

## CONSUMERS EXPECTATION AND SATISFACTION TOWARDS MODERN DAY RETAIL FORMATS

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### **Abstract**

*Retail outlet plays an important role in today's context. Earlier only some selected retail outlet's were found with an exclusive range of products enjoying monopoly status. Now the trend has been changed and many sophisticated modern retail shops, with wide variety of products are seen everywhere. The traditional grocery stores have EMBRACED the modern retail formats. The purpose of this paper is to find out the consumers expectation and satisfaction towards the modern day retail formats in Coimbatore city. A total of 200 consumers of modern retail outlets were personally surveyed with the structured questionnaire. The consumers spread out throughout the Coimbatore city. Statistical analysis such as percentage analysis, Chi square analysis, correlation analysis were carried out. The results may help the management of all the modern retail formats to understand the factors that influence the consumer's expectation and satisfaction, that they can implement the requirement of the consumer and be successful in the emerging retailing environment.*

**Keywords:** *Consumer's expectation, consumer's satisfaction, retailing*

### **Introduction**

Retailing is one of the oldest business that human civilization has known. It acts as an interface between the producers and consumers, improves the flow of goods and services and raises the efficiency of distribution in an economy for a strong and consistently growing economy a well-organized and efficient retail sector is a must. Modern formats such as discount stores, convenience store, specialty stores, hyper markets, super markets, departmental store, ware house retailer have emerged. Retailing is one of fastest growing fields today in India with 40% contribution to GDP. After IT India is growing in the field of Retailing.

### **Segmental Growth of Retailing**

#### **Food and Grocery**

This is the largest vertical of 74.4 percent of retail size comprising fruits and vegetables, milk and milk products, staples, cereals, grains, pulses, processed food, ready

to cook and ready to eat meals, spices and other eatables. This is least penetrated segment across all verticals of around 1.5 percent, being the most untapped pie. According to NSSO 60<sup>th</sup> round, 54 percent of the rural and 42 percent of urban expenditure was on food.

#### **Apparels**

Clothing and textile is a large organized vertical dominated by textile manufactures Raymond, Bombay Dyeing, Vimal, and by big retailers like Pantaloon, Pyramyd, Koutons having ~ 16.4 penetration level. Increasing disposable incomes and change in the lifestyle needs has pushed the segment.

#### **Consumer Durables**

The electronics and consumer durable is the biggest organized segment penetrated to ~ 20 percent. There lies more unearthed growth in the verticals as the craze for electronic gadgets have been picking up with the advent of nuclear families.

#### **Home Décor and Furnishing**

The demand for furnishing is going to be spearheaded by a huge demand for the real-estate, paving way to tap the unorganized segment. Presently only a few players like Gautier, Godrej & Durian function as organized entities.

#### **Jewellery and Watches**

Titan is the early entrant in the segment followed by MMCs Oysterbay, Tanishq, Swarovsk, Orra, Gitanjali, &D' damas driven by demand for fashion accessories, and huge advertising and promotion campaigns.

#### **Beauty Care**

The organized players in Beauty Care are HLL (Lakme Salons), Marico (Kaya), Health and Glow are having a huge growth impetus.

#### **Footwear**

Leaving aside the Apparel, Footwear segment is forming a big pie in the organised retail sector, expected to grow to greater heights with foreign payers like Crocs Inc.

#### **Books, Music and Gifts**

In addition to Tier-III cities, the habit of reading books and listening to music is picking up among the Tier-I cities. The stores like Oxford Bookstore etc are experiencing this upswing.

### Review of Related Literature

*Literature is an investment of genius which has dividends to all subsequent times.*

-John Burroughs

It is universally acknowledged fact that effective research cannot be accomplished without critically studying what already exists in relationship to it in the form of general literature and specific studies. The survey of related literature, therefore, is considered as an important prerequisite to actual planning and execution of any research project. It helps to eliminate the duplication of what has been done and provide useful hypothesis and helpful suggestions for meaningful investigations. Citing studies that show substantial agreement and those seem to present conflicting conclusions help to improve the existing knowledge in the problem area, provides a background for the research project and make the researcher aware of the studies of the issue.

