties of brand. 67 percent opined that they are satisfied with the product display which eases the product selection. 63 percent are satisfied with the product availability which ensures stock at all times. 70 percent are satisfied with the working days and hours of the retail stores. 60 percent are motivated to purchase due to the free gifts offered by the retail stores. 42 percent opined good hospitality and customer care. 61 percent are satisfied with the billing and payment methods of the retail stores. 61 percent are satisfied with the credit facility offered by the retail stores.

In the following table no -5, it has been analyzed whether the customer satisfaction is associated with age, gender, marital status, area of residence and frequency of purchase .

Personal factors	Chi-square value	Chi – square table value (at 5% level)	Decision
Age	12.592	5.2832	Satisfaction depends on age
Gender	5.991	7.339	Satisfaction does not depends on gender
Marital status	0.2111	5.991	Satisfaction does not depends on marital status
Area of residence	9.1036	5.991	Satisfaction depends on area of residence.
Frequency of purchase	12.592	9.4726	Satisfaction depends on frequency of purchase.

From the Table no-5, it can be concluded that the age and the satisfaction are dependent and the customers satisfaction level differs according to the age group. The satisfaction level also differs according to the residential area they live and also people's frequency of purchase depends on the satisfaction level.

**CONCLUSION:**

From the study, it may be concluded that, the satisfaction level of the customers depends on age, area of residence and frequency of purchase. Hence the retailers should offer different products to satisfy all the type of consumers belonging to different age group. Also, the retailers should offer services like door delivery, phone delivery etc., to attract both proximity and distance customers. The retailers should give more importance to promotional measures like free gifts, contest, discounts etc to increase the frequency of purchase which will take the retailers towards successful path.

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