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A STUDY ON CUSTOMER SATISFACTION TOWARDS ORGANIZED RETAIL MARKETS IN UDUMALPET TALUK

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ABSTRACT

India has witnessed a revolution in the last two decades as a result of rapid urbanization and changing consumption. The largest beneficiary of this revolution is the retail industry. It has emerged as one of the most dynamic and fast-paced industries in the economy. The sector immensely contributes to the economic development of the country by contributing about 35% of the GDP in India. Earlier, retail industry was comprised of small and often family-operated shops. Recent decades witnessed a great change in the industry with emergence of department stores and shopping malls. Today, large mass merchandise stores, specialty stores and online shopping are more common. The modern retail industry is blooming across the world.

KEYWORDS: *urbanization, revolution, shopping malls, retail industry, economic growth*

INTRODUCTION

India has witnessed a revolution in the last two decades as a result of rapid urbanization and changing consumption. The largest beneficiary of this revolution is the retail industry. It has emerged as one of the most dynamic and fast-paced industries in the economy. The sector immensely contributes to the economic development of the country by contributing about 35% of the GDP in India. Earlier, retail industry was comprised of small and often family-operated shops. Recent decades witnessed a great change in the industry with emergence of department stores and shopping malls. Today, large mass merchandise stores, specialty stores and online shopping are more common. The modern retail industry is blooming across the world.

The US retail market is the largest retail market in the world. Organized retail markets in developed countries have a 75-80% share in total retail. According to the Indian Council for Research

on International Economic Relations (ICRIER), India is the seventh largest retail market in the world. India has the highest number of retail outlets in the world having over 13 million retail outlets with an average size of 50-100 square feet per store. The country also has the highest number of outlets (11,903) per million inhabitants. It has about 11 shop outlets for every 1000 people. The private final consumption expenditure (PFCE) and GDP growth indicates the growth of retail sector in India.

STATEMENT OF THE PROBLEM

Retailing in India is set for a big leap. Retailing industry has a big future in India. The rise in double income families leading to higher disposable incomes and higher economic growth led to a significant change in life-style and spending patterns of customers. Understanding customer behaviour is essential for survival of any retail organization. In the changing cultural, demographic, political and economic environment, customer taste

and preferences are drastically changing and the existing business model gets outdated. In the last 3 to 4 years, retailers in India are experiencing great problems in improving their top line and bottom line which threatened the profile and identity of the retail market in India.

OBJECTIVES

1. To study the socio-economic background of the customers of the organized retail markets.
2. To assess the customers’ level of satisfaction towards the services of the organized retail markets.

SOURCES OF DATA

The study is based on both primary and secondary data. The primary data were collected from customers of retail outlets in Udumalpet Taluk, with the help of a structured Interview Schedule. The data were collected from 300 respondents who made their purchases in retail markets. The secondary data were drawn from sources like newspapers, magazines, journals, books, websites, pamphlets etc.

ANALYSIS AND INTERPRETATION

Table 1 Socio - Demographic Profile

S.No.	Demographic Factors	Frequency	Percentage	
1	Gender	Male	176	58.7
		Female	124	41.3
2	Place of Residence	Rural	92	30.7
		Urban	208	69.3
3	Age	20-30	80	26.7
		31-40	48	16.0
		41-50	80	26.7
		51-60	32	10.7
		60 and above	60	20.0
4	Educational Qualification	Up to Secondary	64	21.3
		Higher Secondary	96	32.0
		Undergraduation	100	33.3
		Postgraduation	40	13.3
5	Occupation	Businessman	80	26.7
		Salaried	48	16.0
		Professional	48	16.0
		Agriculturist	72	24.0
		Others	52	17.3
6	Monthly Household Income	Up to Rs 10000	16	5.3
		Rs 10001-20000	112	37.3
		Rs 20001-30000	52	17.3
		Rs 30001-40000	80	26.7
		Above Rs 40000	40	13.3
7	Type of Family	Nuclear family	204	68.0
		Joint family	96	32.0
Total		300	100	

Source: Primary Data.

It is revealed from the above table that 58.7 percent of the respondents were Men and 41.3 percent were women. Majority of the respondents (69.3 percent) were from urban areas and only some of them (30.7 percent) were from rural areas. About 26.7 percent of the respondents were in the age group of 20-30 years, 26.7 percent were 41 to 50 years of

age, 20 percent were ‘Above 60’ years, 16 percent were 31 to 40 years of age and only 10.7 percent were 51 to 60 years of age. About 33.3 percent of the respondents were Degree holders and 32 percent were educated up to Higher Secondary level, 21.3 percent have studied up to Secondary level and 13.3 percent have received Postgraduate education.

Around 26.7 percent of the respondents were Businessmen, 24 percent were Agriculturalists, 16 percent were Professionals and 17.3 percent were Salaried. About 37.3 percent of the respondents had a monthly income from Rs.10,001 to Rs.20,000, 26.7 percent had an income from Rs.30,001 to Rs.40,000,

17.3 percent had an income from Rs 20,001 to Rs.30,000, 13.3 percent had Above Rs.40,000 and 5.3 percent had an income upto Rs.10,000. About 68 percent of the respondents were from Nuclear family and only 32 percent were from Joint family.

