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## CUSTOMER SATISFACTION IN RETAIL BUSINESS: A COMPARATIVE STUDY ON BIG BAZAAR AND SELECT RETAIL OUTLETS IN BANGALORE URBAN DISTRICT

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### ABSTRACT

*The Retailing can be derived as the interface between the producer and the end customer buying for personal consumption. This limits direct interface between the manufacturers and institutional buyers such as the government and other bulk customers. Retailing is the last link that connects the individual consumers with the manufacturing and distribution chain. A retailer is involved in the act of selling goods to the individual consumer at a margin of profit. The concept of marketing is a wider concept aimed to increase sales and aiming at profit by retailing consumers. Retail business is a small part of marketing concept which includes lot of techniques and aims to fulfil the needs and wants of customers. Unsatisfied needs of the customers are the basic factor for the retail marketing. The present paper throws enough light on the importance of the customer for retailing and the customer attitude towards the retailing industry and their satisfaction towards the goods and services provided by the Indian retail business with special reference to the Select retail outlets located in Bangalore Urban District.*

**Key Words:** Retailing, interface, attitude, customer satisfaction, business, marketing, profit

## **Introduction**

Retail business comprises a fixed location, Departmental store, and boutique. It is aimed to satisfy customer needs and wants by maintaining profit margins, creating and winning the customers loyalty is a primary function of Retail business which will retain the customer for longer period and creates image. Retail marketing business becomes one of the major emerging trends in the growing market of economic cycle. Retail marketing is a platform which provides basic consumer needs at the retail stores. A retail store consists of stores, Departmental stores, Janatha bazar, Super Market, Shop keepers etc., They are located in a fixed place, consumers need these shops at their convenient and purchase goods and services in return for certain value. These shop keepers sell their products keeping certain Profit margin. The prime aim of these shop keepers is to satisfy the consumers' needs and wants.

Retail marketing has become one of the basic elements of marketing strategies. This means it needs a lot of planning and proper execution. Now let us first focus on nature of retail business, needs of customers, steps taken by the shop keepers to satisfy the desires of customer. Customer loyalty is a primary element of retail marketing, once you create the customer loyalty towards your brand, it will be easier to stay in the marketing for a longer period with handsome Profit, creating customer loyalty is not a easy task it takes many regards for a brand to find its own place in a market.

Retail can adopt many promotional techniques, which includes special gift on purchase of bulk goods, issuing of the special cards to provide them huge discounts after certain amount of purchase to credit. This kind of unique promotional activities not only promotes the sales target of the retailers but also enhances customer loyalty too. In the olden days customers were easily shifting their brand loyalty from one to another but now with extensive feature of retail marketing it has become an advantage to the company not only to capture the huge Marketing but also retain the strong customer branding for a long time.

## **Retail Marketing**

Retail business includes all the activities involved in selling goods or services directly to end-users for personal, non-business use. Any organization selling to ultimate consumers - whether a manufacturer, wholesaler, or retailer is doing retailing. It does not matter how the

goods or services are sold (by Person, Mail, Telephone, Vending Machine, or Internet) or where they are sold (in a store, on the street, or in the consumer's home).

There are many means to understanding and defining retail business, most emphasize retail marketing as the business activity of selling goods or services to the final consumer, but what we emphasized upon is defined as follows:

*“Any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution”*

The concept assumed within this definition is quite important. The final consumer within the distribution chain is a key concept here as retailers are at the end of the chain and are involved in a direct interface with the consumer.

A retailer or retail store is any business enterprise, whose sales volume comes primarily from retailing. Retail units exhibit great variety and new forms keep emerging. There are store retailers, non-store retailers, and retail organization. Consumers today can shop for goods and services in a wide variety of stores. The best-known type of organized retailer is the department store. Japanese department stores such as Takashimaya and Mitsukoshi attract millions of shoppers each year. These stores feature art galleries, cooking classes, and children's playgrounds.

