

CUSTOMER SATISFACTION AND ORGANISED RETILE OUTLETS IN HYDERABAD CITY: A STUDY

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ABSTRACT:

To satisfy the final customer is a major task of every business people, the satisfied customers are always tell others of their favourable experience. The present research papers aims to investigate customer satisfaction with regards organised retail outlets in Hyderabad city in Telangana state. The main objectives of the study are to study the impact of organised retail outlets on socio-economic factors of consumers, to study the influence of organised retail outlets factors on customer satisfaction. A structure questionnaire was used to measure the influence of organised retail outlets factors on every age of the consumer was targeted in this research study for to get the perception behaviour of consumer towards organised retail outlets, with sample size 178 respondents and tested via descriptive statistics, percentages, ANOVA, and Correlation by using SPSS 20.0 Version. The result of the study showed that there is a significant impact of organised retail outlets on socio-economic factors of the consumers and also that there is a significant impact of organised retail outlets factors like Physical facilities, Service quality, Product varieties and price range, Easy accessible layout, Parking facilities, moving space, Neat and cleanness, Modern equipments and fixtures, Promptness and accuracy billing, Behaviour of the employees, Medium used for advertising offers/Schemes and Sales promotion techniques on customer satisfaction, except two factor like Trolling facilities, Operating hours of the shops are not significant impact on customer satisfaction.

Keywords: *Customer satisfaction, Retail sector, Organised retail outlets, Service quality, Physical facilities, Product varieties, Price range, Accuracy billing.*

1. INTRODUCTION

Retailing is one of the oldest businesses that human civilization has known. It acts as an interface between the producer and consumer, improves the flow of goods and services and raises the efficiency of distribution in an

economy. For a strong, stable and consistently growing economy, a well-organized and efficient retail sector is a must. Most of the developed and even emerging economies had adopted the organized retail long ago and 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 pick-up in pace of urbanization and rising disposable incomes that 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. Interestingly, for many years, retailers have been administering surveys to their customers to measure both their overall level of satisfaction and their opinion of various details of their store experience, service and merchandise provided at organized retail outlets but they are not able to retain all their customers by providing solutions to them. Satisfying customers is one of the main objectives of every business. Businesses recognize that retaining the existing customers is more profitable than having to win the new ones to replace those lost. Management and marketing theorists underscore the importance of customer satisfaction for a business's success. 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 that affect the customer satisfaction. Customers are most likely to appreciate the goods and services they buy, provided if they are made to feel special. This occurs when they feel that the goods and services that they buy have been specially produced for them or for people like them. It should be always keep measuring in order to get feedback for the products and services in order to develop it further with wide customization. Customer satisfaction levels can be measured using survey techniques and questionnaires. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal, place repeated orders and use a wide range of services offered by a business.

2. REVIEW OF LITERATURE

In the present day's retail business, ensuring customer satisfaction in delivering the right product and service to the end-users is the major concern for the future growth of the organization. In the present study an attempt is made to find out the customer satisfaction during purchase in retail outlets based on customer survey. (**Das Prasun, 2009**). Literature on customer satisfaction is voluminous and spans several areas such as marketing, management and accounting.

Iacobucci et al. (1994, 1995) provide precise definitions of service quality versus customer satisfaction. They contend that service quality should not be confused with customer satisfaction, but that satisfaction is a positive outcome of providing good service.

Ittner and Larcker (1998) provide empirical evidence at the customer, business-unit and firm- level that various measures of financial performance (including revenue, revenue change, margins, return on sales, market value of equity and current earnings) are positively associated with customer satisfaction. However, in the retail industry they find a negative relationship between satisfaction and profitability which may be because benefits from increased satisfaction can be exceeded by the incremental cost in retail.

Sulek et al. (1995) find that customer satisfaction positively affects sales per labor hour at a chain of 46 retail stores. **Anderson et al. (2004)** find a positive association between customer satisfaction at the company level and Tobin's q (a long-run measure of financial performance) for department stores and supermarkets. **Babakus et al. (2004)** link customer satisfaction to product and service quality within retail stores and find that product quality has a six significant impact on store-level profits. Research on customer satisfaction usually views employees as facilitators of the sales process who are critical to improving the conversion ratio, by providing information to the customers on prices, brands, and product features and by helping customers to navigate store aisles, finding the product and even cross-selling other products. The unique feature of the retail store execution problem is that it combines the factory and the sales components, but this stream of literature focuses only on the latter.

