CUSTOMER PREFERENCE AND SATISFACTION TOWARDS RETAIL STORES AND SHOPPING MALLS IN COIMBATORE DISTRICT

Dr. A. Balagurusamy

Assistant Professor & Head, Department of Commerce, Sri Ramakrishna Mission Vidyalaya College of Arts and Science, Coimbatore, Tamilnadu

Abstract:
Liberalization of the economy, rise in per capita income and growing consumerism have encouraged larger business houses and manufacturers to set up retail formats; real estate companies and venture capitalist are investing in retail infrastructure. Added to this customer satisfaction, is widely recognized as a key pressure in the formation of consumers' future purchase intentions. Satisfied customers are also likely to tell others of their favorable experiences and thus engage in positive word of mouth advertising. The present study is undertaken to understand the customer preference and satisfaction towards retail stores and shopping malls in Coimbatore district.

Key Words: Customer Preference and Satisfaction, Retail Stores, Shopping Malls

1. Introduction:

Retail store shopping is often categorized as a self-service retail environment. The aim of retailers is primarily to build relationships with their customers, being able to track their levels of satisfaction with the key elements of retail store environment. Secondly the retailer's aim is to minimize the reasons for complaints and dissatisfaction and the cost of a service recovery plan and also to establish direct feedback from customers about their reactions to key elements. Interestingly, for many years retailers have been administering surveys to their customers to measure both their overall levels of satisfaction and their opinion of various details of their store experiences, service and merchandise provided at organized retail outlets but they are not able to retain all their customers by providing solutions to them. Businesses recognize that retaining the existing customers is more profitable than having to win the new ones to replace those lost. Customer satisfaction is the key factor in knowing the success of any retail store or retail stores and shopping malls; therefore it is very important to measure it and to find the factors that affect customer satisfaction. Customers will appreciate goods and services they buy, provided if they are made to feel special. This feeling is derived when they feel that the goods and services that they buy have been specially produced for them or for people like them.

2. Review of Literature:

Today's customers have too little time to spend but more intelligent than ever before. This has boosted the pace of competition for the retail stores to think about innovative and user friendly driven spaces to attract customers and also to retain them. The top tier retail store chains and shopping malls that have increased their size of their store base are highly competing against the low-cost operators to reinvest themselves and to find a sustainable stand in today's market.

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

Ittner & Larker (1998) concluded that 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 and also added – that in the retail industry they found a inverse relationship between satisfaction and profitability due to the benefits from increased satisfaction can be exceeded by the incremental cost in retail.

Clark & Hwang (2000) conducted a study to compare satisfaction between American & Korean discount stores. Twenty items were used to measure customer's satisfaction with retail outlets in each country helpfulness of sales person, friendliness, number of sales people, ease in finding things, politeness, store layout, cleanliness, quality level, merchandise selection, fashionableness, willing to exchange, credit charge account, value of money, special sales advertising, location, other store customer loyalty programs.

Kaul (2005) concluded that consumers satisfied with the stores' service quality tend to remain loyal. Service quality is being increasingly perceived as a tool to increase value for the customer as a means of positioning in a competitive environment to ensure consumer satisfaction, retention and patronage.

Ilter (2006) focused on the expectations, experiences and perceptions of high school girls to see what attracts them to the malls. Six factors were identified. They were merchandising, entertainment, atmosphere, locations and accessibility, security and personal service.

3. Objectives of the Study:

- To identify the attitude and behavior of customer in retail stores & shopping malls.
- To study the customer awareness and preference towards retail stores & shopping malls.
- To study the satisfaction level of the respondent's towards retail stores & shopping malls.
- To study the relationship between prices factors on customer satisfaction retail stores & shopping malls.
- To study the relationship between product characteristics and customer satisfaction retail stores & shopping malls.

4. Scope of the Study:

The focus of this study deals with customer satisfaction towards retail stores and shopping malls. It tries to discover various other problems associated with retaining customers in present retail stores and shopping malls.

5. Research Methodology:

Exploratory research is being adopted to find out the customer satisfaction and characteristics of customers in retail stores and shopping malls.

5.1 Area of Study:

Survey is conducted among three classes of customer's namely regular, occasional and frequent customers in the retail stores and shopping malls of Coimbatore district. Primary data is collected through questionnaire containing open ended and close ended questions.

5.2 Sample Size:

The sample size of 120 respondents was selected in Coimbatore district for this study.

5.3 Type of Sampling:

Convenience sampling is adopted for this study.

5.4 Tools Used:

Chi-square test and Correlation analysis method is used.

6. Data Analysis and Interpretation:

Table 1: General Profile of the Respondents

S.No	Particulars	Classification	No. of Respondents	Percentage
1	Age Group	Below 20 years	57	48
		21 years – 35 years	45	37
		36 years – 45 years	10	8
		Above 45 years	8	7
		Total	120	100
2	Gender	Male	65	54
		Female	55	46
		Total	120	100
3	Educational Qualification	School Level	12	10
		College Level	60	50
		Professionals	33	27
		Others	15	13
		Total	120	100
4	Total members in family	Two	34	28
		Three	32	27
		Four	48	40
		Five and above	6	5
		Total	120	100
5	Monthly Income	Below Rs.15000	25	21
		Rs.15001 to Rs.20000	40	33
		Rs.20001 to Rs.25000	35	29
		Above Rs.25000	20	17
		Total	100	100
6	Monthly Purchase at Shopping Malls	Below Rs.2000	72	60
		Rs.2001 to Rs.3000	23	19
		Rs.3001 to Rs.4000	15	13
		Above Rs.4000	10	8
		Total	120	100

Source: Primary Data

Interpretation:

From the above table 1, it is clear that the general profile of the respondents shows that:

- 48% of the respondents are of below 20 years, 37% are of 35 years, 8% are of 45 years and 7% are above 45 years.
- 54% of the respondents are male and 46% of the respondents are female.
- 10% of the respondents are at the school level, 50% of the respondents are at the college level, 27% are Professionals and 13% are other respondents.
- 28% of the respondents have a total of two members in family, 27% of the respondents have a total of three members, 40% of the respondents have 4 members and 5% of the respondents have a total of 5 members and above.
- 21% of the respondents have a monthly income of below Rs.15,000, 33% of the respondents between Rs.15,001 to Rs.20,000, 29% of the respondents between Rs.20,001 to Rs.25,000 and 17% of the respondents have a monthly income of above Rs.25,000.
- 60% of the respondents do a monthly purchase ranging below Rs.2,000, 19% of the respondents do between Rs.2,001 to Rs.3,000, 13% of the respondents do between Rs.3,001 to Rs.4,000 and 8% of the respondents above Rs.4,000.

Table 2: Ranking for Preference of Retail Stores

S.No	Name of Retail store	No. of Respondents	Percentage	Rank
1	Big Bazaar	20	17	3
2	Sri Kannan Departmental stores	39	32	2
3	Reliance Fresh	44	37	1
4	Other stores	17	14	4
	Total	**120**	**100**	

Source: Primary Data

Interpretation:

From the above table 2, it is clear that Reliance Fresh occupies first rank of 37%, followed by Sri Kannan Departmental stores in second rank of 32%, Big Bazaar is third rank of 17% and other stores is fourth rank of 14% in the order of preference of Retail stores.

Table 3: Ranking for Preference of Shopping Malls

S.No	Name of Shopping Malls	No. of Respondents	Percentage	Rank
1	Brooke Field	65	54	1
2	Prozone Mall	26	22	3
3	Fun Mall	29	24	2
	Total	**120**	**100**	

Source: Primary Data

Interpretation:

From the above table 3, it is observed that Brooke Field in first rank of 54%, Fun mall in second rank of 24% and Prozone mall in third rank of 22% in the order of preference of Shopping Malls.

Table 4: Satisfaction level towards service provided at Shopping Malls

Product	Level of Satisfaction %				
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Product Price	36	27	18	12	7
Fast Checkout	43	21	22	14	0
Trolley Facilities	49	34	8	4	5
Home Delivery Facilities	32	46	6	10	6
Store Entrance & Walkways	34	41	11	9	5
Sales Promotion	39	32	22	7	0
Quality of Service	54	32	8	5	1
Modes of payment (variety)	43	35	17	3	2
Time Saving	48	29	23	0	0
Accessibility to various outlets	25	35	20	17	3
Parking Facilities	45	36	15	1	3

Source: Primary Data

7. Chi-Square Test:

- **Table showing the relationship between monthly income and average amount spent on purchase**

H_0: There is no significant relationship between monthly income and average amount spent on purchase.

H_1: There is significant relationship between monthly income and average amount spent on purchase.

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Calculated Chi-Square Value	Degrees of Freedom	Table Value	Conclusion
9.999	9	16.919	Accepted

Inference:

The above table shows that, since the calculated chi-square value (9.999) is less than table value (16.919), Null hypothesis is accepted at 5% level of significance. There is no significant relationship between monthly income and average amount spent on purchase.

- **Chi-square analysis for the type of family and frequency of purchase**

Calculated Chi-square Value	Degrees of Freedom	Table Value	Conclusion
6.558	9	16.919	Accepted

Inference:

The above table shows that, since the calculated chi-square value (6.558) is less than table value (16.919), Null hypothesis is accepted at 5% level of significance. There is no significant relationship between type of family and frequency of purchase.

- **Chi-square analysis for age of respondents and buying behaviour**

Calculated Chi-square Value	Degrees of Freedom	Table Value	Conclusion
8.212	9	16.919	Accepted

Inference:

The above table shows that, since the calculated chi-square value (8.212) is less than table value (16.919), Null hypothesis is accepted at 5% level of significance. There is no significant relationship between age of respondents and buying behaviour of customers.

8. Findings:

- Majority of respondents prefer retail store for purchasing more goods.
- Majority of respondents prefer shopping malls for entertainment and purchase of quality goods.
- There is no significant relationship between sex and satisfaction level of customers.
- There is no significant relationship between age group and buying behavior of customers.
- There is no significant relationship between monthly income and amount of purchase of customers.
- There is no significant relationship between type of family and frequency of purchase.
- The variety of products offered in shopping malls is the first preference for shopping in Shopping malls.
- Majority of the customers visited the Shopping Malls because it was close to their residence and workplace.
- Majority of the customers were satisfied with the quality of goods, good value for money and trendy products in Shopping Malls.

9. Suggestions:

- Shopping Malls should adopt new technologies like self checkout lane, Computer gadgets to handle their billing automatically to reduce the rush in billing counter.
- It should also concentrate on customer loyalty programs and introduce many membership cards for bulk purchases.
- The sales person must be well trained to be patient, helpful, informative and courteous in answering to the customers who will motivate them to retain in the store to buy more.
- More a customer spends time in store; the more likely he is to make purchases. So to increase revenue, the retailers should pay more attention towards physical aspects, entertainment, and sell variety of products at reasonable prices.
- Care should be taken to promote sales activities on week days in order to minimize rush on weekends.

10. Conclusion:

Understanding the growing needs, aspirations and global life style is the dictating key factor for success of any retailer. To be a successful retailer and to gain the customer satisfaction level at the maximum, quality, variety of products, sufficient physical ambience, parking facility, fast access and billing system, proper crowd management should be continuously improved at all levels. This will shape or structure the Retail Stores / Malls to blend the expertise of the world to turn into best customer satisfiers in all spheres of their needs.

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