A retailer is at the end of the distributive channel. He provides goods and service to the ultimate consumers. This he does through his small units with the help of a few peoples. In an individual retail store there is not much scope for organization except in the sense that the shopkeeper has to organise and apportion his time and resources. The need for organization becomes essential as soon as he hires people and enters into partnership or takes the help of members of his family in running his store. A retailer deals in an assortment of goods to cater to the needs of consumers. His objective is to make maximum profit out of his enterprise. With that end in view he has to pursue a policy to achieve his objective. This policy is called retailing mix.

A retailing mix is the package of goods and services that store offers to the customers for sale. It is the combination of all efforts planned by the retailer and embodies the adjustment of the retail store to the market environment. Retailing mix, a communication mix and a distribution mix. The maximum satisfaction to the customers is achieved by a proper blend of all three.

The success of the retail stores, therefore, depends on customer's reaction to the retailing mix which influences the profits of the store, its volume of turnover its share of the market, its image and status and finally its survival.

### **Meaning and definition of retailing**

According to Philip Kotler the retailing includes all the activities involved in selling goods or services to the final consumers for non-business use. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing. Any organization selling to final consumer whether it is a manufacturer, wholesaler or retailer is doing retailing. It does not matter how the goods or services sold by person, phone, mail vending machines, or internet, or where they are sold- in a store, in the street or in the consumer's home".

### **Features of Retailing**

Observing the numerous definitions given by the most distinguished authors and authorities, the essential features of retailing may be summarized as under:

- ✚ It is a commercial activity – involves exchange of goods and services for money, aimed at making profit.
- ✚ It involves selling of goods or services meant for final consumption by an individual or household.
- ✚ It involves buying in large quantities and selling in small quantities.
- ✚ It generally does not involve any transformation of goods
- ✚ It is not confined to specific location
- ✚ “Retailing”- the activity, assumes greater significance than the “retailer”-the individual
- ✚ The retailer is the end link in the chain through which goods produced by the farmer/manufacturer reach the consumers' destiny
- ✚ Retailers facilitate distribution of goods by providing points of sale and making the goods available to customer in convenient and cost effective manner.

### **Overview of Indian Retail Industry**

The word “Retail” originates from a French-Italian word “retailer” meaning “someone who cuts off or shreds a small piece from something”. Retailing includes activities of marketing and selling products or services to the end users for their own household or personal purpose. Retailer is a Person or Agent or Company or Organization who is responsible in reaching the

Goods or Merchandise or Services to the End User or Ultimate consumer. Retailing is a distribution channel function, where one organisation buys products from supplying firms or manufactures products themselves and then sells these directly to consumers.

In majority of Retail situations, the organisation, from whom a consumer buys, is a reseller of product obtained from others, and not the product manufacturer. However, some manufacturers do operate their own retail outlets in corporate channel arrangement. It is also called zero channels or direct selling. Retailers offer many benefits to manufacturers and end users as resellers. Consumers, for instance, are able to purchase small quantities of an assortment of products at a reasonably affordable price. Similarly, producers get an opportunity to reach their target market, build product demand through retail promotions, and provide consumer feedback to the product marketer.

### **Statement of the Problem**

The present study focuses on “customer satisfaction in retail business A comparative study on Big bazaar and other selected retail outlets in Bangalore urban District. Retail sector in India is one of the fastest growing sector. It has undergone both evolutionary and Revolutionary changes. The India’s retail industry is the largest among all Industries It is the largest source of employment after agriculture; it has the deepest penetration to rural India. However, retailing in India has so far been mostly in hands of small unorganized entrepreneurs it is also India’s least evolved Industry.

The present study also focuses heavily to understand the customer satisfaction level from various organized retail outlet viz., Big Bazaar and other selected retail outlets. In spite of the above stated importance the Indian retail sector is always faces a strong threat from the large retail houses, with the emergence of mall culture, the small as well as traditional retailers in India may lose their existence in future due to the variety of products offered by the Malls’ including food and entertainment under one roof at the same time out of the total population, 60% is in rural India, they fully unaware about the Mall culture which are basically located in urban India, hence, this kind of study is important at this juncture.