U. Dineshkumar¹, P.Vikkraman, studied that to investigate customer satisfaction in the organized retail outlets in Erode city of Tamil Nadu state in India. The main purpose of the study to identify the determinants of customer satisfaction in the organized retail outlets in Erode city, and to identify the attitude and behaviour of the customers those who are purchasing in organized retail outlets, and to study about the future prospects of organized retail outlets in the city, with the help of 200 questionnaires have been randomly distributed to retail customers. And they are Using descriptive statistics method, cross table analysis, chi-square test and correlation method (to compare between different means) the data collected is analyzed. Their result showed that the degree of customer satisfaction in terms of services provided by organized retail outlets in Erode.

3. OBJECTIVE

- To study the impact of the organized retail outlets on the socio-economic status of the respondents
- To analyse the factor influence on the customer satisfaction with regards the organised retail outlets

4. HYPOTHESIS

- **HO1:** There is no significant impact of organized retail outlets on socio-economic status of Respondents
- **HO2:** There is no significant Influence of organized retail outlets factors on Consumer satisfaction

5. RESEARCH METHODOLOGY

- **Research Design:** The main purpose of the study to find out the impact of the organized retail outlets on consumer satisfaction and find out major factors influence the customer satisfaction for that the Descriptive research is adopted.
- **Sources of data:** The study is concerned with impact of the organized retail outlets on consumer satisfaction based on that source of the data collected from Primary source of data is collected from the respondents through structured questionnaire and interviews. it was in order to collect data on the organized retail outlets which impact on consumer satisfaction. Secondary data is collected from various Journals, Periodicals such as Magazines, Business newspapers, and from subject related books and websites.
- **Sample Size:** 178 Respondents From Hyderabad City
- **Data collections methods:** Data has been collected using structure questionnaire through customer survey method and personal interview of consumers
- **Sampling area:** Hyderabad city
- **Sampling Method:** Convenience sampling method has been used.
- **Statistical tools used:** ANOVAs, and Correlation using SPSS 20.0.

6. RESULTS AND DISCUSSIONS

To test the reliability of the data, Cronbach's alpha test is conducted.

<i>Table-1:Reliability Statistics</i>		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.762	.574	19

Source: Author findings

From the Table 1, it shown that the questionnaire is tested for its reliability and it has a sufficiently good reliability score. The result given the value of the as **0.762**. It indicates that, the data has a high reliability and validity for further study.

Summary Item Statistics: It is evident that the summary of the means, variances, covariance and inter-item correlations are presented in the following table.

Table-2: Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	2.628	2.054	4.007	1.953	1.951	.179	19
Item Variances	1.848	1.054	2.746	1.692	2.605	.233	19
Inter-Item Covariances	.264	-.995	2.621	3.742	-2.759	.493	19
Inter-Item Correlations	.153	-.419	1.000	1.419	-2.386	.133	19

Source: Authors finding

It is obvious the minimum and maximum mean, Range, and variance values for item means, item variances are positive. Maximum mean is witnessed for Item means is 4.007. Maximum variance is 2.746, maximum inter item covariance is witnessed is 2.621 and maximum inter-item Correlations is found to be 1.000.

(i) General profile of Respondents: The frequency distribution of demographic variables is presented in the following table.

Table-3: Respondents general profile

Particulars	Classification	No of Responses	Percentage
Age	21-30 years	61	34.3
	31-40 years	86	48.3
	41-50 years	20	11.2
	Above 50 years	11	6.2
Gender	Male	81	45.5
	Female	97	54.5
Education	Below Degree	36	20.3
	Degree	55	30.9
	Post Graduation	49	27.5
	Above PG	38	21.3
Occupation	Students	20	11.2
	Govt employee	38	21.3
	Private employee	60	33.7
	Business	15	8.6
	House wife	45	25.2
Monthly income (in rupees)	Below Rs.10,000	12	6.7
	Rs.10,001-20,000	42	23.6
	Rs.20,001-30,000	58	32.6
	Rs.30,001-40,000	25	14.0
	Above Rs.40,001	41	23.0
Total		n = 178	100%

The descriptive analysis of all the demographical variables is shown in the above Table, from that more than 48.3% of respondents in the group of 31-40 years, followed with 34.3% of respondents in the group of 21-30 years, 11.2% from the 41-50years and 6.2% of respondents from Above 50 years. followed by 54.5% of the respondents belonged female and 45.5% of respondents belonged male, and 30.9% of respondents studied degree and with followed 27.5% of respondents studied PG, 20.3% from Below degree. 33.7% of respondents working as a Private Employees, 21.3% are the Govt. employees, 11.2% of the respondents from the 11.2%, and 32.6% of respondents earned Rs.20,001-30,000 for month followed with 23.6% of respondents earned Rs.10,001-20,000, 14.0% of respondents earned Rs.30,001-40,000 and 6.7% of respondents earned Below Rs.10,000 respectively.