So for proper understanding of the problem, sincere efforts have been made to review the literature regarding the current research problem. In this chapter an attempt has been made to summarize the results of the studies undertaken by the various researchers on various aspects of organized retail outlets.

Indigo (1997). In the study "Retailing the Internet & Employment", says that three models of retailing are emerging in this dynamic market place. There are the exclusively 'bricks-and-mortar' stores on the one side and the exclusively Web-based retailers on the other. In the middle are a growing number of hybrid companies that do a combination of both. The Gap, one of the new hybrid versions, manages to blend the online and offline distribution channels to make the most of the advantages offered by each. Thus customers can buy clothes and if they aren't happy with the purchase, can take them to their nearest Physical store for exchange. The store is even installing Web lounges in some of their flagship stores for customers to browse at leisure and place orders. Some traditional retailers opt to acquire stores with-commerce expertise, rather than starting from scratch to build their own Web store. Mergers and acquisitions are part of the dynamism of the retail marketplace at the moment. Of course, downsizing and layoffs are a consequence of this process as well. Most of the big manufacturers, including Nike, have no wish to alienate the retailers, and have sought to appease them by promising to refrain from selling at discounted prices (they also wish to maintain the integrity of the particular brand name in question so won't sell at cheaper prices).

Blake (1998) examined the relationship between people and technology needed to gain access to the internet mainly through personal computers. The paper also discussed the public opportunities for places such as access libraries. Stated that number of people over 75 years of age was projected to be double by middle of next century. While number of people of age 90 years and over would be tripled. This makes the older generation a very

important consumer in the near future. It also showed some of the problems older people would face while using the and also suggested some remedial net measures.

Coulson (1998), in the article "Impact of Internet on Retailing", says that e-commerce serves as springboard for fundamentally changing the way companies interact with customers. Customers satisfaction in e-retailing rests on four key criteria, viz security, simplicity, the quality if relationship consumer and internet retailer and follow other.

The study revealed that among those having websites, 84% use it, for advertising and only 38% use it for selling.

### **Emerging Trends in Modern Retail Formats in India**

The time has come for Indian Retailing. The signals are there all over. The newspaper, business press, the governments, the chief executive officers of large corporation all talk about it day in day out. Booming employment opportunities, rising urban disposable income and credit card ownership, changing life styles and demographic profiles all are showing a favourable skew towards a rising culture boding well for retailing growth.

In the view of the above said development, the Indian retail sector is going through a transformation and this emerging market is witness a significant change in its growth and investment pattern. Both existing and new player are experimenting with new retail formats. In this back drop of all these developments this paper makes an attempt to explain the consumers expectation and satisfaction towards modern day retail formats in Coimbatore city.

### **Emerging Trends in Modern Retail Formats in Coimbatore**

Coimbatore is a city in Southern India, a major commercial and business hub in the state of Tamilnadu. It is the highest revenue yielding district in the state even ahead of Chennai, thus making it one of the fastest - growing second tier metro cities in India. Coimbatore is the Manchester of South India. Modern retail in Coimbatore so far is a high street story with operational stores, supermarkets, hyper markets, departmental stores, Big Bazaar, Niligris, Shri Kannan Departmental Store, Reliance fresh etc. in value format.

People in Coimbatore are capable enough to experience to experience the inter nation standard of shopping. But they don't have the choices and options yet. Retail in Coimbatore is mostly high street centric and the locations are categorised as traditional high streets, new high street and emerging markets. Traditional high streets include oppanakara street and cross cut road, where as new high street include DB Road, TV sami Road and emerging markets include Avanashi Road and Trichy road. The retailers are also very keen about the market and want to explore the untapped market further. Not only the grocery and fashion retailers, entertainment retailers, as well expect a good return from the city.

