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## **BUYING AT ORGANISED STORES- FACTORS INFLUENCING CUSTOMERS- AN EMPIRICAL STUDY**

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### **Abstract**

Customer satisfaction will vary from person to person and product or service to product or service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors. Hence, in order to diagnose the customers' choice of amenity goods of retails this research has been conducted. It is found during the research that, there is no interaction effect of gender and qualification on monthly purchase of customers and hence we conclude that there is no interaction between gender and qualification of customers on his/her monthly purchase.

**Keywords:** Customer Satisfaction, Retail Stores, Buying preference.

### **Introduction**

Indian retail market backed by favorable conditions like increase in income level of people, increasing fashion awareness, increase in customers, increase in competition and many more is witnessing a massive growth. With more disposable income, people are shopping more. To back this increasing demand, more corporate are entering into organized retail. But the entry of a new player and their sustainability is not easy in the current scenario. Many factors are hampering the growth of retail in India

### **Retail Market Mix**

A retail marketing mix is similar to a marketing mix and has four parts, each directed towards the target audience. The way marketing mix is designed affects the value proposition and the way customers perceive about the store. Retail marketing mix varies based on the type of customers one serves and the market in which one operate. Finding the correct marketing mix is an important part of positioning for retail stores to stand out from competitors.



## **Product**

Product decisions are important part of retail marketing mix and vary based on the type of retail store run and target audience one has to serve. Important decision the retailers have to make here is whether to go for products of different manufactures or whether to go for private labels. Usually retailer selects a combination of both. Packaging design, service plan options, warranty, colors and materials are the factors that affect the perception of product quality. The retail store that is targeting high-end crowd might choose an elegant, simple design and cool colors; and one that is targeting families, might go more toward bright, bold colors and large fonts.

## **Price**

Price is another important part of a retail marketing mix; in case customers cannot afford products that are on offering, they are unlikely to frequently visit the store. Most of the products in the store should be in a comfortable range for the target audience base. To get information regarding ones target audience income and spending power, one will need to perform an audience analysis.

## **Place**

Place in retail store refer to the distribution channel that is adopted by the retailers. Distribution and supply chain are the most important things for any successful retailer as timely distribution and arrival of goods would only determine the success of a store. Place in retail also refers to the design of store and the way the products are presented. The display should fit the image so that customers encounter a cohesive experience. In a high-end retailer, products are often placed further apart to create a sense of scarcity and exclusivity; in a computer store, display models are set at waist height to allow testing. Placement can help bring certain products to attention and promote items one wants to sell more of.

## **Promotion**

Promotion is again an important part of the retail marketing mix. With promotion the retail store can inform their target customers about all the latest offers that the store is offering.



The retail store might advertise in newspapers or on the radio, start a social marketing campaign, use direct marketing tool like emails, hand out flyers or plan grand opening events. Promotion is an important tool for attracting the customers at the retail store.

### **Customer Satisfaction**

Customer satisfaction is most often used in marketing. It is a measure of how the product or service is performing. Satisfaction is a person's feelings of pleasure resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted.

In a competitive scenario like today's, each customer is important. The only way to check whether the customer is happy with the offerings of the company is customer satisfaction. Companies need to retain their existing customers and keep on adding the new one. Customer satisfaction helps to achieve this goal.

Customer satisfaction will vary from person to person and product or service to product or service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors. The level of satisfaction can also vary depending on other factors, such as other products against which the customer can compare the company's products.

### **Literature Review**

**Sohel, Rana & Osman, Abdullah & Islam, Md. Aminul. (2015)**, in their research paper opine that as retail chain store business is gaining popularity very quickly, people engaged in this sector should pay special attention to the growth of this sector. Their study aims at determining the factors constituting customer satisfaction of retail chain stores in Bangladesh. Customer satisfaction of this sector can be a pivotal indicator of how well the stores are meeting the expectations of the customers. Customers of three big retail chain stores have been interviewed for the study. From the results, it was determined that the model satisfactorily explains customer satisfaction and that retail chain store owners and managers should focus on four major elements – responsiveness, product quality, physical design and pricing policies if customer satisfaction is to be treated as a strategic variable.