(a) **ANOVA:** The analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of two or more independent (unrelated) groups. It is conducted in order in order to understand whether there is any significant difference in opinions of respondents on the organized retail outlets and influence of organised retail outlets on consumer satisfaction. the results are presented in the following table.

- **H01: There is no significant impact of organized retail outlets on socio-economic status of Respondents**

Table-4:ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Age in years	Between Groups	42.242	8	5.280	11.054	.000
	Within Groups	80.730	169	.478		
	Total	122.972	177			
Gender	Between Groups	9.993	8	1.249	7.253	.000
	Within Groups	29.108	169	.172		
	Total	39.101	177			
Education	Between Groups	101.201	8	12.650	10.531	.000
	Within Groups	203.002	169	1.201		
	Total	304.202	177			
Occupation	Between Groups	271.241	8	33.905	64.716	.000
	Within Groups	88.540	169	.524		
	Total	359.781	177			
Income of family	Between Groups	164.724	8	20.590	33.194	.000
	Within Groups	104.832	169	.620		
	Total	269.556	177			

Interpretation: It is evident that from the above table, there is a statistically significant impact of organized retail outlets on consumers socio economic factors like age, gender, education, Occupation, income in rupees and their F values found to be statistically significant, meaning there by there is significant impact of organized retail outlets on socio economic factors of consumers, followed with values of age: $F(8,177) = 11.054, p < .05$, gender $F(8,177) = 7.253, p < .05$, education: $F(8,177) = 10.531, p < .05$; Occupation: $F(8,177) = 64.716, p < .05$, Income level: $F(8,177) = 33.194, p < .05$.

- ***H02: There is no significant Influence of organized retail outlets factors on Consumer satisfaction***

Table-5:ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Physical facilities	Between Groups	2.364	12	.788	3.478	.000
	Within Groups	39.417	165	.227		
	Total	41.781	177			
Service quality	Between Groups	35.360	12	11.787	8.487	.000
	Within Groups	241.635	165	1.389		
	Total	276.994	177			
Product varieties and price range	Between Groups	.661	12	.220	1.024	.003
	Within Groups	37.451	165	.215		
	Total	38.112	177			
Easy accessible layout	Between Groups	42.736	12	14.245	12.573	.000
	Within Groups	197.152	165	1.133		
	Total	239.888	177			
Parking facilities	Between Groups	34.677	12	11.559	10.875	.000
	Within Groups	184.947	165	1.063		
	Total	219.624	177			
Moving space	Between Groups	50.886	12	16.962	8.924	.000
	Within Groups	330.738	165	1.901		
	Total	381.624	177			
Neat and cleanness	Between Groups	56.960	12	18.987	13.628	.000
	Within Groups	242.416	165	1.393		
	Total	299.376	177			
Modern equipments and fixtures	Between Groups	10.366	12	3.455	6.490	.000
	Within Groups	92.629	165	.532		
	Total	102.994	177			
Trolling facilities	Between Groups	1.346	12	.449	.555	.646
	Within Groups	140.705	165	.809		
	Total	142.051	177			

Promptness and accuracy billing	Between Groups	12.615	12	4.205	8.365	.000
	Within Groups	87.474	165	.503		
	Total	100.090	177			
Behaviour of the employees	Between Groups	8.229	12	2.743	5.613	.001
	Within Groups	85.035	165	.489		
	Total	93.264	177			
Operating hours of the shops	Between Groups	1.758	12	.586	.872	.136
	Within Groups	54.467	165	.313		
	Total	56.225	177			
Medium used for advertising offers/Schemes	Between Groups	2.431	12	.810	2.877	.008
	Within Groups	49.012	165	.282		
	Total	51.444	177			
Sales promotion techniques	Between Groups	6.916	12	2.305	5.673	.001
	Within Groups	70.702	165	.406		
	Total	77.618	177			

