



Customer Satisfaction on Retail Outlets of Kadapa City

Dr. G. Vijaya Bharathi¹, Prof. K. Govindarajan², Mr. P. Harinatha Reddy³

¹Associate Professor, Dept. of Commerce, Yogi Vemana University, Kadapa,
Mail: bharathi@yogivemanauniversity.ac.in

²Head, Dept. of Commerce, Annamalai University, Chidambaram Tamilnadu,

³Part-time Research Scholar, Dept. of Commerce, Annamalai University, Chidambaram, Tamilnadu, and Faculty of Commerce in YV University, Kadapa,
Mail: harinathareddyvu@gamil.com

ABSTRACT

Retailing is emerged as a revolutionary motive in creating link between producers and consumers in a modern market economy. Digital payment system has given an opportunity to the retailers to find solutions to the problems of both customers and manufacturers like saving time, money and energy, reducing / minimizing advertisement cost and lack of communication. Retailers not only provide consumers with a wide variety of products, but also a wide range of complementary services, which can lead to more informed choice and greater convenience in shopping. Though, retail outlets are rapidly growing up in present days still they have not reached maximum satisfactory level in fulfilling the needs of the customers. Hence, the present study aimed at investigating the customer satisfaction regarding the services of retailing outlets in Kadapa city.

Key Words: Retailing, Customer Satisfaction, Digital Payment, Online Marketing, Relationship Management, Customer Loyalty, Economic Utility

INTRODUCTION

Retailing is a multi-dimensional activity in the field of modern business world and occupies an important place in the socio-economic growth strategy of the country. Retail sector has undergone significant changes and is fast emerging. The Indian retail industry is one of the largest industries when compared to other industries, which is accounting for over 13 per cent of the country's GDP and around 10 per cent of the employment in various parts of the nation. The retail revolution will restructure the Indian economy and would be beneficial to the consumers, small and medium scale businessmen, farmers and the government. Modern retail has entered India as seen in sprawling shopping centers, multi – stored malls and huge complexes offer shopping entertainment and food all under one roof. Nearly 40 million people earn their livelihood from retailing business and majority of them are small traders, kirana shop's owner, street vendors, etc. who are essentially unorganized. The shadow of unorganized retailing has finally emerged as organized retailing and also witnessed transformation of unorganized family-owned retail formats to organized retailing. The emergence of organized retailing will help accelerate growth, improve competitiveness, provide better job opportunities, offer more product variety and develop the agriculture and processed food industries.

NEED FOR THE STUDY

Retailing provides a crucial link between producers and consumers in a modern market economy. The performance of this sector has a strong influence on consumer welfare. Retailers not only provide consumers with a wide variety of products, but also a wide range of complementary services, which can lead to more informed choice and greater convenience in shopping, they also provide producers with much needed information on consumer demand pattern. Now a days, retail outlets are rapidly growing up and trying to fulfill the customer needs but retail outlets have not reached maximum satisfactory level in the form of fulfilling the needs and wants of the customers. Hence an effort is made in conducting a survey knowing the customer satisfaction level regarding retail outlets of MORE, RITHU BAZAAR,

MARUTI SUPER MARKET and VENKATESWARA SUPER MARKET in Kadapa city.

OBJECTIVES

The following are the objectives of the study.

1. To evaluate the relationship management in retailing business in India.
2. To know the customer satisfaction about retailing.

METHODOLOGY

The present study is aimed at understanding the customer satisfaction level with respect to retail outlets and to know about the factors of relationship management which cause to bring the concept of customer friendly retail marketing outlets in Kadapa city in Rayalaseema region. For the purpose of study few retail shops in Kadapa city like MORE, RITHU BAZAAR, MARUTI SUPER MARKET and VENKATESWARA SUPER MARKET were selected. As the study is related to customer satisfaction, a sample of 200 respondents was taken through random sampling technique. The data was collected from customer of retail shops through the structured questionnaire consisting of various questions with respect to customer satisfaction. The study was conducted during the period of June to August 2011 in Kadapa city which is a district head quarter in Rayalaseema Region of Andhra Pradesh.

RELATIONSHIP MANAGEMENT IN RETAILING

Building long term customer relationship is most important in retail business. Long term customers always buy more, take less of retailer's time, are fewer prices sensitive, and through word-of-mouth publicity, bring more new customers. Retailers have to stop thinking in terms of customers being loyal to the store, and concentrate on the retailer loyal to the customer. The following are the important factors of relationship management in retail business.