The present study found that responsiveness and product quality were most important to customers followed by price and physical design. Location did not have a significant effect on customer satisfaction although the exploratory analysis and the secondary research supported it.

**Ubeja S. and Bedia D. (2012)**, in their study state that organized retailing is gradually inching its way and becoming the next boom industry. The organized retailing sector in India has undergone significant transformation in the last decade. Customer satisfaction is a complex phenomenon for marketers as well as researchers. The purchases of goods or services consist of a number of factors that could affect purchase decision. The objectives of the study were to analyze the customer satisfaction in shopping malls with respect to product, price, place and promotion in Indore city and to study the variations in customer satisfaction due to different demographic variables. The sample of the study included 175 active mall shoppers. The data was collected using self designed questionnaire and during data analysis, eleven factors relating to customer satisfaction were explored. The factors were product consciousness, comfort with entertainment seeker, extra service conscious, store and hygiene consciousness, price consciousness, billing flexibility and facility, sales people consciousness, over choice of store, employee consciousness and taste consciousness. The study will help the managers of shopping malls to understand the factors that are related to shopping malls and may help in analyzing the customer satisfaction to the shoppers in the malls.

**Vashishth G. & Tripathi N. (2016)**, conclude that the performance of the retailing sector for the past few years is outstanding and witnesses a huge revamping exercise, significantly contributed by the growth of the organized retailing. Rapid urbanization, exposure to large number of foreign brands and changing lifestyle and preferences has contributed to the growth of retailing in India. This study on customer satisfaction on retailing services aims to identify the dimensions in which the services provided by the organized retail outlets to the customers and also it reveals the dimensional measure and the satisfaction of the customers. Further this study explores the factors that derive the satisfaction of the customers on services in organized retail.



### **Research Objectives**

1. To bring out the objective of an organized retail store .
2. To study the factors that attract customers to buy at organised retail store

### **Data Collection**

Data is collected through Primary Data Sources and Secondary Data Sources. Primary Data Sources are collected specifically for the purpose of research study through structured questionnaire. Secondary data source is already collected data. In the present research, secondary data is collected through journals, magazines, newspapers, etc.

### **Research Design**

In the present research descriptive research design technique is used to describe the factors that influence purchase decision and also to describe the level of satisfaction of consumer from overall performance of retail stores.

### **Sample Design**

Non-probability sampling method for data collection for the study was used. The present research data was collected from total 500 customer of retail stores of Telangana region. For the purpose of this survey, Non-probability sampling technique of Quota Sampling was employed as the sample size was small and fixed and the sampling unit was clearly defined.

### **Data Analysis:**

Data Analysis is the process of placing the data in ordered form, combining them with the existing information and extracting meaning from them.

Every firm operates with an objective. One of the significant objectives of the firm is to earn profit. Profit along with the customer satisfaction is the ultimate aim of any firm. But, to achieve the final aim, firms have to fulfill different objectives.

