Research Paper Management

A Study on Consumer Satisfaction in Organised Retail With Respect To Apparels

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ABSTRACT

Retailing is one of the oldest businesses that human civilization has known. Most of the developed and emerging economies had adopted organized retail long ago and the percentage share of organized retail in total retailing has increased over the years. However, India, a land of self-sufficient villages, has continued to rely primarily on small, close to home shops. Customer satisfaction is the key factor in knowing the success of any retail store or business; therefore it is very important to measure it and to find the factors that affect the customer satisfaction. This paper provides a review on consumer satisfaction in 3 areas; Antecedents of consumer satisfaction, measurement of satisfaction, and consequences of consumer satisfaction. The primary study conducted on 52 consumers revealed that perception of service quality is influenced by the various natures among various customers and that service quality factors significantly affects customer satisfaction.

KEYWORDS Retailing, Customer satisfaction, service quality

INTRODUCTION:

It is interesting that consumerism has been on a rise since the last five decades in parallel to a rise of customer satisfaction with a link to profitability and other business results. In order to understand the underlying reasons for consumerism, a better understanding of consumer satisfaction is required. Since consumerism today is such a complex evidence as interrelated with other ecological, social, political, ethical, economic, and technological problems, one who attempts to discover satisfaction is required to discover also the relation to all those aspects one by one. The most frequent question being raised about consumerism is: What are the sources of consumer dissatisfaction?

One may also assume that consumerism is a frustration on the part of consumers who have been promised much and have realized less. This motive can be concluded as a major force to drive consumerism. The concept of consumer satisfaction has been in a central position in Marketing since 1950's till today with increasing interest and importance. Satisfaction is considered as a major output of Marketing activity that links the processes involved in purchase and consumption. It also links post purchase phenomena such as attitude change, repeat purchase, and brand loyalty. The positioning of the concept in the core of Marketing is reflected by the consideration that profits are generated through the satisfaction of consumer needs and wants. The apparent need to translate this important Marketing concept into daily operational practice has directed researchers to development and measurement of consumer satisfaction.

CONSUMER SATISFACTION:

Consumer satisfaction began to rise up as a legitimate field of inquiry in the early 1970s. The U.S. Department of Agriculture's Index of Consumer Satisfaction is a pioneering study to report direct information on consumer satisfaction to policy makers. Later, it is followed by Swedish National Customer satisfaction Barometer in 1989.

Conceptually, satisfaction is an outcome of purchase and use resulting from the buyer's comparison of the rewards and costs of the purchase in relation to the anticipated consequences. Operationally, satisfaction is similar to attitude in that, it can be assessed as the sum of the satisfactions with the various attributes of the product or service. When satisfaction is mentioned, it is generally considered a wide area that includes both high levels of satisfaction and also neutral levels where there is no dissatisfaction. However, it is also suggested that there needs to be a separate consideration for different levels of satisfaction with different ranges of effect and varying I magnitudes of impact on business results. The Random House Dictionary states: "dissatisfaction results from contemplating what falls short of one's wishes or expectations. . . ." Consumer dissatisfaction, then, might be measured by the degree of disparity between expectations and perceived product performance.

Customer satisfaction depends on the product's perceived performance relative to a buyer's expectations. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied and delighted. Most of the companies make a huge mistake, when they do not pay enough attention to their customer satisfaction. Keeping customers satisfied is the best competitive advantage against competitors. Customers are loyal, prepared to pay more and are excellent external marketers.

Few advantages for developing long-term relationships with customers are listed as follows:

- Acquiring new customers can cost 5 to 10 times more than the costs involved in satisfying and retaining current customers.
- Loyal customers tend to spend more and cost less to serve.
- Satisfied customers are likely to recommend your products and services
- Retaining exiting customers prevents competitors from gaining market share
- A 5% reduction in the customer defection rate can increase profits by 25 to 85 %, depending on the industry.

REVIEW OF LITERATURE:

Those who buy goods or services provided by companies are customers. In other words, a customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him by the organization with the aim of fulfilling a need and to maximize satisfaction. Sometimes the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer. Another author explained this difference. i.e. a customer is the person who does the buying of the products and the consumer is the person who ultimately consumes the product **(Solomon, 2009, p. 34.)**

When a consumer/customer is contented with either the product or services it is termed satisfaction. Satisfaction can also be a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations **(Kotler & Keller, 2009, p. 789)**

According to **Schiffman & Karun (2004)** Customer satisfaction is defined as "the individual's perception of the performance of the products or services in relation to his or her expectations" **(Schiffman & Karun 2004, p. 14).** In a nutshell, customer satisfaction could be the pleasure obtained from consuming an offer.

