

CUSTOMER BEHAVIOUR TOWARDS SERVICE QUALITY IN RETAIL STORE

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ABSTRACT

The purpose of this paper is to measure the level of satisfaction of the customers towards the quality services in retail store in Coimbatore. One of the biggest contemporary challenges of marketing is providing and maintaining customer satisfaction. Customer satisfaction measures offer a meaningful and objective feedback about clients' preference and expectations. The study surveyed 200 customers of 10 various retail stores to determine the key influential factors that significantly influence on their level of satisfaction. Service quality has been the subject of considerable interest by both practitioners and researchers. An important reason for the interest in service quality by practitioners results from the belief that this has a beneficial effect on bottom-line performance for the firm. However, practitioners often tend to use the terms service quality and customer satisfaction interchangeably. Most experts agree that customer satisfaction is a short term, transaction specific measure whereas service quality is an attitude formed by a long-term over all evaluation of a performance. Hence the retailing is the most prominent element of marketing where the marketers meet the ultimate consumer who exchanges value of product and sanctions the very existence of business. Retailer is the last link in the distribution chain.

1. INTRODUCTION OF DEPARTMENTAL STORE

“The secret of successful retailing is to give your customer what they want. And really, if you think about it from your point of view as a customer, you want everything: a wide assortment of good-quality merchandise; the lowest possible prices; guaranteed satisfaction with what you buy; friendly, knowledgeable service; convenient hours; free parking; a pleasant shopping experience”

1.1 Meaning:

A departmental store is large retail trading organization. It has several departments, which are classified and organized accordingly. Departments are made as per different types of goods to be sold so that customers can purchase all basic household requirements under one roof. It provides them maximum shopping convenience and therefore, also called as ‘Universal Providers’ or ‘One spot shopping’. The concept of departmental store first originated in France.

1.2 Evolution of the Departmental stores

In 1838 Aristide Boucicault started the Bon Marche store in Paris that evolved into first departmental store by 1852, displaying a wide variety of goods in “department” under one roof at a fixed price, no haggling or bargaining with a “money-back guarantee” allowing exchange and refunds, employing up to 4000 with daily sales of \$300,000.

1.3 What is Quality?

Needs, wants, requirements and expectations are something that everyone has furthermore it is essential for services and products to fulfill the purpose for which they have been acquired and for life to have needs. Everyone has basic physiological needs. Food, water, clothing and shelter are needs that are necessary to sustain life. After those needs are fulfilled, safety emerges followed by social needs and finally self

actualization or the need to realize one's full potential. The following figure shows the hierarchy of needs Hoyle, (2001).

1.4 OBJECTIVE OF THE STUDY

This study was too designed with the following objectives:

- ✚ To identify the profile of the customers and to determine the buying habits of the customers of departmental stores in Coimbatore city.
- ✚ To measure the satisfaction level of the customers with regard to different dimension of services and to rank them.
- ✚ To suggest suitable measure to improve the service quality of the departmental stores based on the customers opinion.

1.5 SCOPE OF THE STUDY

This study covers the extent of customer satisfaction regarding various service dimension rendered by the departmental stores and retail stores in Coimbatore city. In prevailing globalization economics scenario the consumers have ample opportunities to select any shop for buying quality products. In an acutely competitive atmosphere it is important and challenging for the retailers to attract the customers to sustain and to promote their business. The present study aims at bringing out the various aspects concerned with customer satisfaction which would surely serve a purpose for retailers to work out their service quality with regards to the various dimensions such as tangibles, reliability, responsiveness, assurance and empathy.

1.6 METHODOLOGY USED

It includes 10 respondents from 5 department store and 5 retail stores constituting a total 100 respondents. The main purpose of this study is to examine the customer satisfaction on account of the service provided by the departmental stores and retail stores on the five dimensions namely, tangibles, reliability, responsiveness, assurance and empathy.

1.6.1 Five Dimensions of Service Quality

The five dimension defined here are shown in the following figure.



