Research Paper Commerce

A Study on Determinants of Customers Experience In A Retail Stores

* Dr. K. Jayalakshmamma

* Asst Professor, Govt. R.C. College of Com & Mgt, BANGALORE-01

ABSTRACT

As we all know, the ease of entry into retail business results in fierce competition and better value for customer. To enter retailing is easy and to fail is even easier. Therefore, in order to survive in retailing, a firm must do a satisfactory job in its primary role i.e., catering to customers. Retailers' cost and profit vary depending on their type of operation and major product line. Their profit is usually a small fraction of sales and is generally about 9-10%. Retail stores of different sizes face distinct challenges and their sales volume influences business opportunities, merchandise purchase policies, nature or promotion and expense control measures. Over the last decade there have been sweeping changes in the general retailing business. By the turn of the century some retailers set up a storefront where people could browse, while new pieces were being sewn or customized in the back rooms. Almost all retail businesses have undergone a similar transition over the years

Keywords : Retailers' cost, purchase policies, business opportunities& value-added activities

INTRODUCTION

"Retailing"- the word derived from French word " retaillier " meaning to " cut a piece off or to break bulk the distribution of consumer products begins with the producer and ends at the ultimate consumer. Between the producer and the consumer there is a middleman---the retailer, who links the producers and the ultimate consumers. Retailing is defined as a conclusive set of activities or steps used to sell a product or a service to consumers for their personal or family use. It is responsible for matching individual demands of the consumer with supplies of all the manufacturers. The word 'retail' is derived from the French work retailer, meaning 'to cut a piece off' or 'to break bulk'. A retailer is a person, agent, agency, company, or organization which is instrumental in reaching the goods, merchandise, or services to the ultimate consumer. Retailers perform specific activities such as anticipating customer's wants, developing assortments of products, acquiring market information, and financing. A common assumption is that retailing involves only the sale of products in stores. However, it also includes the sale of services like those offered at a restaurant, parlor, or by car rental agencies. The selling need not necessarily take place through a store. Retailing encompasses selling through the mail, the Internet, door-to-door visits---any channel that could be used to approach the consumer. When manufacturers like Dell computers sell directly to the consumer, they also perform the retailing function.

Literature Review

Retailers have a harder time in attracting customers, make them satisfied and retain them forever and attracting other retailer's customer with the help of existing customers. One of the important things a retailer should understand is the expectation of the customers. This study reveals the gap between the customers expectation and retailers delivery

Mishra (2007) stated that the Kirana Store seems to be no longer an attractive option to buy grocery, as organized retailing is picking up in the country offering 'experience' in addition to quality products at affordable prices under hygienic conditions. The organized grocery retailer is the preferred kind of store by consumers, even though the consumers buy in several establishments and exclusively in the hypermarket, which indicates that there is no "single loyalty!".

Rajanish Jain, ShilpaBagdare(2009) stated that customers experience has assumed important status in the modern retailing driven by the winds of challenge ,hedonic value in terms of pleasurable movements of truth has reported to be the major driving force influencing choice of retail outlets, spending behavior ,store loyalty. The results have reconfined the role of environmental clues including people ,product ,processes and technology in bring out a pleasurable response.

Objectives of the Study

- To review the concept of customer experience and to identify its major determinants in the retail stores
- To find out the various facilities provided by the retailers to improve the quality of the experience
- To find the effectiveness of these facilities and to compare with other retailers

Scope of the study

The study is confined to Bangalore based retail stores.

Research Methodology

Exploratory research is conducted into an issue or problem where there are few or no earlier studies to refer to. This study was exploratory in nature. Descriptive is to describe and get an insight of perceptions and attitudes of customers about banking channels.

Type of Data

Primary Data:. Primary data mainly includes the responses of the customers addressed. For collecting the primary data, a survey was carried out.

Sources of Secondary Data

- Secondary data was collected from websites, journals, articles and Books etc.

Method of Sampling

For the purpose of study, non-probability sampling was selected. A non probability sampling of 100 respondents. The sampling method to be used in this study was convenience sampling for the ease of getting data.

Sample Size

The sample size comprised 100 customers as the study would be comprehensive and the accuracy level would be moderate.

Tools for Data Collection
The primary data for this study was collected by using structured questionnaire.

Limitations of the study
- Study will include customers of only Bangalore city, so it may not be possible to generalise it for other cities.
- The findings of the study will need to be updated regularly to keep pace with the changes occurring within the retail industry.

PLAN OF ANALYSIS
To study the influence of demographic characteristics of customers under Study.

Initially the customers were asked questions about certain demographic factors, the responses to which are analyzed below. The needs and desires of a customer change, with a change in his/her age.:

Table showing age group of customers

Age in years	< 20	20 - 35	35 - 45	> 45
% of respondents	0	67	20	13

Table - showing age group of customers

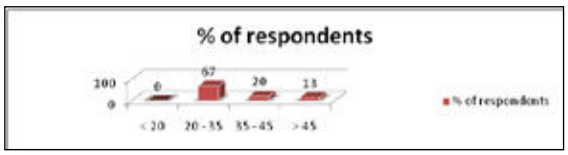


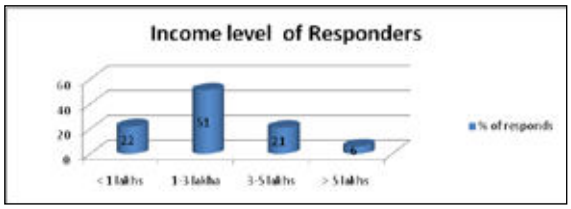
Chart showing age group of customers

The above table indicates that 67% of the respondents belong to the age group of 20 – 35 years. 20% of the customers belong to the age group of above 35-45 years and the remaining percentage of customers lies in the age group of more than 45 years.