### **Objectives of the Study**

1. To study the customer preferences towards Big Bazaar and other selected retail outlets.
2. To examine the level of customer satisfaction among the customers of retail outlets.

3. To offer a few suggestive measures on the basis of findings of the study

## **Research Methodology**

The present study is an analytical study, the data were collected from both primary and secondary sources, and the primary data were collected from the various respondent groups by conducting field surveys using techniques such as administered comprehensive questionnaires, interviews, personal interactions to elicit the views of all stakeholders in retailing field.

The secondary data were collected from published sources like books, journals, periodicals and internet source. The collected data were classified, processed, tabulated and analysed with statistical tools by applying SPSS (Statistical Package for Social Sciences) package for statistical data analysis and interpret the result to arrive at findings. Ultimately conclusions were drawn.

Therefore, the study assumed descriptive and survey because it is fact finding investigation. In analytical research, the researcher has to use facts or information already available and only these to make critical evaluation of the material. The Methodology is also empirical one because the researcher was intended to visit the different retail outlets of different formats and met with the customers, organized retailers and informal retailers from various places and directly experiencing and observes the phenomenon under study.

## **Review of Literature**

In this section, it is proposed to review the literature that exists in the field of tourism related areas. The available literature throws light on the unexplored areas of research in tourism.

**Sharif Khurram (2012)**<sup>i</sup> in his study found that customer satisfaction was largely driven by product assortment, product availability and excellence in customer service and other Category Management variables viz, product price, product presentation and product promotion had insignificant impact on customer satisfaction. **Midha Aditi, et.al., (2012)**<sup>ii</sup> investigated in their study marketers today are facing challenges in trying to understand the decision-making processes and the purchase behaviors of those potential consumers located at the bottom of the pyramid. The main reason of this struggles is because of the low knowledge about them, as retailers are of the notion of how to profitably do business with the poor. **Malik Ruchi (2012)**<sup>iii</sup> in her study of the factors affecting the success of organized retail sector and analyzed their

importance and was found from the study, that though there are multitudinous opportunities that are untapped by the retailers, they can be successful by paying more attention towards their customer needs and desires. **Rajagopal, (2011)<sup>iv</sup>** in his study revealed that the shopping behavior of urban consumer at retail stores in response to radio advertisements is highly influenced by the physical, cognitive and economic variables. And radio advertisements propagating promotional messages on sales of products have quick response to the supermarkets and department stores.

### **Sampling**

Based on the non-random judgmental and convenient random sampling methods of 500 respondents comprising customers and organized retailers were selected for the study.

### **Sample Size**

Since, different sampling methods were selected for the research study the bifurcation of various sampling techniques and the sampling size depicted in the below table:

<b>Sl. No</b>	<b>Sample Respondents group</b>	<b>Size of Sample</b>	<b>Sampling Technique</b>
1	Consumers of large retail outlet and malls	450	Convenient random sampling
2	Large retail players	50	Non-Random Judgmental sampling
<b>Total Sample Size</b>		<b>500</b>	<b>Multiple Techniques</b>

### **Data Analysis and Interpretation**

The collected data were tabulated and presented through percentages and weighted averages. For the purpose of the analysis of the data in this study, generally the tabular analysis is adopted. Wherever necessary, percentages, ratios and growth rates are calculated to facilitate the significance or otherwise of the phenomenon in the data. Necessary graphs were used for enhancing the clarity in the presentation of the data.