Table 2 Source of Recommendation to Organized Retail Markets

S.No.	Source	No. of Respondents	%
1	Friends	16	5.3
2	Advertisements	80	26.7
3	Neighbours	112	37.3
4	Relatives	76	25.3
5	Children	16	5.3
Total		300	100

Source : Primary Data.

It is clear from the above table that 37.3 percent of the respondents came to know about the organized retail markets through the neighbours, 26.7 percent through the advertisement, 25.3 percent through the relatives, 5.3 percent through their

friends and relatives. Major source of recommendation to organized retail markets are from the neighbours.

Table - 3 Frequency of visit to the organized retail markets

S.No.	Frequency	No. of Respondents	%
1	Rarely	32	10.7
2	Weekly	88	29.3
3	Bi-monthly	112	37.3
4	Monthly	68	22.7
Total		300	100

Source : Primary Data.

The above table reveals that 37.3 percent of the respondents have visit the organized retail markets twice a month, 29.3 percent visit weekly, 22.7 percent

visit monthly and only 10.7 percent visit organized markets rarely.

FACTOR ANALYSIS

Table - 4 KMO and Bartlett's test for factors related to level of satisfaction towards the services provided by the organized retail markets

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.559
Bartlett's Test of Sphericity	Approx. Chi-Square	9234.442
	DF	66
	Sig.	.000**

**p<0.01 S-Significant

From the above table, two tests, namely Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity have been applied to test whether the association among the variables has been significant or not. The Kaiser-

Meyer-Olkin Measure of sampling adequacy shows that the value of test statistics is 0.559, which means

the factor analysis for the selected variable is found to be appropriate to the data. Bartlett’s test of sphericity is used to test whether the data are statistically significant or not with the value of test statistics and the associated significance level. It

shows that there exists a high association among variables.

Table – 5 Eigen Values and Proportion of Total Variance of Each Underlying Factors Related to Level of Satisfaction towards the Services Provided by the Organized Retail Markets

Total Variance Explained									
Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.079	58.990	58.990	7.079	58.990	58.990	5.471	45.588	45.588
2	1.661	13.840	72.830	1.661	13.840	72.830	2.940	24.498	70.086
3	1.296	10.800	83.630	1.296	10.800	83.630	1.625	13.543	83.630

Extraction Method: Principal Component Analysis.

The results of the factor analysis presented in the above table represents the factors related to level of satisfaction towards the services provided by the organized retail markets, and the table reveals that there are twelve variables that had Eigen value exceeding “one”. When the twelve variables are compressed into three factors, the first factor accounted for 58.990 percent of the variance, the

second 13.84 percent, and last the factor 10.80 percent of the variance in the data set. The first three factors are the final factors solution and they all together represent 83.63 percent of the total variance in the scale items measuring the factors related to level of satisfaction towards the services provided by the organized retail markets.

Table-6 Factors Related to Level of Satisfaction towards the Services provided by the Organized Retail Markets

CODE	VARIABLES	CODE	FACTORS
X ₁	Quality of service	82.45	FACTOR I
X ₇	Easy accessible layout	76.21	
X ₈	Parking facilities	70.90	
X ₁₁	Variety mode of payment	68.89	
X ₆	Fast checkout	56.25	
X ₅	Time Saving	45.16	
X ₁₂	Store entrance & walkways	42.51	FACTOR II
X ₃	Product price range	83.36	
X ₁₀	Door delivery	56.55	
X ₄	Visual merchandising	49.56	FACTOR III
X ₉	Trolley facilities	71.06	
X ₂	Self Service	61.78	

FINDINGS

Majority of the respondents (58.7 percent) were men. Majority of the respondents (69.3 percent) were from urban areas. Most of the respondents (26.7 percent) were in the age group of 21-30 years and 41 – 50 years. Most of the respondents (33.3 percent)

were Undergraduates. Most of the respondents (26.7 percent) were Business persons. A maximum of 37.3 percent of the respondents were under the income level of Rs. 10000 to Rs.20000. Majority of the respondents (68 percent) belongs to nuclear family. Major (37.3 percent) source of recommendation to

the organized retail markets were from the neighbours. Most (37.3 percent) of the respondents visited the organized retail markets for shopping.

SUGGESTIONS

1. The organized retail markets should improve the existing packing facility, discount facility, space for shopping, display of products, etc.,
2. The retail markets should train their sales personnel to handle the customers in a pleasing manner and motivate the customers to buy the products and help them to know about the new arrivals.
3. It is recommended that there should be more cash counters with well-trained staff.

CONCLUSION

The organized retail sector is growing rapidly and the customers are shifting to shopping in the organized retail stores. Customers always look for the benefits of shopping in an organized retail store over the traditional retail outlets in terms of self-selection, variety, and also seek value for the money they pay. This study is an attempt to examine the reasons for selecting the organized retail markets by the customers in Udumalpet Taluk.

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