### Statement of the Problem

At present the customers are more dynamic. The factors like high price, after sales service, poor reply enquiry and poor quality of products are highly dissolved their division. The consumers has certain expectation from branded items of its quality, price and service. Further, the retailers are faced various trouble in their retail marketing for finding the consumers perception and expectation. At this junction, the research is a need to find out the consumer expectation and satisfaction about the retail store in Coimbatore city. Present world of rapidly changing technology, consumers taste and preference are also characterized by fast changes. To meet this changing environment and to satisfy the consumer needs the retail stores came into existence. Consumers needs are consistently changing, therefore retail stores has to the constantly modernized. In the light of these developments, it seems to focus the study of consumer satisfaction towards retail store. In this process the following questions are arise.

1. What is the opinion and usage of modern retail store?
2. What are the factors preferred by consumers. When selecting a modern retail store?
3. What is the level of consumer expectation and satisfaction?

### Scope of the Study

This research gives a broad frame work of the “Consumers Expectation and Satisfaction towards modern day retail formats in Coimbatore city.” The scope of the study is to assess the overall consumers expectation, consumer satisfaction, response, with regard to the availability and quality of product & services offered at modern day retail formats. This study has been conducted in Coimbatore city, covering all the areas falling with in the Coimbatore zone. This can be used as a guideline in the future business plan and making changes in the current activities. It gives an idea of the areas in retailing which need to emphasis and development.

### Objectives of the Study

1. To study the factors influencing the customer’s to purchase in modern day retail outlets.
2. To identify the level of satisfaction among the customers.
3. To study the consumer opinion and ideas about price, quality and services rendered by the modern day retail formats.
4. To validate the data and offer contractive suggestions based on the study.

## Research Methodology

### 1) Research Design

Descriptive research is being adopted to find out the consumer expectation and satisfaction in retail formats.

### 2) Area of the Study

The survey is conducted among all class of consumers who are regular purchases and occasional buyer in the retail outlets in Coimbatore city.

### 3) Research Approach

Survey method and Questionnaire method is used for the study. Primary data is collected through survey method. All the respondents are asked to fill in the questionnaire by themselves. The Questionnaire contains open ended and close ended questions and it is in a structural format which is clean and simple to the respondents.

### 4) Sample Size

The sample size taken in this study is 200 respondents.

### 5) Period of Study

The study was conducted for the period of three months

### 6) Sample Technique

As all the possible items are considered for research, the sampling method adopted is convenience sampling method.

### 7) Data Usage

The study is based on both primary and secondary data.

### 8) Tools for Analysis

The collected data is analyzed with the help of statistical tools like simple percentage analysis. Chi-square test, ranking analysis, ANOVA etc.,

### 10. Limitations of the Study

1. The area of the study is restricted to Coimbatore city only
2. Few respondents were reluctant and too busy to co-operate in research survey.
3. Only 200 respondents visiting retail outlets in Coimbatore city have been selected and studied. Hence the conclusions drawn is specific and cannot be generalized

## 11. Analysis and Interpretation

### Percentage Analysis

Table showing the general profile of the respondents

Table 11.1

Particulars	Classification	No.of Respondents	Percentage
Age	Age 2 and below	48	24
	Age from 26-35	64	32
	Age from 36-45	51	25
	Age above 45 years	37	19
Gender	Male	120	60
	Female	80	40
Educational Qualification	School Level	15	7
	Graduate	78	39
	ITI / Diploma	33	17
	Post Graduate	74	37
Monthly Income	Below Rs. 5,000	4	2
	Rs. 5,001 - Rs. 10,000	22	11
	Rs. 10,001 - Rs. 15,000	84	42
	Rs. 15,001 - Rs. 20,000	47	23
	Above Rs. 20,001	43	22
Total members in Family	One	5	2
	Two	23	11
	Three	57	29
	Four	99	50
	Five and above	16	8
Average monthly purchase at organized retail outlets	Below Rs. 1,0000	14	7
	Rs. 1,001 - Rs. 2,000	26	13
	Rs. 2,001 - Rs. 3,000	108	54
	Rs. 3,001 - Rs. 4,000	49	24
	Above Rs. 4,000	3	2