The organised retailer such as Big Bazaar, More, Easy Day, Relience Fresh and many more are in race to pool in large group of customer. Evaluating the customer profile gives an understanding about the behaviour pattern that existing. The pattern can be used as estimators for predicting the customer buying behaviour and satisfaction, primary data collected from

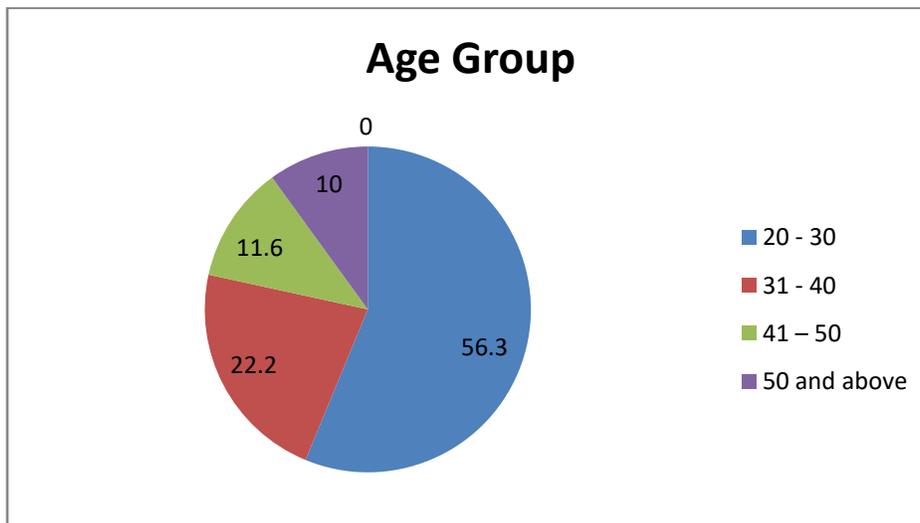
different retail outlets in Bangalore region. The retail outlets select for the study are Big Bazaar, More, Easy day and Reliance Fresh with a total sample size of 500 in Bangalore region, the data is collect in form of questionnaire and data is analysed in SPSS Software.

**Table - 1.1: Age Group of respondents**

Age Group of respondents		Frequency	Percentage
Valid	20 - 30	281	56.3
	31 - 40	111	22.2
	41 – 50	58	11.6
	50 and above	50	10.0
	Total	500	100.0

Source: Field Survey

The age group estimator is indicate that most of shoppers or customer are from a younger group within the age limit of 20 – 30 with 56.3%, the customer falling within age group of 31-40 are 22%, the customer falling within age group of 41 – 50 are 11.6%, the customer falling within age group of 50 and above and 10%.



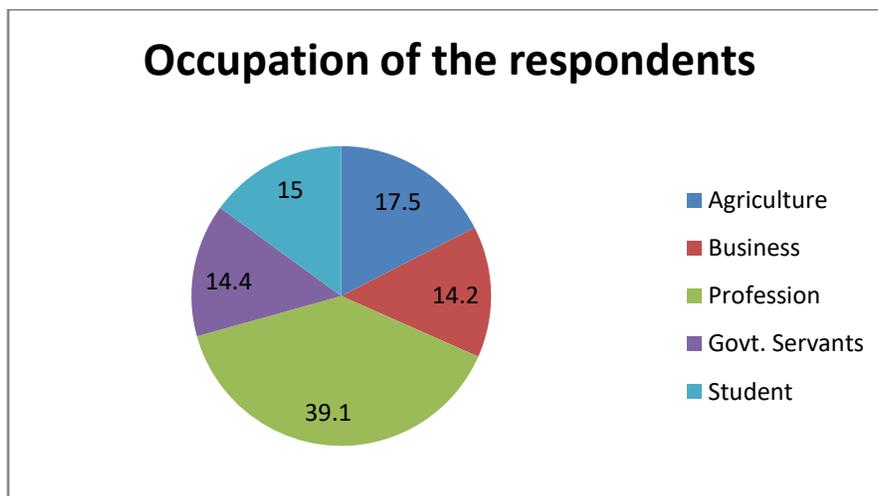
**Table - 1.2: Occupation of the respondents**

Occupation of the respondents		Frequency	Percentage
Valid	Agriculture	87	17.5
	Business	70	14.2

	Profession	196	39.1
	Govt. Servants	72	14.4
	Student	75	15.0
	Total	500	100.0

Source: Field Survey

The occupation of the customer buying at selected outlets are tabulated with an interesting ration of the customer belong to professional work with 30% occupancy. The customer with agriculture occupation constitutes of 17.6% customer with Business occupation constitutes of 14% , customer with Government Servants constitutes of 14.4%, customers who are Student Constitutes of 15% of total sample.