1.7 CONCEPTS USED

1.7.1 DATA OF STUDY:

The primary data were collected from 100 respondents who regularly 'purchased' and 'experienced' the service provided by the retail stores as under study. Simple, specific and straight questions, with multiple

choice, as well as questions to be marked on a five point and open-ended questions were included in the questionnaire. Questions were designed with an aim to maintain high degree of objectivity and consistency.

All the questions were logically classified into three different parts as follows:

- ✓ Part I General profile of the respondents.
- ✓ Part II Shopping habits of the customers.
- ✓ Part III Perception of the respondents on the five dimensions of the service quality.

A special effort has been made by the researcher to collect the secondary data through Internet and many references have been taken from the websites about the retail outlets around the world, besides the regularly used sources - journals, magazines, books, published articles etc. This data supplements the primary data collected from the respondent.

1.8 RESEARCH INSTRUMENT

The questionnaire was designed based on the concept of The SERVQUAL scale is the specific research instrument used for this study to measure the five dimensions of the retail stores services quality in terms of tangibles, reliability, responsiveness, assurance and empathy.

1.8.1 Statistical Tools Used

Appropriate statistical tools like weighted average, Chi-square and ranking method were applied, which resulted in observations interpretations and findings towards the dimensions of retail service quality of the study units.

- ✓ Weighted Average Method
- ✓ Chi-Square Test
- ✓ Rank Analysis

1.9 LIMITATIONS OF THE STUDY

- The opinion of the respondents might encounter some degree of division due to their biased attitude and lapse of memory. Also the opinion collected might change from place to place, time to time and from people to people.
- Analysis of the service quality is restricted to only the five dimensions which can be further rescaled, to track for future improvements in specific areas of service. It may seem to be a hurdle to be aiming at a global measurement approach until a wider retail measurement scale is made available.

2. REVIEW OF LITERATURE:

- **Nimit Chowdhary, Monika Prakash (2007)** the study was undertaken with a purpose to investigate whether generalization in importance of service quality dimensions is possible. Service providers are often not sure of the amount of tangibilization necessary and the right mix of other service quality dimensions reliability, assurance, empathy, responsiveness and the role of price added by the researcher.

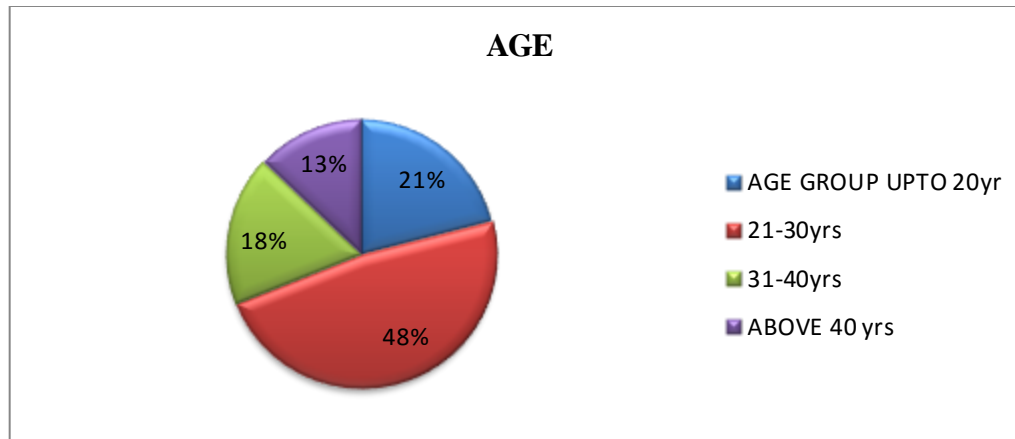
3.1 DEPARTMENTAL STORE IN COIMBATORE CITY

1. Sri Kannan Departmental stores
2. Sri Krishna Departmental stores
3. Dennis Departmental stores
4. Nilgiris stores
5. Venkateshwara departmental stores
6. Saraswathi stores
7. Rudhrastores
8. Ramyastores
9. Big Bazar
10. A. Rangaswamy Chettiar sons & Co

