

Golden Research Thoughts

RETAIL OUTLETS: BOOST THE ECONOMY OF THE COUNTRY

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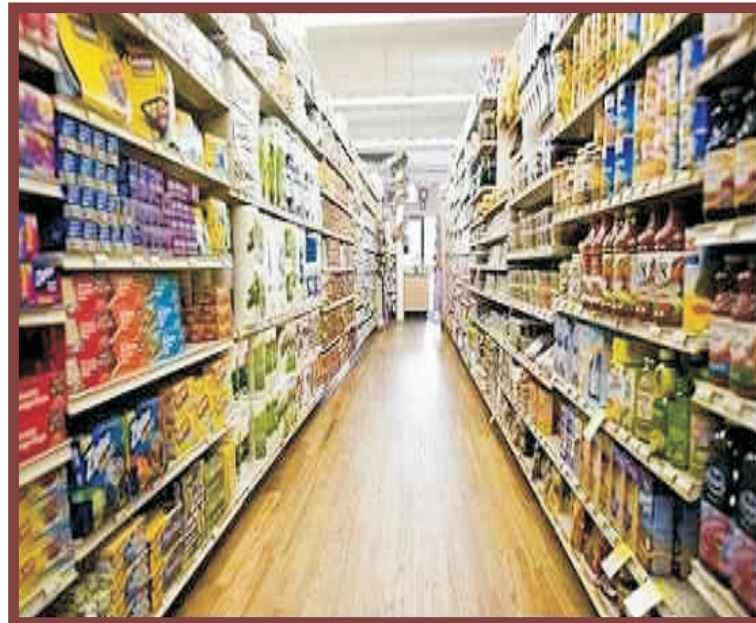
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Abstract:-

Retailing is one of the oldest business that human civilization has ever known. For a strong, stable and consistently growing economy, a well organized and efficient retail store is a must. Most of the developed and even emerging economies had adopted the organized retail long ago. 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. It is only off-late with the pick – up in pace of urbanization and rising disposable incomes the country started to take a few steps towards the organized retailing. A good progress has been made in the last few years, and the retail industry is, off-late, being hailed as one of the sunrise sectors in the economy. It is one of the top five in the world by economic value. Satisfying customers is one of the main objectives of every business. This paper helps to identify the factors influencing the customers to purchase from unorganised retail outlets, the problems faced by them while availing services, understand their satisfaction level, and offer suggestions to the retailers to retain their customers who are the king of today's market. The result of this paper shows that the customers prefer more variety of products from the retail shops and are highly influenced by the advertisements in television. Moreover, they are highly satisfied with the individual attention given to them and are not satisfied with the poor door delivery facility.

Keywords:

Retail outlets and Customer satisfaction.

INTRODUCTION

Retailing in India, is one of the pillars of its economy and accounts for 14 to 15 percent of its Gross Domestic Product. With tremendous potential and huge population India is set for high growth in consumer expenditure. With India's large young population and high domestic consumption, the macro trends for the retail sector look favourable. The Indian retail market is estimated to be US\$ 500 billion and is one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. As of 2013, India's retailing industry was essentially owner manned small shops. In 2010, larger number of convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million Indians (3.3 per cent of Indian population). Retailing is one of the oldest business that human civilization has known. Customer satisfaction is the key factor in knowing the success of any retail store or business. Customer satisfaction levels can be measured using survey techniques and questionnaires. Gaining high levels of customer satisfaction is very important in a business because satisfied customers are most likely to be loyal, place repeated orders and use a wide range of services offered by retail outlets.

STATEMENT OF THE PROBLEM

The introduction of Liberalization, Privatization and Globalization policy in India paved way for the entry of many multinational and national players into retail trade. This changed the traditional face of the economy and also the retail trade. The mushroom growth of retail outlets leads to severe competition among retailers. Moreover, there is sea change in the attitude of customers due to fast growing technology. The customers expect prompt services. If they find any disparities in the facilities or products, immediately they switch over to the other. Therefore, the retailers should find out ways to add value services for their customers in order to build long term relationship with them. At this juncture, a number of questions arise in the minds of the researchers related to the factors that influence the customers, awareness about retail outlets, frequency of purchase, level of satisfaction of customers and the problems faced by them while purchasing from retail outlets. So, the researchers have chosen this topic.

OBJECTIVES OF THE STUDY

The general objective of this paper is to understand the opinion of consumers about the unorganized retail outlets in Nagercoil

The specific objectives of the study are

- ❖ To identify the factors influencing the respondents to purchase from retail outlets.
- ❖ To analyze the level of satisfaction of the respondents about the retail outlets
- ❖ To find out the problems faced by the respondents and to give suggestions for improvement.