### Interpretation

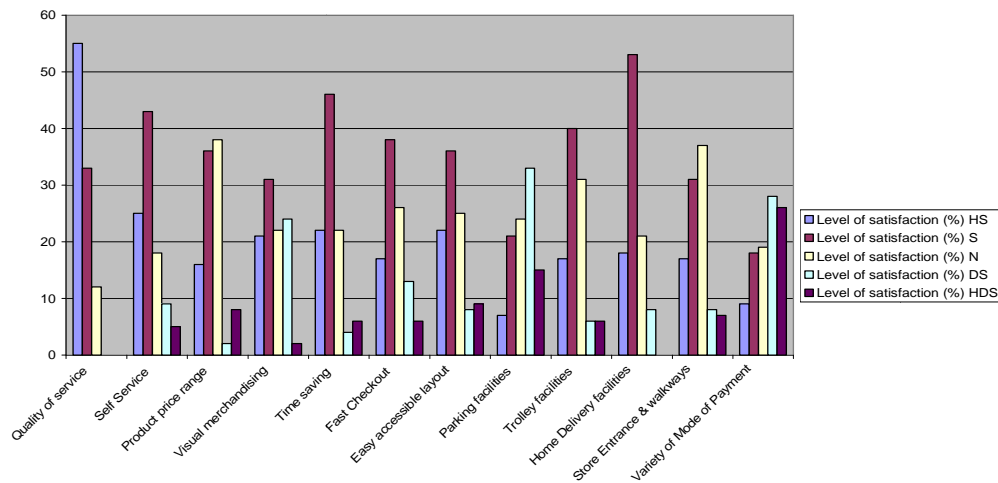
From the above table, it is clear that 60% of the respondents are male and 40% of the respondents are female. After dividing the respondents on the basis of gender, they are further divided according to their age. In this, it is found that out of total respondents 24% are 25 years old and below, 32% age between 26-35, 25% belongs to the age group of 36-45 and 19% are above 45 years. 39% and 37% of respondents are graduates and post graduates respectively. 42% of respondents are in the income level of Rs. 10,001 - Rs. 15,000, 23% of respondents are in the income level in Rs. 15,001- Rs. 20,000 and 22% of respondents are above the income level of Rs. 20,001. Majority of the respondents (54%) spend Rs. 2,0001 - Rs.3,000 of their monthly budget towards their purchase in the organized outlets. Only 2%

of the respondents spend more than Rs. 4000 of their monthly budget. 50% of respondents family size is four.

**Table - 11.2**  
Satisfaction level towards customers shopping at modern day retail formats

Parameter	Level of satisfaction (%)				
	HS	S	N	DS	HDS
Quality of service	55	33	12	0	0
Self Service	25	43	18	9	5
Product price range	16	36	38	2	8
Visual merchandising	21	31	22	24	2
Time saving	22	46	22	4	6
Fast Checkout	17	38	26	13	6
Easy accessible layout	22	36	25	8	9
Parking facilities	7	21	24	33	15
Trolley facilities	17	40	31	6	6
Home Delivery facilities	18	53	21	8	0
Store Entrance & walkways	17	31	37	8	7
Variety of Mode of Payment	9	18	19	28	26

Fig. 6.1





### Chi-square Test

Table Showing the Relationship between Satisfaction level towards quality of service & Education level of the Respondents

	Case Processing Summary					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Education Level* Quality of service	200	100.0%	0	.0%	200	100.0%