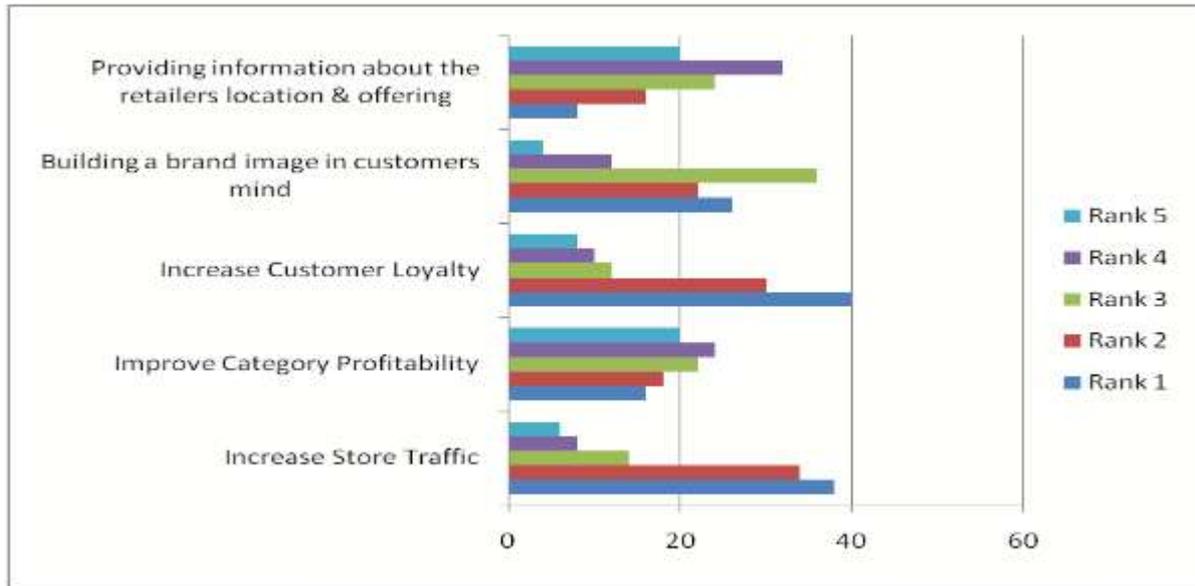
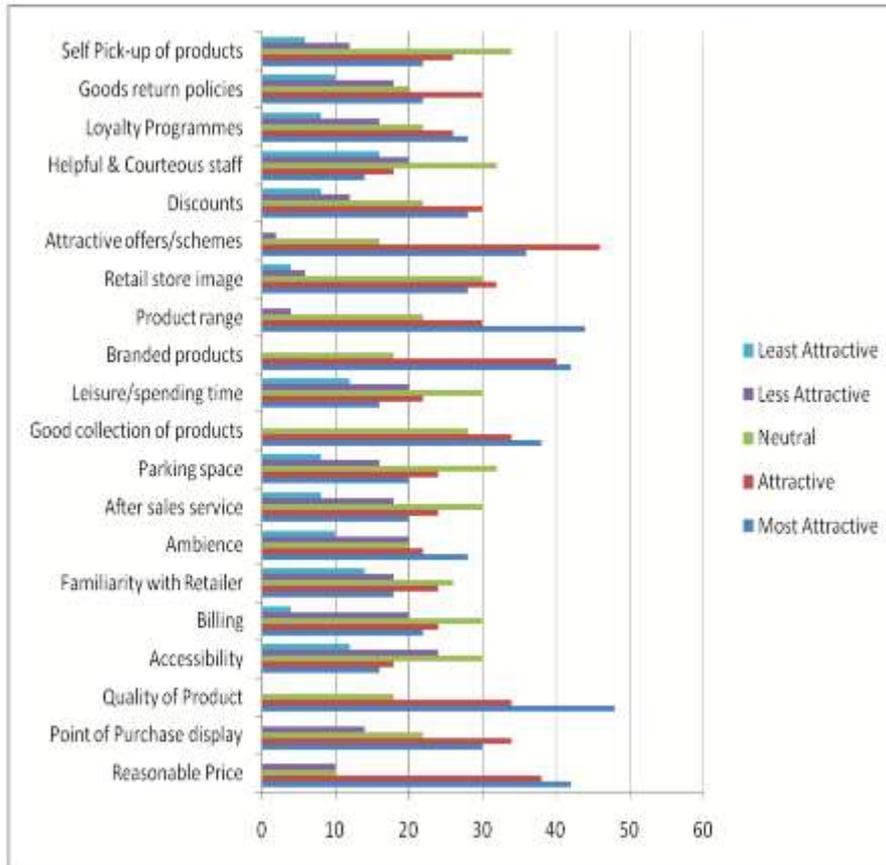