METHODOLOGY

The study comprises of both primary and secondary data. The primary data were collected using questionnaire under survey method. 75 samples were selected on the basis of simple random sampling method. The sample respondents are customers of various unorganized retail stores in and around Nagercoil town. Secondary data were collected from internet, books, journals, magazines and newspapers. The collected data were analyzed with the help of Henry's Garrett ranking technique and Likert's five point scale.

DATA AND DISCUSSION

FACTORS INFLUENCING THE RESPONDENTS

While the consumer is evaluating the alternatives he/she will develop some likes and dislikes about the alternative brands. This attitude, towards craving for the brands, influences the intention to buy. Purchasing decisions of the sample respondents can be influenced by a number of factors. The following table depicts the factors influencing the respondents to make purchase from a particular retail outlet in the study area.

Table 1
Factors influencing the respondents

S.no	Factors	Garrett's Mean	Rank
1.	Freshness of Product	61.77	II
2.	Durability	55.12	IV
3.	Product variety	62.84	I
4.	Price	53.2	V
5.	Location	55.35	III
6.	Promotion	50.59	VI
7.	Packages	47.43	VIII
8.	Accuracy of bill	45	XI
9.	Reliability	42.91	XIII
10.	Parking area	46.85	IX
11.	Door delivery	44.95	XII
12.	Neighbourhood store	50.41	VII
13.	Individual attention	46.07	X
14.	Friendliness	39.72	XV
15.	Exchange or return of goods	42.2	XIV

Source: Primary data

From Table 1, it is clear that, the respondents are highly influenced by the variety of products in retail shops (I rank) and the freshness of product (II rank) whereas, few are influenced by the friendliness (XV rank). Today, people are interested to choose the branded products from among different varieties as the quality is good and safe to use. The taste and preferences vary from one person to another. The consumers expect more choices in the products. They also expect quality and freshness.

SOURCES OF INFORMATION

Human beings are considered as social animals, spending much of their life time with social groups. Consumers accept the information provided by their peer groups on the services offered by retail stores which is hard to evaluate objectively. Word-of-mouth communication is the process by which messages are passed within a group from member to member. There are different sources through which respondents know about the services offered in retail outlets. Table 2 presents the sources from which the respondents get information about retail outlets.

Table 2
Sources of Information

S. No.	Source	No. of respondents	Percentage
1.	Friends	17	22.66
2.	Relatives	20	26.66
3.	Advertisement	27	36
4.	Neighbours	11	14.66
	Total	75	100

Source: Primary data

From Table 2, it is clear that majority of respondents for about 36 per cent are influenced by advertisements whereas; only 14.66 per cent are influenced by their neighbours. People, now-a-days, have no time to sit and talk with their friends, neighbours and relatives but they watch television between 6 to 10 pm regularly and are addicted to it. As they are watching again and again, they are highly influenced by the advertisements in television.

FREQUENCY OF SHOPPING

Frequency is the number of occurrences of a repeating event per unit of time. Consumers visit retail outlets in order to purchase the products which they need in the day-to-day life. The frequency of visit to retail outlets by the respondents is given in Table 3.

Table 3
Frequency of Shopping

S. No.	Frequency	No. of respondent	Percentage
1.	Almost daily	12	16
2.	Weekly /Every week	14	19
3.	3-4 times in a week	9	12
4.	Fortnightly	19	25
5.	Monthly	21	28
	Total	75	100

Source: Primary data

From Table 3, it is clear that 28 per cent of the respondents shop monthly whereas, 12 percent prefer to go for shopping 3 to 4 times in a week. It is inferred that the respondents plan their requirements in advance and purchase for a month since they are not interested in visiting the retail outlets frequently which consumes both time and energy.

SATISFACTION LEVEL REGARDING RETAIL STORE SERVICES

Customer satisfaction is vital for all kinds of business in order to overcome competition. Likert's five point scaling technique is used to find out the level of satisfaction of respondents regarding the services of retail outlets and the result is given in Table 4.

Table 4
Satisfaction level regarding retail store service

S.No	Particulars	Highly satisfied	Satisfied	No opinion	Dissatisfied	Highly dissatisfied	Total	Mean score	Rank
1.	Individual attention	49(245)	20(80)	2(6)	1(2)	3(3)	75	4.48	I
2.	Parking area	14(70)	42(168)	1(3)	15(30)	3(3)	75	3.68	VIII
3.	Door delivery	4(20)	20(80)	6(18)	40(80)	5(5)	75	2.71	X
4.	Product quality	16(80)	50(200)	3(9)	5(10)	1(1)	75	4	III
5.	Reliability	11(55)	38(152)	23(69)	1(2)	2(2)	75	3.73	VII
6.	Location	15(75)	53(212)	5(15)	1(2)	1(1)	75	4.07	II
7.	Price of goods	14(70)	44(176)	15(45)	1(2)	1(1)	75	3.92	V
8.	Friendliness	16(80)	46(184)	10(30)	1(2)	2(2)	75	3.97	IV
9.	Working hours	10(50)	33(132)	28(84)	2(4)	2(2)	75	3.63	IX
10.	Product variety	8(40)	60(240)	2(6)	2(4)	3(3)	75	3.91	VI

Source: Primary data

*Figures in parenthesis indicate scores

Table 4 indicates that the respondents were highly satisfied with the individual attention as they have given first rank. The respondents are not satisfied with the poor door-delivery facility, so they have

given the tenth rank for it. In this fast moving world, door delivery facilities are expected by the customers as they have no time to go to the shop and purchase the products.