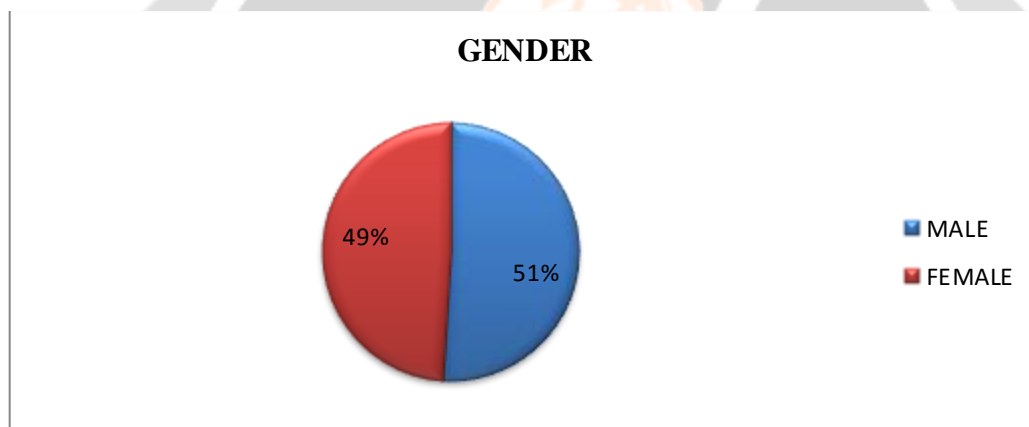
4. ANALYSIS AND INTERPRETATION

4.1: PERSONAL AND DEMOGRAPHIC INFORMATION:

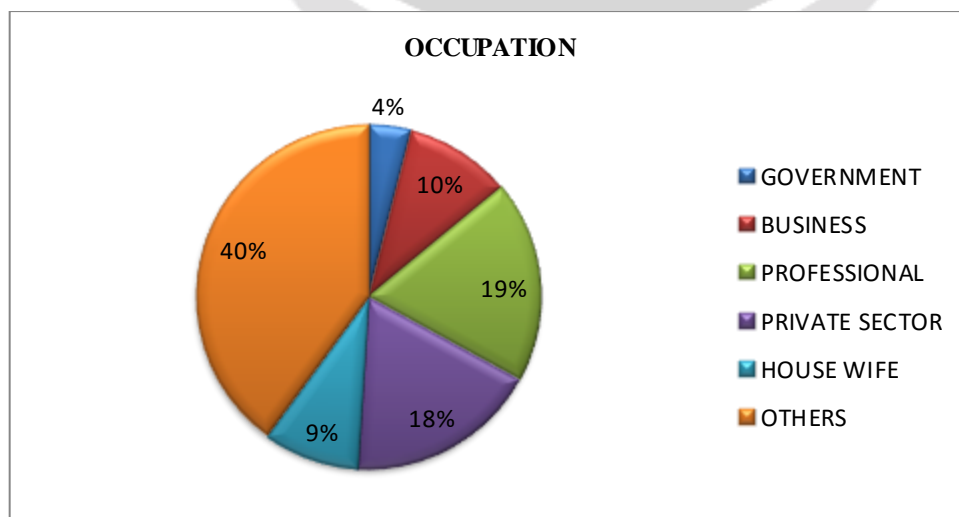
4.1.1 Chart Showing the Age group of the respondents