The customer base

Retailers have to develop a good customer data base and periodically analyse the customers in terms of buyer behaviour changes, lifestyle trends, reasons for shopping, level of loyalty, new customers, and so on. It is more expensive to attract new customers than to serve existing ones; so special attention is to be given to keep them loyal.

The customer service

This refers to the identifiable but often intangible activities of a retailer in connection with the goods and services he sells. Retailer often tries to promote something more than the expectation to get a competitive advantage – they try to delight the customer. Retailers have to prepare a plan of action to ensure that they avoid gaps in customer service and maintain good relationship.

Loyalty programmes

Customer loyalty programmes are developed to reward a retailer's frequent or best customers, with whom it wants to maintain long term relationships. The rewards should be useful and appealing to the customers, and should be attainable in a reasonable timeframe. Normally the programmes are offered as reward points for frequent use of a service or frequent shopping.

Customer satisfaction

A customer gets satisfaction when the value and customer service provided by a retailer meets or exceed his/ her expectations. The satisfied and delighted customers will remain loyal to the retailer in the long run. To avoid customer dissatisfactions the management should try to respond faster and redress them satisfactorily.

Keeping the above factors in mind if the retailer builds the best relationship management practices in retail business to protect the interest of the customers will creates the environment of customer friendly retail marketing and in turn creates economic utility.

ECONOMIC UTILITY

The Indian consumer is changing rapidly. The average consumer today is richer, younger and more inspirational in his/her needs than ever before. Consumers now value convenience and choice at par with getting value for their hard-earned money. A range of modern retailers are attempting to serve the needs of the new Indian consumer. The last few years have witnessed an explosion of organized retail formats like supermarkets and hypermarkets. To tap this growth opportunity, Indian retail organizations need to be prepared for a quick scale up across dimensions of people, processes and technology in addition to identifying the right formats and value proposition for the Indian consumer.

The following factors are helpful to understand the interests of the customers.

- ✚ Understand the connections between the lifestyle and expenditure characteristics of customers their propensity to purchase one product or brand over another, and leverage this understanding for competitive advantage.
- ✚ Improve direct marketing response by ensuring they are targeting the right households at the right time, using the right media with the right message.
- ✚ Leverage current consumer data to make better strategic decisions about products, marketing and locations.
- ✚ Increase customer loyalty and retention with a scientific, data driven approach to analytical CRM.
- ✚ Retail marketing managers can implement the following projects to understand their customer, market and store locations better; achieving a very strong ROI for their retail marketing efforts in the process.
- ✚ Estimate the revenue potential of your customers to determine their current, potential and life-time value.
- ✚ Develop more effective communication strategies through a better understanding of different customer groups and your market segments.

Customers are also looking for convenience in shopping. This would continue more strongly in the next couple of years. In future the more dual income families, the consumer's ability to spend will increase, but at the same time it is predicted that the time available for shopping will go down, in such scenario, the retailers will have to take steps to develop shopping as an experience, though the more successful retailers will be those that will provide faster service. Thereby to succeed in retailing, current and future retailers must be able to adopt a constantly changing environment successfully retailers are able to anticipate and adapt to change. Thus retail marketing strategy would not only yield benefits for consumers but also creates economic utility to the manufacturers and wholesalers.

DATA ANALYSIS

The data collected from the selected retail outlet customers through questionnaire can be tabulated and analysed as follows to find the satisfaction level of the customers.

Table 1
Customer Responses about the Quality and Varieties of Products and Services

Responses	More	Rithu Bazaar	Maruti Super Market	Venkateswara Super Market
Good	160	100	140	110
Average	40	70	60	64
Poor	-	30	-	26
Total	200	200	200	200

Source : Filed Study

Table 1 reveals that the quality of the products and services provided by the selected retail shops. From the analysis it is to be observed that More (80 %) and Maruthi Super Markets(70%) are maintain the good quality products and services than the rest of the retail shops. The overall performance of all the retail shops is found good. Poor quality is identified only in Rithu Bazaar (15%) and Venkateswara Super Market (13%).

Table 2
Customer responses about the Location selected Retail Shops

Responses	More	Rithu Bazaar	Maruti Super Market	Venkateswara Super Market
Center the city	200	160	180	160
Corner to the city	-	40	20	40
Total	200	200	200	200

Source : Filed Study

Table 2 reveals that location plays a vital role in retail marketing. Whether shops are more convenient or not as expected by the customers for buying the products were considered. Form the above analysis it is to be clear that almost all the retail shops are established in the center of the city which is more convenient to the customers for shopping. That's why retailing is to be treated as customer friendly retail marketing.