Measuring customer satisfaction could be very difficult at times because it is an attempt to measure human feelings. It was for this reason that some existing researcher presented that "the simplest way to know how customers feel, and what they want is to ask them" this applied to the informal measures **(Levy, 2009, p. 6; NBRI, 2009).**

Levy (2009, p. 6) in his studies, suggested three ways of measuring customer satisfaction:

A survey where customer feedback can be transformed into measurable quantitative data.

Focus group or informal where discussions orchestrated by a trained moderator reveal what customers think.

Informal measures like reading blocs, talking directly to customers.

The quality of service interactions between the service staff / provider and the customer determines the satisfaction toward the service **(Grönroos, 2001).**

OBJECTIVES OF THE STUDY:

- To identify the determinants of customer satisfaction in the organized retail outlets.
- To identify the attitude and behavior of customers in organized retail outlets.
- To assess the satisfaction and loyalty of consumers towards retail stores.
- To study the future prospects of organized retail outlets.

RESEARCH METHODOLOGY:

The present study is undertaken to understand the profile of customers visiting new-generation retail outlets like Lifestyle, Pantaloons and Westside Store and to know the customer's level of satisfaction of the present day retail outlets and their extent of loyalty towards the store/brand. The research design was descriptive in nature and was conducted across Udaipur, Delhi and Ahmedabad. The sample size was 52 and convenience sampling technique was used. A close ended structured questionnaire was used as the primary data collection technique. The data was analyzed using the SPSS software. The statistical mean and z-test were used.

DATA ANALYSIS AND INTERPRETATION:

The demographic profiling of the respondents is depicted in the following table:

TABLE 1: DEMOGRAPHIC PROFILE OF RESPONDENTS

Demographic Characteristics	Total Number	Percentage
Gender		
Male	23	44.23%
Female	29	55.76%
Age		
Less than 20	4	7.69%
Between 20 to 30	48	92.30%
Occupation		
Student	27	51.92%
Housewife	0	0
Employed	25	48.07%
Monthly Income (in INR)		
Less than 10,000	25	48.07%
10,001 – 30,000	20	38.46%
30,001 – 50,000	3	5.76%
50,001 and above	0	0

The variables measured in the survey are presented according to percentage in the following table:

TABLE 2: STATUS OF VARIABLES ACCORDING TO SURVEY

Variables	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
Customer satisfaction	2	9	27	108	62	16.21
Customer loyalty	10	31	63	46	6	9.13
Service Quality	2	6	30	36	30	7.65
Reliability	1	6	18	44	35	8.03
Facilities	6	10	26	45	17	7.09

The following hypotheses were tested using the z test:

$H_0$1-There is low level of satisfaction if the store layout is unfavorable.

$H_0$2- There is a low level of customer loyalty if the brand does not focus on customer relationship

$H_0$3-Less queue and welcoming staff positively affects service quality.

$H_0$4-Accuracy of bill, price and discounts positively affects customer reliability

$H_0$5-Additional facilities attract customers towards a store

The results of the z test applied are represented in the following table:

TABLE 3: SUMMARY OF HYPOTHESES

VARIABLE	VALUE OF μ NULL HYPOTHESIS	CALCULATED Z VALUE	TABULATED Z VALUE	STATUS
Customer Satisfaction	μ=4	3.61232	-1.65	Accepted
Customer Loyalty	μ=4	3.467897	-1.65	Accepted
Service Quality	μ=4	4.716955	-1.65	Accepted
Reliability	μ=4	4.996404	-1.65	Accepted
Facilities	μ=4	4.264342	-1.65	Accepted

CONCLUSIONS:

Customers are the most important asset a company has. In a competitive marketplace (offline) and market space (online) where businesses fight for customers, for many companies providing textile products, customer satisfaction is seen as a key differentiator and increasingly has become a core element of business strategy. The quality of the apparel product and the social and ecological added value can also ensure brand loyalty. Customer satisfaction is the basis for any company to operate and make profit. Service quality creates customer satisfaction, and the customers define quality. The customer satisfaction surveys have to take place on continuous basis and the results has to be put into practice in the company's strategies and operations.

Based on the theories about customer satisfaction and service quality, it is clear that with basic service it is not enough to compete with the competitors. Customers would like to have personal contact with a sales person who, for example, knows the customers' names and some other personal details.

India is at the crossroads with respect to the retail sector in

apparel industry. Both modern and traditional retailers will co-exist in India for some time to come, as both of them have their own competitive advantages. Today's attractive quality attributes can convert to must be quality attributes and eventually become one dimensional quality attributes.

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