Table 11.3  
Education and quality of service cross Tabulation

Education Level	Quality of Service			Total
	Highly Satisfied	Satisfied	Neutral	
School Level	11	3	1	15
Graduate	40	30	8	78
ITI / Diploma Post	21	9	3	33
Graduate TOTAL	38	23	13	74

### Chi -Square Tests

	Value	Df	Asymp.Sig.(2sided)
Pearson Chi-Square	6.186(a)	6	.403
Likelihood Ratio	6.136	6	.408
Linear -by-Linear Association	1.537	1	.215
No. of Valid Cases	200		

a) 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.88

### Interpretation

From the above Pearson chi-square test the acquired value is 6.186 for satisfaction level towards the quality of service and the education level of the respondents and the table value for the degree of freedom 6 is 12.592.

**Taken: H<sub>0</sub>:** There is no significant relationship between the two variables-satisfaction level towards quality of service & education level of the respondents

**H<sub>1</sub>:** There is significant relationship between the two variables-satisfaction level towards quality of service & education level of the respondents.

Since the acquired value is less than the table value, H<sub>0</sub> is accepted and there is no significant relationship between the two variables-satisfaction level towards quality of service & education level of the respondents.

### Correlation

Table showing the correlation of Income Level of Respondents and their Average Monthly purchase at Retail Outlet

Table 11.4

Monthly Income	AVERAGE MONTHLY PURCHASE AT RETAIL OUTLET					TOTAL
	Below Rs. 1000	Rs. 1001 - Rs. 2000	Rs. 2001-Rs. 3000	Rs. 3001-Rs. 4000	Above Rs. 4001	
Below Rs.5000	0	4	0	0	0	4
Rs. 5000-Rs. 10,000	3	14	4	1	0	22
Rs. 10001 Rs. 15001	3	7	69	5	0	84
Rs. 15001 - Rs. 20000	3	1	25	18	0	47
Rs. 20001	5	0	10	25	3	43
<b>TOTAL</b>	<b>14</b>	<b>26</b>	<b>108</b>	<b>49</b>	<b>3</b>	<b>200</b>

	Case Processing Summary					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income level of family and Monthly purchase at retail outlet	200	92.6%	16	7.4%	216	100.0%

### Symmetric Measures

	Value	Asymp. Std. Error	Approx. T <sup>b</sup>	Approx. Sig.
Interval by Pearson's R	465	.076	7.400	.000
Interval Ordinal by Spearman Ordinal Correlation N of Valid Cases	545	.066	9.136	.000
	200			

### Interpretation

The above table values of Pearson's R & Spearman Correlation are 0.465 & 0.545. From the table it is obvious that the correlation between the monthly income of the respondents and their average monthly purchase in organized retail outlets constitute a positive correlation.

### Results and Discussions

In this study it is found that organized retail outlets provide better quality of service. Most of the customers are satisfied with the quality of service provided by the modern day retail outlets. They are satisfied with self service, product, price, visual merchandising, home delivery and fast checkout.

They feel that the store layout is easily accessible to find the products. Some of the respondents are not satisfied with parking facility and variety of modes of payment. With the help of Pearson's R & Spearman Correlation test, it is found that there is a positive correlation between the monthly income of the respondents and their monthly purchase in organized retail outlets. By using Chi-Square test it is made clear that there is no relationship between satisfaction level towards quality of service offered and the education qualification of respondents.

The modern retail outlets should provide good parking facilities to their customers. Also they are expected to concentrate more on free home delivery and increase the number of billing counters, so as to ensure fast checkout. Most of the stores do not accept credit and debit cards. Since most of the customers are youngsters and employed, they feel more comfortable with card payment than cash, these stores are expected to make this facility available to all the customers.

### Conclusion

The root of the study is that most of the customers prefer purchasing from modern retail outlets. Also most of them are satisfied with the quality of service, price and product range of goods provided by modern retail outlets. Satisfaction of consumers in retail service is an important criterion for a marketer to understand for further strategic decision.

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