Income of the respondents have a great impact on the choosing the retail store

Table showing the income of the customers

Income level of the respondents	< 1 lakhs	1-3 lakhs	3-5 lakhs	> 5 lakhs
% of responds	22	51	21	6



Respondents who have the income range between 1-3 lakhs are the major customers of the retail stores ,and comprised of 51% and 21% of the respondents have a income range between 3-5 lakhs and 22 % and 6% of the respondents have a income level of < 1lakhs and > 5 lakhs as their income .Respondents who have an income ranging between 1-3 lakhs are found to be the major people, who are deciding the fate of the retail store and are the key customers of the store

Customer's preference of the retail stores:
Major organized retailers of Bangalore are considered and the reasons for choosing that retail store is found out and the responses are tabulated below

Table showing the customer's choice of retailers

Retail store preference of the customers	Customer'sprefer-ence(%)
Big Bazaar	27
Vishal mart	4
More retail	11
Nilgiris retail	6
Spencers retail	7
Spar retail	5
Total retail	5
Reliance retail	17
Others	18

Chart showing the customer's choice of retailers

It has been found from the response that 27% of the respondents are purchasing their house hold items from big bazaar ,18% of them from other stores and 17%,11%,7%,6%,5%,5%and 4% of the respondents preferred reliance retail ,more retail, Spencer's retail, Nilgiris retail, total retail, spar retail and visual retail respectively, It has been found from the data that big bazaar has got a more number of customers response due to various factors. The factors for this response might be their presence in all over the Bangalore and advertisements
"To understand the customers' expectations and to find the effectiveness of the facilities provided by the retailers"

Question: How important these facilities for you, please rate between 1 to 5 as, 1=Not required 2=Necessary, 3=Important, 4=Very important , 5= Extremely important

Table 4.8- showingimportance given by the customers to various facilities

	Not re-quired	Necessary	Important	Very impor-tant	Extremely important
Ample parking	1	3	0	13	83
Pleasant Quality of Air	12	15	23	22	28
Sufficient open space	32	20	37	8	3
Humble staff	0	3	0	8	89
Pleasant inte-riors design	34	45	16	1	4
pleasant store fragrance	1	4	28	23	45
After sales service	0	0	2	20	78
Attending customer complaints	0	0	0	4	96
Direction marks	1	4	67	17	11
Visual display	0	2	6	16	76
Waiting and sitting place	1	3	67	20	9
In store en-trainment	0	20	71	5	4
Adequate lighting in the store	0	0	5	79	16
Technology for fast billing	0	0	0	7	93
Background music	65	0	2	13	20
Cleanliness and hygiene	0	1	14	67	18

It is very important for the retailers to understand the customers expectation so that they can deliver the same efficiently. In the study conducted it has been examined that there are lots of gap between customers expectation and what actually the retailers are providing to them

Findings

The findings from the above study is:

- Waiting and sitting place is important for the customers but only 11 and 17 percentage of the customers expressed as it is extremely and very important for them only i% and 3% of the respondents said that it is not required and necessary
- In store entrainment also important as per the respondents and 20% of them feels it is necessary whereas 5 and 4% of the customers felt that it is important and extremely important for them
- Adequate lighting in the store is also a considerable factor and 79% of the customers felt that it is very important attribute in the store and 16 and 5 percentage of the people expressed as it is extremely and important for them.
- Background music is not important for the customers and 65% of the respondents expressed as it is not required and 20% and 13% and 2% of them expressed it as a extremely important, very important and important respectively

Conclusion

- In order to retain the customers and to get new customers from the existing customers, retailers should ensure that the expectations of the customers should meet without failure or else there are greater possibilities of losing the business. As per the study's results one can infer that emphasis should be given to some of the facilities like open space, humble staff, direction marks, store fragrance background music etc.
- Ample parking facility attending customers complaints, technology for fast billing, humble staff, after sales service, visual display, are main concerned areas where retailers should concentrate since the customers' expectations are more than 80 percentage and only background music plays an insignificant role in influencing the customers experience.

REFERENCES

1. Humby, C., and Hunt, T. (2003). Scoring points: How Tesco is winning customer loyalty. London: Kogan Page. | 2. Jacoby, J., and Chestnut, R. (1978). Brand loyalty measurement and management. New York: Wiley. | 3. Kalafatis, S. P., and Miller, H. (1997), "A re-examination of the commitment-trust theory," In H. G. Gemünden, T. Ritter and A. Walter (Eds.), Relationships and Networks in International Markets (pp. 213-227). Oxford, UK: Pergamon. | 4. Sharma, N., and Patterson, P. G. (1999), "The impact of communication effectiveness and service quality on relationship commitment in consumer, professional services," Journal of Services Marketing, 13 (2/3), 151-170. | 5. Sharma, N., and Patterson, P. G. (2000), "Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional, consumer services," International Journal of Service Industry Management, 11(5), 470-490. | |