

# GOLDEN RESEARCH THOUGHTS

## CUSTOMER SATISFACTION WITH SUPER MARKETS IN TIRUVARUR DISTRICT OF TAMILNADU



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### **Abstract :**

The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next booming industry. At this juncture the Indian retail market is continuously increasing, on the back drop that middle class households purchasing power are rising as there is increase in the total income as well as the change in their tastes and preferences towards modern retail outlets. The results of the study indicates that the customers perceive moderate satisfaction with supermarkets and perceive low satisfaction with children play area, adequate dressing rooms, good parking facility and also charge reasonable price and exchange facilities. Therefore, the retail players should understand the different factors that affect customers satisfaction for converting the impulse buyers to compulsive buyers.

**Keywords:** Customer Satisfaction, Indian retail industry, Supermarkets.

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### INTRODUCTION

The Indian retail industry has strong linkages with the economic growth and development of the economy. Liberalization of the economy, rise in per capita income, improved infrastructure, growing consumerism, retail attributes and effective marketing strategies of the retailers are the significant factors for the development of organized retail in India. India has been identified as the third most attractive retail destination' globally from among thirty emergent markets, as per this report Indian retail market is worth about \$410 billion, out of this 5 per cent of sales are through organized retail. Though the sale percentage of organized retail in India is less, but the modern retail formats are showing very interesting trends due to changing lifestyles of consumers. Indian consumer now prefers modern retail formats for shopping as it provides more value in form of improved quality, pleasant shopping environment, entertainment facilities, trial rooms for clothing products, return and exchange policies and competitive pricing. Customers are switching not only within formats but also across formats. There is a drastic change in the consumer spending patterns due to the contribution of several demographic factors namely rapid income growth, increasing urbanization, growing young population, higher level of education etc., Consumer spending has risen sharply as the younger population has seen a significant increase in its disposable income.

In this dynamic business environment, consumer behavior, trends and issues of retailing are undergoing a sea change. This demands marketing approaches to be altered accordingly. Though Indian retail is dominated by a large number of small retailers, the last decade has witnessed the entry of a number of organized retailers, opening stores in various modern formats in metros and other important cities, due to rapid growth in retail sector.

### STATEMENT OF THE PROBLEM

The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next booming industry. At this juncture the Indian retail market is continuously increasing, on the back drop that middle class households purchasing power are rising as there is increase in the total income as well as the change in their tastes and preferences towards modern retail outlets. The retail players should understand the factors which customers' satisfaction. Satisfying customers is one of the main objectives of every business. Businesses recognize that keeping current customers is more profitable than having to win new ones to replace those lost. 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 which affect the customer satisfaction.

The customer satisfaction process is a complex phenomenon. The purchase of goods or services includes a number of factors that could affect each decision. Customer satisfaction is more complex and even more important for retailers today than in past. In India, there is a need to go in for a study to identify the attributes of modern retail formats that attract consumers' to shop from the formats like malls, specialty stores, hyper/supermarkets, discount stores, convenience stores and department stores which this study tries to cover. Therefore, the primary objective of the study is to analyze customer satisfaction with supermarkets in Tiruvarur district of Tamilnadu.

### RESEARCH METHODOLOGY

The study analyzes the level of customer satisfaction and the factor that affects customer satisfaction in supermarkets. Survey method has been used to fulfill the objectives of the research.

The study was conducted in Tiruvarur district of Tamilnadu. Tiruvarur district is one of the 32 districts in the Tamilnadu state of India. The district has a population of 1,268,094 as of 2011. It is 79.71 per cent rural population and 20.29 per cent urbanized. It has a literacy of 76.90 per cent, slightly higher than the state average. The economy of the district is basically agrarian and about 75 per cent of the work force is depending on agriculture. Due to the emergence middle class population number supermarkets functioning in the district to cater the need of the people in the district. Hence, this district is purposefully selected by the researcher to analyze the level of customer satisfaction in supermarkets.

There are seven taluks in the selected district. A sample of 25 customers from each taluk, constituting 175 sample customers is selected to analyze the customer satisfaction in supermarkets. Since the number of consumers in each taluk is large, hence, a definite, statistically-sound sample was not feasible. Convenience sampling was used for the purpose of the survey, and a research sample was taken to measure customers' satisfaction. The instrument used, is a five-point Likert scales, representing a range of attitudes from 1 – highly dissatisfied to 5 – highly satisfied to measure the level of satisfaction.

### CUSTOMER SATISFACTION

The following attributes namely Improved quality, Variety of brands, Assortment of merchandise, Reasonable

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price, Proper display of products, Warrantee of products, Bundling offers, Easy Availability of products, Proper packaging, Exchange facilities, Good Parking facility, Trained Sales personnel, Complete Security, Children play area, Nice in-store promotions, Convenient shopping hours, Adequate dressing rooms, Cleanliness of store, Pleasant ambience and Better location

have identified to analyze customer satisfaction in supermarkets. The overall mean score of the customer satisfaction is shown in table 1.