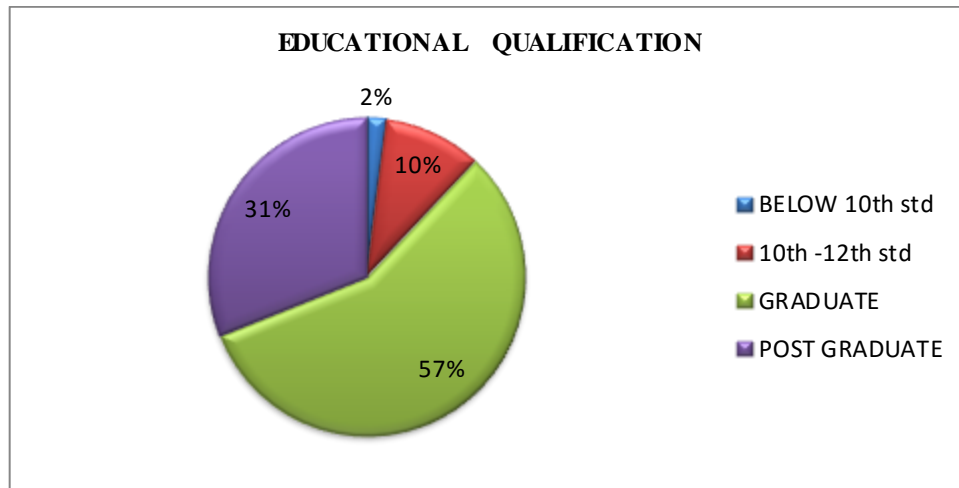
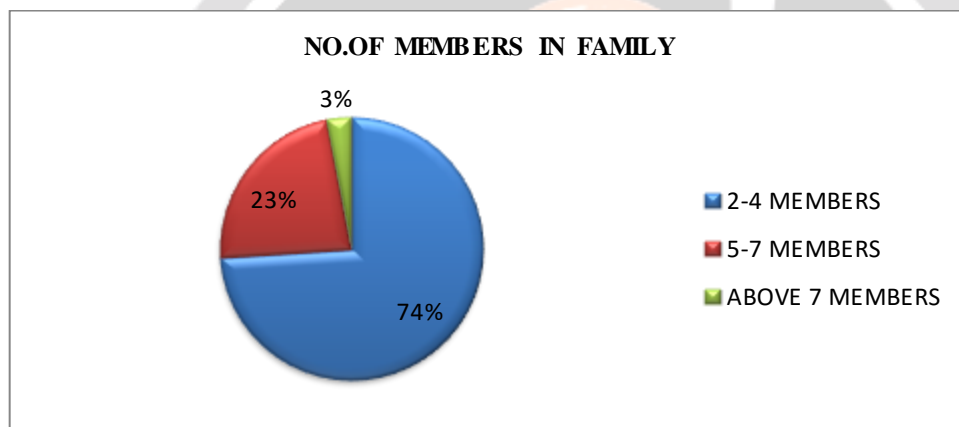
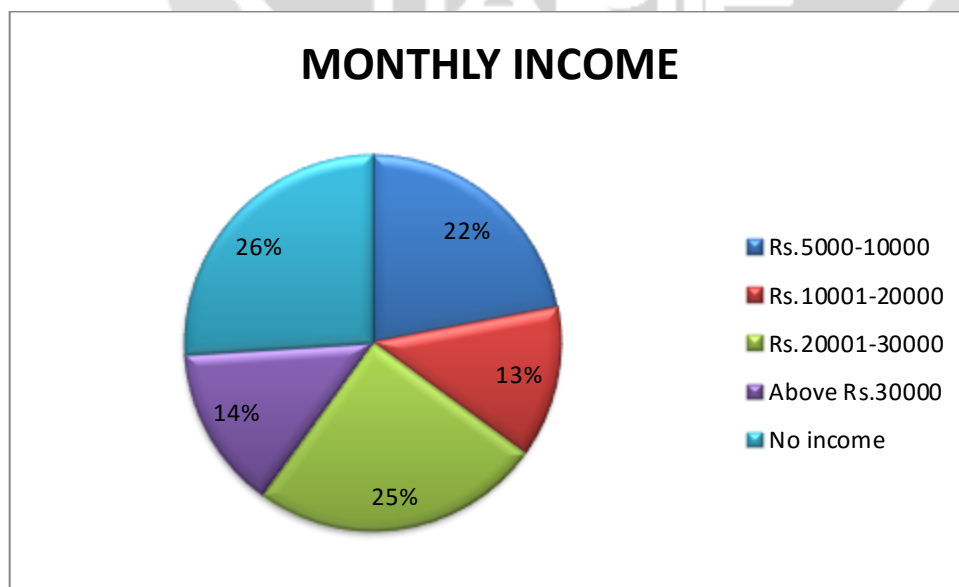


4.1.2 Chart showing the Gender of the respondents



4.1.3 Chart Showing the Occupation of the respondents



4.1.4 Chart showing the educational qualification of the respondents:**4.1.5 Chart Showing the No. of members in the family of respondents:****4.1.6 Chart showing the Income level of the respondents:**