Table 3

Customer responses regarding Door Delivery & After Sale Services of Retail Shops

Responses	More	Rithu Bazaar	Maruti Super Market	Venkateswara Super Market
Good	150	-	140	-
Average	30	20	40	-
Poor	20	180	20	200
Total	200	200	200	200

Source : Filed Study

Table 3 describes about the door delivery and after sale services to the customers. The performance of More and Maruthi Super Markets are identified as good in providing door delivery and after sale services to the customers than the rest.

Table 4

Customer responses about the Credit Facility provided by the selected Retail Shops

Responses	More	Rithu Bazaar	Maruti Super Market	Venkateswara Super Market
Yes	50	-	40	-
No	150	200	160	200
Total	200	200	200	200

Source : Filed Study

It is to be observed from the above table there were no good credit facilities provided by all the retail shops. Hence it is necessary to adopt the credit sales practice to increase the sales in return to increase the profitability.

Table 5

Customer responses about the Information provided by the selected Retail Shops

Responses	More	Rithu Bazaar	Maruti Super Market	Venkateswara Super Market
Excellent	60	70	50	75
Good	40	30	35	25
Poor	-	-	15	-
Total	100	100	100	100

Source : Filed Study

Table 5 portrays, the information provided by the retail shops about the products and services is very good and also it is very essential to improve their business performance. For that they take the help of print and electronic media to aware the people and to make them as their customers.

PROBLEMS IN RETAILING

Globalization and liberalization have brought radical changes in the Indian market scenario. Retail scenario in India is a combination of unorganized and organized retail formats making it unique. India is rapidly evolving into a competitive market place with potential target consumers in niche and middle class segments. Market trends indicate tremendous growth opportunities. As a result there has been a tremendous impact on growth of retail industry in India. The following are some of the problems which needed urgent attention in retailing.

- ❖ Lack of advanced technology
- ❖ Inadequate infrastructural facilities
- ❖ Inadequate funding
- ❖ Weak retail supply chain
- ❖ Government regulations
- ❖ Threat of substitutes
- ❖ Bargaining power of buyer's
- ❖ Rising in operational cost

- ❖ Cultural and regional differences
- ❖ Necessity of renovation and modernization of manufacturing sector

SUGGESTIONS TO STRENGTHEN RETAILING

Small business owners can easily get too involved in the day-to-day operations of their retail stores to spend any time brainstorming marketing ideas. Some retailers worry that marketing is too expensive, others may find it too time consuming. The following are some of the recommendations for improving the growth of retail business.

- Create a calendar for customers with your shop's name and address on it.
- Print the products you sell or services offered on the back of your business cards.
- Join a trade association or organization related to your industry.
- Have a drawing for a product or a gift certificate. Use the entry forms to collect customers' mailing addresses.
- Develop a brochure of services your shop offers.
- Conduct monthly clinics about a product or service you offer or schedule semi-annual seminars on related "how-to" information for your industry.
- Print a tagline for your business on letterhead, fax cover sheets, e-mails and invoices.
- Develop a website to showcase your products, services and location. Use a memorable URL and include it on all marketing materials.
- Include customer testimonials in your printed literature.
- Submit to the local newspaper, trade journal or other publications. Send newsworthy press releases as often as needed.
- Host an after-hours gathering for your employees and their friends/relatives.
- Provide free t-shirts with your logo to your staff to wear.
- Create an annual award and publicize it.
- Develop your own TV show on your specialty and present it to your local cable station or public broadcasting station.
- Use an answering machine or voice mail system to catch after-hours phone calls.
- Join a Chamber of Commerce where you can network with area business owners.
- Hold an open house. Invite prominent city officials and the press.
- Get a memorable local or toll-free phone number.
- Distribute specialty products such as pens, mouse pads, or mugs with your store's logo.
- Advertise in creative locations such as park benches, buses, and popular Web sites.

CONCLUSION

The retail industry is fast spreading its wings to all the nooks and corners of India but the future of the consumer markets is promising as the market is growing, government policies are becoming more favourable and emerging technologies are facilitating operations in India. This sector witnessed transformation of unorganized family-owned retail formats to organized retailing. The emergence of organized retailing will help accelerate growth, improve competitiveness, provide better job opportunities, offer more product variety and develop the agriculture and processed food industries. In Kadapa city retailing has become common part of everyday life. The retail marketing strategy would not only yield benefits for consumers but also creates economic utility to the manufacturers and wholesalers. The retail revolution will restructure the Indian economy and would be beneficial to the consumers, small and medium scale businessmen, farmers and the government.

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