Fig. 1 Objectives of Retail firm

The above figure 1 shows that, 38% of the respondents placed the objective 'Increase store traffic' at first position, 34% placed it at second position, 14% at third position, 8% at fourth position and 6% at last i.e. fifth position. In case of objective 'Improve category profitability', 24% of the respondents placed it at fourth position, 22% placed it at third position, 20% at fifth position, 18% at second position and 16% at the first position. With respect to 'Increase Customer Loyalty' as an objective, 40% of the respondents placed it at first position, 30% at second position, 12% at third position, 10% at fourth position at 8% at fifth position, In case of objective, 'Building a brand image in customers mind', 36% of the respondents placed it at third position, 26% at first position, 22% at second position, 12% at fourth position and 4% at fifth position. In case of objective 'Providing information about the retailers location & offering', 20% voted for fifth position, 32% of the respondents voted for fourth position, 24% is at third position, , 16% at second position and 8% is at first position. Thus, on the basis of weighted average score and percentage it is concluded that, increase in store traffic and customer loyalty were the prime objectives of the retail firms.



**Fig. 2 Factors that attract consumers to buy at a retail store**

The above table shows that, in case of reasonable price as a factor that attracts to buy, 42% respondents found it most attractive, 38% found it attractive, 10% found it less attractive and 10% least attractive. With point of purchase, display as a factor that attract to buy- 34% respondents found it attractive, 30% found it most attractive, 22% were neutral and 14% found it less attractive. In case of quality of product as a factor that attracts to buy, 48% respondents found it most attractive, 34% found it attractive and 18% were neutral in their opinion.

In case of accessibility as a factor that attracts to buy, 30% respondents were neutral in their opinion, 24% found it less attractive, 18% found it attractive, 16% found it most attractive and 12% found it least attractive. With billing as a factor that attract to buy, 30% respondents were neutral, 24% found it attractive, 22% found it most attractive, 20% found it less attractive and 4% found it least attractive.

With familiarity with the retailer as a factor that attract to buy, 26% respondents were neutral, 24% found it attractive, 18% found it most attractive, 18% found it less attractive and 14% found it least attractive. In case of ambience as a factor that attracts to buy, 28%



respondents found it most attractive, 22% found it attractive, 20% were neutral in their opinion, 20% found it less attractive and 10% found it least attractive. In case of after sales service as a factor that attracts to buy, 30% respondents were neutral in their opinion, 24% found it attractive, 20% found it most attractive, 18% found it less attractive and 8% found it least attractive. In case of parking space as a factor that attracts to buy, 32% respondents were neutral in their opinion, 24% found it attractive, 20% found it most attractive, 16% found it less attractive and 8% found it least attractive. With a better collection of products as a factor that attracts to buy, 38% respondents found it most attractive, 34% found it attractive and 28% were neutral in their opinion.

In case of attractive offers/schemes as a factor that attracts to buy, 46% respondents found it attractive, 36% found it most attractive, 16% were neutral and 2% found it less attractive. With discounts as a factor that attracts to buy, 30% respondents found it attractive, 28% found it most attractive, 22% were neutral, 12% found it less attractive and 8% found it least attractive. With helpful & courteous staff as a factor that attract to buy, 32% respondents were neutral, 20% found it less attractive, 18% found it attractive, 16% found it least attractive and 14% found it most attractive. In case of loyalty programs as a factor that attracts to buy, 28% respondents found it most attractive, 26% found it attractive, 22% were neutral, 16% found it less attractive and 8% found it least attractive. In case of goods return policy as a factor that attracts to buy, 30% respondents found it attractive, 22% found it most attractive, 20% were neutral, 18% found it less attractive and 10% found it least attractive. In case of self pick up of products as a factor that attracts to buy, 34% respondents were neutral, 26% found it attractive, 22% found it most attractive, 12% found it less attractive and 6% found it least attractive. Thus, on the basis of weighted average score and percentage it is concluded that product quality and product brand is the most important factor that attracts the customer to buy at organized retail store.

## **Conclusion**

It is found from the research that Majority of the respondents (51.00%) were satisfied with the overall performance of the organized retail store but one fourth of the total respondents (24.20%) were dissatisfied. Majority(average of 60.29%) of the respondents got attracted by the strategy used by organized retailers on weekends and holidays but others



(average of 39.71%) were not attracted by those strategies. It is further found that, there is no interaction effect of gender and qualification on monthly purchase of customers and hence we conclude that there is no interaction between gender and qualification of customers on his monthly purchase.

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