4.2 WEIGHTED AVERAGE METHOD:

The weighted Average method is used to assign the average cost of production to a product. The respondents is multiplied by number and divided by total number of respondents (100) based on the activities given important. The result was summed based on the score the weighted average score was calculated and each activities given important. The Formula to calculated,

$$\text{Weighted Average} = w_1x_1 + w_2x_2 + \dots + w_nx_n$$

W – Relative Weight

X – Value

4.2.1 TANGIBLE DIMENSION**4.2.1.1 Table showing the customer preference towards Tangible dimension**

Factors	Strongly agree	Agree	Somewhat agree	Disagree	Strongly disagree	Score	Rank
Attractive	8	50	27	14	1	3.50	3
Arrangements	19	52	19	8	2	3.78	1
One-stop shopping	10	46	32	11	1	3.53	2
Parking facility	12	40	29	13	6	3.39	4
Comforts	6	27	35	20	12	2.95	6
Hygienic	11	36	29	18	6	3.28	5

4.2.2 RELIABILITY**4.2.2.1 Table showing the customer preference towards Reliability dimension**

Factors	Strongly agree	Agree	Somewhat agree	Disagree	Strongly disagree	Score	Rank
Service	6	49	24	17	4	3.36	5
Suggestions	11	41	30	14	4	3.41	3
Door delivery	13	39	24	18	6	3.35	4
No hidden price	16	44	22	15	3	3.55	2
Less than MRP	14	48	25	8	5	3.58	1
Payment	15	41	31	10	3	3.55	2

4.2.3 RESPONSIVENESS**4.2.3.1 Table showing the customer preference towards Reliability dimension**

Factors	Strongly agree	Agree	Somewhat agree	Disagree	Strongly disagree	Score	Rank
Knowledge to answer customer question	17	36	36	6	5	3.54	4
Behavior to customers	13	47	25	12	3	3.55	3

Respond to customer	9	54	26	9	2	3.59	2
Individual attention towards customer	16	38	25	16	5	3.44	5
Answering over telephone	6	48	31	13	2	3.43	6
Co-operation to customers	4	53	24	7	2	3.70	1

4.2.4 :ASSURANCE

4.2.4.1 : Table showing the customer preference towards Assurance dimension

Factors	Strongly agree	Agree	Somewhat agree	Disagree	Strongly disagree	Score	Rank
Solving customers problem	6	47	39	8	0	3.51	4
Handle customer complaints	11	52	28	6	3	3.62	1
Exchange of defect goods	8	43	28	19	2	3.11	5
Cashier efficiency in dealings	11	48	32	7	2	3.59	2
Billing and checking	11	50	28	7	4	3.57	3

4.2.5: EMPATHY

4.2.5.1: Table showing the customer preference towards Empathy dimension

Factors	Strongly agree	Agree	Somewhat agree	Disagree	Strongly disagree	Score	Rank
Feeling anxious when didn't go for shopping	5	38	23	19	19	2.99	4
Credit cards	18	48	18	16	16	3.68	2
Ensure good quality bags	22	50	22	5	5	3.87	1
Items offered are same as catalogue	15	50	21	14	14	3.66	3
Service quality	6	62	25	6	6	3.66	3

4.3: RANK ANALYSIS:

Average score was obtained for the products purchased mostly by the customers. For this purpose rank analysis is used. The respondents is multiplied by number (rank) based on the activities given important. The result was summed and based on the score the averages score was calculated and cash activities are ranked accordingly to the average score.

4.3.1: Table Showing the customer's preference as per rank analysis

Factor	Score	Rank
Reasonable price	2.52	1
Large variety of products	3.12	2
Good store environment	3.38	3
Convenient location	3.56	4

Parking facility	3.92	5
The customer care is good	4.2	6

INTERPRETATION

As per the rank analysis the customer give 1st rank for reasonable price, 2nd rank for large variety of products, 3rd rank is for good store environment, 4th rank for convenient location, 5th rank is given for parking facility and thus the least 6th rank is for the customer care.