**TABLE 1**  
**MEAN SCORE FOR CUSTOMER SATISFACTION**

S.No	Attributes	Mean Score	Mean Score (%)
01	Improved quality	3.14	62.80
02	Variety of brands	4.19	83.80
03	Assortment of merchandise	3.56	71.20
04	Reasonable price	1.98	39.60
05	Proper display of products	4.01	80.20
06	Warrantee of products	2.12	42.40
07	Bundling offers	1.53	30.60
08	Easy Availability of products	3.47	69.40
09	Proper packaging	2.97	59.40
10	Exchange facilities	1.09	21.80
11	Good Parking facility	1.57	31.40
12	Trained Sales personnel	2.07	41.40
13	Complete Security	2.99	59.80
14	Children play area	1.03	20.60
15	Nice in-store promotions	3.43	68.60
16	Convenient shopping hours	3.98	79.60
17	Adequate dressing rooms	1.07	21.40
18	Cleanliness of store	2.32	46.40
19	Pleasant ambience	2.85	57.00
20	Better location	3.28	65.60
	Overall (N=175)	52.65	52.65

Source: Primary data

Table 1 reveals that the average mean score obtained by all the sample respondents for customer satisfaction was 52.65 per cent. The respondents secured low mean score for Children play area, Adequate dressing rooms, Exchange facilities, Good parking facility, Trained sales person, Bundling offers, Warrantee of products and Reasonable price, it implies that the respondents have poor satisfaction with these attributes in the supermarkets in the study area. However, the overall mean score obtained by the respondents indicates that they have moderate satisfaction in the supermarkets in the study area.

### CUSTOMER SATISFACTION LEVEL

Level of satisfaction after purchasing the products from supermarkets has been examined to find out the clearer picture regarding their overall satisfaction in the supermarkets. The level of customer satisfaction in the supermarkets is assumed to be normally distributed. The level of satisfaction of the respondents is divided into three categories, i.e. below average, average and above average levels, which have been defined as Low, Medium and High level of satisfaction respectively. The lower and upper limits of average level have been calculated as lower limit of average level = Mean – 1 standard deviation and upper limit of average level = mean + 1 standard deviation. The overall level of satisfaction experienced by the respondents in the supermarkets in the study area is shown in table 2.

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**TABLE 2**  
**OVERALL SATISFACTION LEVEL**

S.No	Level of satisfaction	No. of Respondents	Percentage
01	Low (Mean score < 32.01 )	52	29.71
02	Medium (Mean score 32.02-73.02)	98	56.00
03	High (Mean score > 73.3 )	25	14.29
	Total	175	100.00

Source: Primary data

Table 2 shows that about 56 per cent of the respondents perceived moderate level of satisfaction followed by nearly 30 per cent of the respondents perceived low satisfaction and 14 per cent of the respondents perceived high level of overall satisfaction with supermarkets. Therefore, it can be inferred from the table that the customers perceive moderate satisfaction with supermarkets in the study area.

### APPLICATION OF ANOVA TEST

To find out whether there is any significant difference between demographic variables such as sex, age, marital status, educational qualifications, occupation, income, residential area and number of dependents and level of satisfaction of the respondents with supermarkets in the study area, a null hypothesis is framed and tested with the help of ANOVA test.

#### Null hypothesis

There is no significant difference between demographic variables (sex, age, marital status, educational qualifications, occupation, residential area, income and number of dependents) and level of satisfaction with supermarkets.

The result is given in table 3.

**TABLE. 3**  
**ANOVA TEST**

Variable		Sum of Squares	Df	Mean square	F	Result
Sex and level of perception	Between groups	3679	2	1839.50	1.51	Not significant
	Within groups	3643	3	1214.33		
	Total	7322	5			
Age and level of perception	Between groups	1839.5	2	919.75	1.52	Not significant
	Within groups	5458.5	9	606.50		
	Total	7298	11			
Educational qualification and level of perception	Between groups	1839.5	2	919.75	0.94	Not significant
	Within groups	8770.5	9	974.50		
	Total	10610	11			
Occupation and level of perception	Between groups	1839.5	2	919.75	1.16	Not significant
	Within groups	7152.5	9	794.72		
	Total	8992	11			
Income and level of perception	Between groups	2452.66	2	1226.33	2.27	Not significant
	Within groups	3245.33	6	540.89		
	Total	5698.00	8			

Table 3 shows that there is no significant difference between gender and customer satisfaction, age and customer satisfaction, educational qualification and customer satisfaction, occupation and customer satisfaction and income and customer satisfaction with supermarkets, which means that the all the customers perceive similar satisfaction with the supermarkets in the study area.



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### SUGGESTIONS

The supermarkets in the study area can take following actions to increase customers' satisfaction.

1. Supermarkets should adopt the efficient inventory management system so that customers can find the merchandise available at the time of requirement
2. Employees of supermarkets should be trained to handle the customers' complaints effectively.
3. Employees of supermarkets should have sufficient knowledge about products available in store.
4. Availability of physical facilities should be improved
5. Retail outlets should try to perform error free services
6. The supermarket should arrange children play area, adequate dressing rooms, good parking facility and also charge reasonable price and exchange facilities to its customers

### CONCLUSION

Understanding the changing consumers' behaviour towards shopping is important to know the emerging trends in modern retail formats in general and supermarkets particular in small city. The results of the study indicates that the customers perceive moderate satisfaction with supermarkets and perceive low satisfaction with children play area, adequate dressing rooms, good parking facility and also charge reasonable price and exchange facilities. Therefore, the retail players should understand the different factors that affect customers satisfaction for converting the impulse buyers to compulsive buyers.

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