

A study on customer preference and satisfaction towards selected retail stores in Coimbatore city

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Abstract

Retailing is the largest private industry in India and second largest employer after agriculture. The sector contributes to around 10 per cent of GDP and 6-7 per cent of employment. With over 15 million retail outlets, India has the highest retail outlet density in the world. This sector witnessed significant development in the past 10 years – from small unorganized family-owned retail formats to organized retailing. Liberalization of the economy, rise in per capita income and growing consumerism have encourage larger business houses and manufactures to set up retail formats; real estate companies and venture capitalist are investing in retail infrastructure. Many foreign retailers have also entered the market through different routes such as wholesale cash-and-carry, local manufacturing, franchising, test marketing, etc. With the growth in organized retailing, unorganized retailers are fast changing their business models and implementing new technologies and modern accounting practices to face competition. Productivity and efficiency in retail operations lowers price level and reduce distortions in the price structure. Through backward and forward linkage, performance of retailing services affects the performance of interlinked sectors such as tourism, recreational and cultural services, manufacturing of consumers goods agro-good producing industries etc. The present study is undertaken to understand the customer preference and satisfaction towards retail stores in Coimbatore city. Descriptive study was carried out by using a questionnaire and the collected data were analyzed by using Average rank.

Keywords: retailing, organization, manufacturing, infrastructure, marketing

Introduction

Retail store is a large departmental retail establishment offering a relatively broad and complete stock of dry groceries, fresh meat, perishable products and dairy products supplemented by a variety of convenience, non-food merchandise and operated primarily on a self-service basis.

A retail store format is more prevalent among all modern retail formats in India. These are neighborhood stores offering home and personal care products and food products that a typical household consumers on a day-to-day basis. These stores are often part of a chain that owns or controls (sometimes by franchise) other retail stores locates in the same or other towns attaining the economies of scale. These stores offer convenience of shopping by making available a large variety of products at one place. Retail stores usually offer products at Low Prices by reducing margins. Certain products (typically staples such as bread, milk, and sugar) are often sold as loss leaders that are with negative margins. To maintain a profit, retail stores attempt to make up for the low margins with a high overall volume of sales and with sales of higher-margin items.

Retail store shopping is often categorized as a self-service retail environment. For retail store retailers wanted to build relationships with their customers, being able to track their levels of 'satisfaction' with the key elements of the retail store environment is extremely important. From the retailer's perspective the aim is to minimize the reasons for complaints and dissatisfaction and the cost of a service recovery plan whilst establishing a track of direct feedback from customers about their reactions to those key elements. Satisfaction is a consumer's post-purchase evaluation of the overall service experience. It is an affective reaction in which the consumer's needs, desires and expectations during the course of the

service experience have been met or exceeded. Satisfaction in this sense could mean that a retail store has just barely met the customer's expectations, not exceeded nor disappointed those expectations. The benefits of taking the customer's response beyond satisfaction at this level by exceeding expectations, is a competitive strategy many retailers aspire to achieve. Customer satisfaction now represents a central strategic focus for customer-oriented firms across diverse industries.

Review of Literature

For the purpose of gaining insight into the research area several have been reviewed

- Daniel L. Sherwell & Abhijit Biswas (1995) predicted that consumers believe in a price-quality relationship for search-based services but not necessarily for professional services that possess high credence properties.
- Bass Frank M, (1974) 'A non-rational buyer does not plan his buying is equally logical to assume that this buying the product and especially as pacific brand is random, or probabilistic switching behavior'.
- EVI Clamons kand wares. F. (1986) 'Stable production schedule just in time production stick quality control reliable delivery communication, close location all the feature help to Jorge a closer relationship between the business customer and the business marketers'.
- Deepika Jhamb, Dr (Ms) Ravi Kiran (2012) ^[8] his article titles 'Emerging Retail Formats and It's Attributes: An Insight to Convenient Shopping', the major products and store attributes influencing consumers' towards innovative retail formats. The product-wise preferences of consumers towards innovative retail formats. The impact of demography factors (gender, age and income) on consumers preferences towards innovative retail formats'.