4.4: CHI SQUARE TEST

The Chi-Square test is an analysis which is to test the dependence of two factors. On other words the chi-square is also used to test whether one factor has significant influence over the other. For this purpose the factors considered in this study are classified into two groups as observed and expected frequency.

The χ^2 test is defined as

$$\chi^2 = \sum \frac{(o-e)^2}{e}$$

I. Relationship between the Age and how they know about the store.

HYPOTHESIS

Ho – there is no relationship between the age of the respondents and the quality of the product.

H1 - there is relationship between the age of the respondents and the quality of the product which influences the customer buy from organized retail outlets.

4.4.1: Table showing the age and how they know about the product

AGE GROUP	RELATIVE	NEIGHBOUR	ADVERTISEMENT	FRIENDS	TOTAL
UPTO 20	5	5	6	5	21
21-30 YRS	7	5	27	9	48
31-40 YRS	0	3	11	4	18
ABOVE 40 YRS	3	4	4	2	13
TOTAL	15	17	48	20	100

EXPECTED VALUE = ROW TOTAL * COLUMN TOTAL / NET TOTAL $\chi^2 = \sum \frac{(o-e)^2}{e}$; $6.53/100 = 0.0653$

4.4.1: Table Showing the Chi-Square Test

Sl.no	Personal factor	Chi-square value	Table value	Significant /insignificant
1	How they know about the product	0.0653	16.919	Insignificant

Level of significance: 5% or 0.05

Degree of Freedom = (r-1)*(c-1) ; = (4-1) (4-1); = 3*3 = 9.

Table value = 16.919

Calculated value = 0.0653

INTERPRETATION:

The table value is higher than the chi-square value (table value > chi-square value), (Table value = 16.919; calculated value = 0.0653)

The data subject to Chi square analysis reveals that there is no significant relationship between the age of the respondents and how they know about the store. Thus it is inferred null hypothesis (Ho) is accepted

4.4.2: Table showing monthly income and amount spent

Monthly income	Below Rs.500	Rs.500-Rs.1000	Above 1000	Total
Rs.5000-Rs.10000	5	13	4	22
Rs.10001-Rs.20000	1	8	4	13
Rs.20001-Rs.30000	6	15	4	25
Above 30000	2	7	5	14
Others	7	11	8	26
Total	21	54	25	100

EXPECTED VALUE = ROW TOTAL*COLUMN TOTAL/NET TOTAL $\chi^2 = \sum \frac{(o-e)^2}{e}$; $33.32/100 = 0.33$

4.4.2: Table Showing the Chi-Square Test

Sl.no	Personal factor	Chi-square value	Table value	Significant /insignificant
1	Amount spent per visit	0.33	15.507	Insignificant

Level of significance: 5% or 0.05

Degree of Freedom = $(r-1)*(c-1)$; = $(5-1) (3-1)$; = $3*3 = 8$.

Table value = 15.507

Calculated value = 0.33

INTERPRETATION:

The table value is higher than the chi-square value (table value > chi-square value), (Table value = 15.507; calculated value = 0.33)

The data subject to Chi-square analysis reveals that there is no significant relationship between the age of the respondents and amount spent per visit. Thus it is inferred null hypothesis (Ho) is accepted.

5: CONCLUSION:

Customer satisfaction measures offer a meaningful and objective feedback about clients' preference and expectations. The study surveyed the customers from top 5 retail store and top 5 departmental stores to determine the key influential factors that significantly influence on their level of satisfaction and from that it has found that customer who visit the departmental store and retail store mainly prefer it due to reasonable price as per the ranking method and from the 5 dimensions it is proved that customer are fully satisfied with the service quality of departmental store and retail store.

Every retail concern should constantly take stock of the satisfaction level of the customers and take efforts to improve or expand the condition. The store should accommodate changes in the retail business and invoke necessary measures to sustain their business and draw more customers in this competitive scenario. With the springing up of more and more stylish modern retail departmental stores in the city, it is up to these stores to spruce up in space and style, improve quality and variety of their merchandise and spice up the service with personal care and attention.