PROBLEMS FACED BY RESPONDENTS IN RETAIL OUTLETS

Consumers face a number of problems while availing services from retail outlets. Among them, ten important problems were identified and the respondents were asked give their opinion. Likert's five point scale technique is used to analyse the data.

Table 5
Problems faced by the respondents in retail outlets

S.No	Problems	Strongly agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)	Total	Mean score	Rank
a)	Long waiting time	50(250)	18 (72)	3 (9)	3 (6)	1 (1)	75	4.51	I
b)	Less Parking area	25 (125)	40 (160)	8(24)	1(2)	1(1)	75	4.16	II
c)	Price variation	20 (100)	25 (100)	18(54)	10(20)	2(2)	75	3.68	V
d)	Trolley facilities	7 (35)	49 (196)	11 (33)	7(14)	1(1)	75	3.72	IV
e)	Lack in product variety	25 (125)	35 (140)	12 (36)	2 (4)	1(1)	75	4.08	III
f)	Unclean atmosphere	7 (35)	33 (132)	26(78)	7(14)	2 (2)	75	3.48	VII
g)	Inaccuracy of bill	9 (45)	16 (64)	39(117)	8(16)	3 (3)	75	3.27	IX
h)	Less branded products	1 (5)	28 (112)	28(84)	14(28)	4 (4)	75	3.11	X
i)	Poor credit facilities	9 (45)	36(144)	20(60)	9(18)	1 (1)	75	3.57	VI
j)	No door delivery	5 (25)	44 (176)	8 (24)	16(32)	2 (2)	75	3.45	VIII

Source: Primary data

*Figures in parenthesis indicate scores

It is evident from Table 5 that 'long waiting time' has topped the list with the highest mean score of 4.51 as the consumers have to stand in queue to get the products from the retail outlets and the least mean score of 3.11 is for 'less branded products'. The consumers are time conscious they are very busy and do not want to waste their golden time. Moreover, vehicle parking facility is also important today as everyone has their own vehicle. It requires the attention of the retail service providers.

FINDINGS

The major findings of the study are

- ❖ The respondents are highly influenced by the variety of products and freshness but are less influenced by friendliness.
- ❖ 36 per cent got awareness about retail stores through advertisements and only 14.6 per cent through their neighbours.
- ❖ 28 per cent of the respondents shop once in a month and 12 per cent shop 3 to 4 times in a week
- ❖ The respondents are highly satisfied with individual attention and less satisfied with the lack of door delivery facilities in retail stores.
- ❖ The major problem faced by the respondents in retail outlet is long waiting time and the respondents have given last rank for less branded products.

SUGGESTIONS

Some of the suggestions given by the researchers are,

- ❖ Retailers can improve the advertising methods and can have wide variety of products in -order to attract new customers.
- ❖ The owners of retail shops can provide prompt service to their customers by appointing more employees

which in turn helps to retain the customers.

- ❖ The retail outlets can be in the places which are easily accessible to the consumers.
- ❖ Online shopping provides door delivery to the customers, it attracts many people so door delivery of products can be arranged by the retailers also in order to satisfy the customers.
- ❖ There could be sufficient parking area in retail outlets for the convenience of the customers.
- ❖ Fresh and durable products of high quality can be provided by retailers at reasonable price which might create loyal customers.
- ❖ Working hours of the retail shops can be extended from 8 am to 10 pm and on Sundays meeting out to the needs of the customers who can visit the shop as per their own convenience.
- ❖ The retailers can understand the expectation of the customers and try to fulfill their needs to hold back them. In order to understand their expectation they can maintain feedback or complaint register.

CONCLUSION

Based on the findings from this research, it can be concluded that wide variety of products are expected by the consumers from retail stores, advertisement is the main source through which the consumers know about the retail outlets, long waiting time is the major problem faced by the respondents and the consumers are highly satisfied with the individual attention given to them and dissatisfied with the door delivery facility in retail outlets. Customers prefer retail stores because of more tangibles and empathy towards them. In order to retain and attract new customers, the retail stores should improve customer's service level and should provide assurance towards its customers. It is clear that retail service quality is associated with future spending behaviour in terms of customer's intention to visit, purchase and recommend the store to family and friends. The retailers should effectively focus in the retaining of existing customers and understanding the behaviour of customers and their expectations in order to attract new consumers. This in turn will increase the profitability of retail outlets which boost the economy of the country.

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