Interpretation: It is observed from the above table, there is a statistically significant influence of organized retail outlets factors on the Customer satisfaction, except two factors like Trolling facilities, Operating hours of the shops only, remaining all factors are significantly influenced to consumers. Organized retail outlets factors like Physical facilities, Service quality, Product varieties and price range, Easy accessible layout, Parking facilities, moving space, Neat and cleanness, Modern equipments and fixtures, Promptness and accuracy billing, Behaviour of the employees, Medium used for advertising offers/Schemes and Sales promotion techniques and their F values found to be statistically significant, meaning there by there is significant influence of organized retail outlets factors on the Customer satisfaction, followed with values of Physical facilities: $F(12,165) = 3.478, p < .05$, Service quality: $F(12,165) = 8.487, p < .05$, , Product varieties and price range: $F(12,165) = 1.024, p < .05$; Easy accessible layout: $F(12,165) = 12.573, p < .05$, Parking facilities: $F(12,165) = 10.875, p < .05$. Moving space: $F(12,165) = 8.924, p < .05$, Neat and cleanness: $F(12,165) = 13.628, p < .05$, Modern equipments and fixtures: $F(12,165) = 6.490, p < .05$, Promptness and accuracy billing: $F(12,165) = 8.365, p < .05$, Behaviour of the employees: $F(12,165) = 5.613, p < .05$, Medium used for advertising offers/Schemes: $F(12,165) = 2.877, p < .05$, Sales promotion techniques: $F(12,165) = 5.673, p < .05$, only two factors like Trolling facilities, Operating hours of the shops are not significant and their F values found not to be statistically significant, meaning there by there is no significant Influence of these organised retail outlets factors on consumer satisfaction, followed with values of Trolling facilities: $F(12,165) = .555, p > .05$, Operating hours of the shops: $F(12,165) = .872, p > .05$.

(b) **CORRELATION:** Correlation tends to be used measures the strength and direction of the linear relationship between demographical variable and with dimensions. The Pearson correlation coefficient measures the strength of the linear association between demographical variable and four major dimensions.

Table-6:Correlations

		age in years	Gender	Education	Occupation	Income	Factor influence
age in years	Pearson Correlation	1	-.257**	-.141	-.004	-.146	.081**
	Sig. (2-tailed)		.001	.061	.957	.051	.004
	N	178	178	178	178	178	178
Gender	Pearson Correlation	-.257**	1	.628**	.330**	-.500**	.214**
	Sig. (2-tailed)	.001		.000	.000	.000	.004
	N	178	178	178	178	178	178
Education	Pearson Correlation	-.141	.628**	1	.572**	-.052	.384**
	Sig. (2-tailed)	.061	.000		.000	.488	.000
	N	178	178	178	178	178	178
Occupation	Pearson Correlation	-.004	.330**	.572**	1	-.043	.133**
	Sig. (2-tailed)	.957	.000	.000		.568	.008
	N	178	178	178	178	178	178
Income	Pearson Correlation	-.146	-.500**	-.052	-.043	1	.149*
	Sig. (2-tailed)	.051	.000	.488	.568		.000
	N	178	178	178	178	178	178
Organised Retail Outlet Factor influence	Pearson Correlation	.081**	.214**	.384**	.133**	.149*	1
	Sig. (2-tailed)	.004	.004	.000	.008	.000	
	N	178	178	178	178	178	178

** . Correlation is significant at the 0.01 level (2-tailed).
 * . Correlation is significant at the 0.05 level (2-tailed).

From above table, In order to develop further understanding of relationship among Demographical variables and Organised retail outlets factors, so the correlation results show that there is a strong correlation between Organised retail outlets factor and education ($r = .384^{**}$) at the 1 per cent significance level, between Organised retail outlets factor and gender ($r = 0.214^{**}$) and list is correlation between Organised retail outlets factor and Age ($r=081^{**}$)

7. CONCLUSION

The present research paper explored on customer satisfaction with regards Organised retail outlets in Hyderabad city. Nowadays retail outlets play a vital role in human life, it helpful to improve the human life standard and also create the employment opportunity. Retail people having great competition in the market and same time they should have major task to give satisfaction to the customers. According through the major results, demographic analysis showed that 48.3% of respondents in the group of 31-40 years, and 34.3% of respondents in the group of 21-30 years, followed by 54.5% of the respondents belonged female and 45.5% of respondents belonged male, and 30.9% of respondents studied degree and with followed 27.5% of respondents studied PG, 33.7% of respondents working as a Private Employees, 21.3% are the Govt. employees, and 32.6% of respondents earned Rs.20,001-30,000 for month followed with 23.6% of respondents earned Rs.10,001-20,000, 14.0% of respondents earned Rs.30,001-40,000 and 6.7% of respondents earned Below Rs.10,000 respectively, and hypothesis reveals that there is significant impact of the organised retail outlets on socioeconomic factors of the customers and there is a significant influence of organised retail outlets factors on customer satisfaction.

8. LIMITATIONS

1. The study will be carried out to understand the customer satisfaction with regards Organised retail outlets in Hyderabad city.
2. The sample selected may not represent the whole population. Hence, the limitation of generalization will be there.
3. Since few Organised retail outlets are considered in Hyderabad city, consumer satisfaction in whole Organised retail sector cannot be measured.

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