Objectives of the Study

To study the customer awareness and preference towards retail stores.

Research Methodology

The following methodology is used in this study

Area of the Study

The survey was conducted in Coimbatore city in Tamil Nadu state. Coimbatore is the second largest district in Tamil Nadu. The Coimbatore city is known for its entrepreneurship of its residents. The researcher has considered the leading Retail Stores like Reliance Fresh, More, Nilgiri’s, Shri Kannan Departmental (P) Ltd, Big Bazaar for the study.

Sources of Data

The study has used both the primary data and secondary data. Field survey method was employed to collect primary data from 250 respondents through a well framed questionnaire. Secondary data were collected through various journals, magazines, reports and newspapers.

Sampling Design

For the purpose of the study 250 respondents have been chosen in Coimbatore city by using convenience sampling a questionnaire was prepared and administered in person to all the respondents. The information collected have been edited

for reliability and consistency and presented in a master table for analysis.

Tools for Analysis

In this study the raw data collected are classified, edited and tabulated for analysis. The following were the some of the tools used.

1. Simple Ranking

Scope of the Study

The present study titled as “Customer Preference And Satisfaction Towards Selected Retail Stores In Coimbatore City” aims to problem in to the satisfaction derived by the consumers for the use of retail stores and because of the perception and preference towards the retail stores and their level of satisfaction on the various facilities provided by the retail stores.

The preference and satisfaction of the consumers on retail stores may be influenced by many factors. Therefore, the modern marketing managers have to understand what their organization actually means to the people and they have to find ways of deriving the ideal determinants for the retail stores.

The consumer’s preference and the level of satisfaction on the various facilities provided by the retail stores are enumerated in the study.

Table 1: Ranking for Preference of the Retail Stores

Preference	No. of Respondents	Percentage	Rank
Convenient Location	45	18.0	II
Cheaper Prize	20	8.0	VII
Attractive Offers/ Schemes	27	10.8	VI
Better Quality	34	13.6	IV
Wider Product Variety	52	20.8	I
Better Availability	31	12.4	V
Better Service	41	16.4	III
Total	250	100.0	

Interpretation

From the above table clear that, out of 250 respondents, majority of the respondents have given First Rank to Wider Product Varity, Second Rank to Convenient Location, Third

Rank to Better Service, Fourth Rank to Better Quality, Fifth Rank to Better Availability, Sixth Rank to Attractive Offers/Schemes and Seventh Rank to Cheaper Prize.

Table 2: Ranking for Preference of Product Category

Name of the Products	No. of Respondents	Percentage	Rank
Groceries	55	22	II
Bakery Products	46	18.4	III
Fruits & Vegetables	63	25.2	I
Processed foods	15	6.0	VI
Personal care Products	42	16.8	IV
Other Non-Food items	29	11.6	V
Total	250	100.0	

Interpretation

From the above table it’s clear that, out of 250 respondents, majority of the respondents have given First Rank of preference to Fruits & Vegetables, Second Rank of preference is Groceries, Third Rank of preference is Bakery Products, Fourth Rank of preference is Personal care Products, Fifth Rank of preference is Other Non-Food items, and Sixth Rank of preference is processed foods..

Suggestions

1. Retail Stores should sell their products at reasonable price, which will induce more customers to purchase.
2. It should also adopt various customer loyalty programs and recognize the loyalty customers by providing them discounts, free gifts and so on.
3. It should concentrate on the external environment facilitates i.e. mainly parking facility.

4. The sales person must be very courteous in answering to the customers which will induce them to spend more within the store which may in turn make them to buy more.

Conclusion

In order to accomplish success in retailing sector, the existing players as well as new entrants need to consider a host of factors. Understanding their evolving needs aspirations and life style is the underlying key to success for any retailers. The findings of the study reveals that consumers prefer modern retail formats due to quality, variety of products and for security purpose. Based on the study majority of the respondents are faced problem like insufficient parking facility, no proper crowd management and slow billing. Hence, the retail stores should concentrate mainly on consumer preference and satisfaction. To be successful, Retail Stores have to blend the best expertise and technology that the world has to offer and synergize these with the demands and expectations of the consumers.

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