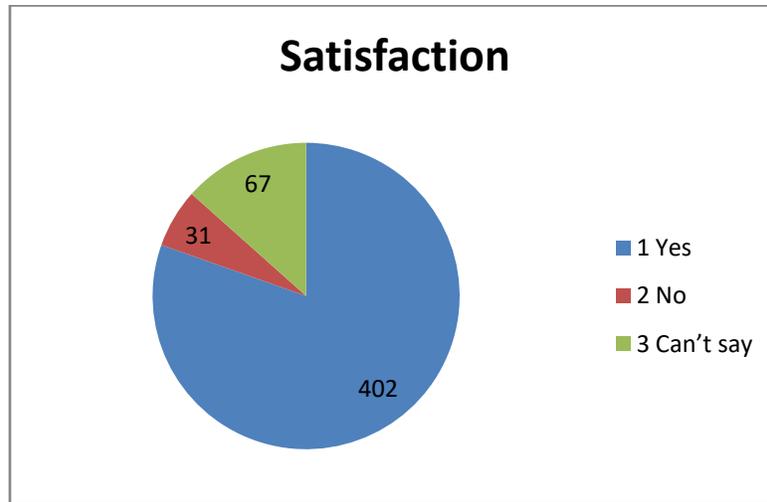


**Table – 1.3: Respondents Satisfaction with the retail Outlets**

Satisfaction	Frequency	Percent	Valid Percent	Cumulative Percent
1 Yes	402	80.5	80.5	80.5
2 No	31	6.2	6.2	86.6
3 Can't say	67	13.4	13.4	100.0
Total	500	100.0	100.0	

Source: Field Survey

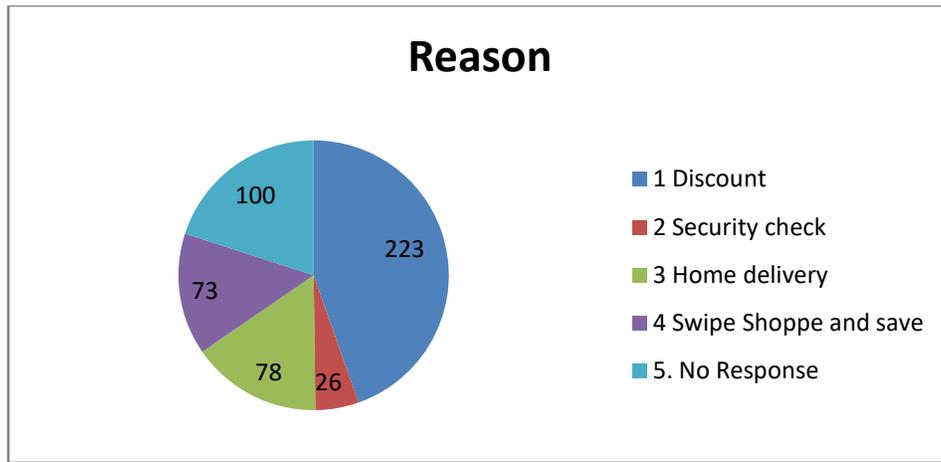
When the question was asked about the satisfaction 80.5% said that they are satisfied with the products and services offered by Retail outlets only 6.2% felt that they are not happy and 13.4% are neither satisfied nor unsatisfied hence satisfaction rate is very high.



**Table – 1.4 : Respondents Reasons for their satisfaction**

Reason	Frequency	Percent	Valid Percent	Cumulative Percent
1 Discount	223	44.6	55.7	55.7
2 Security check	26	5.2	6.5	62.2
3 Home delivery	78	15.6	19.5	81.7
4 Swipe Shoppe and save	73	14.7	18.3	100.0
5. No Response	100	19.9		
<b>Total</b>	<b>500</b>	<b>100</b>		

Source: Field Survey

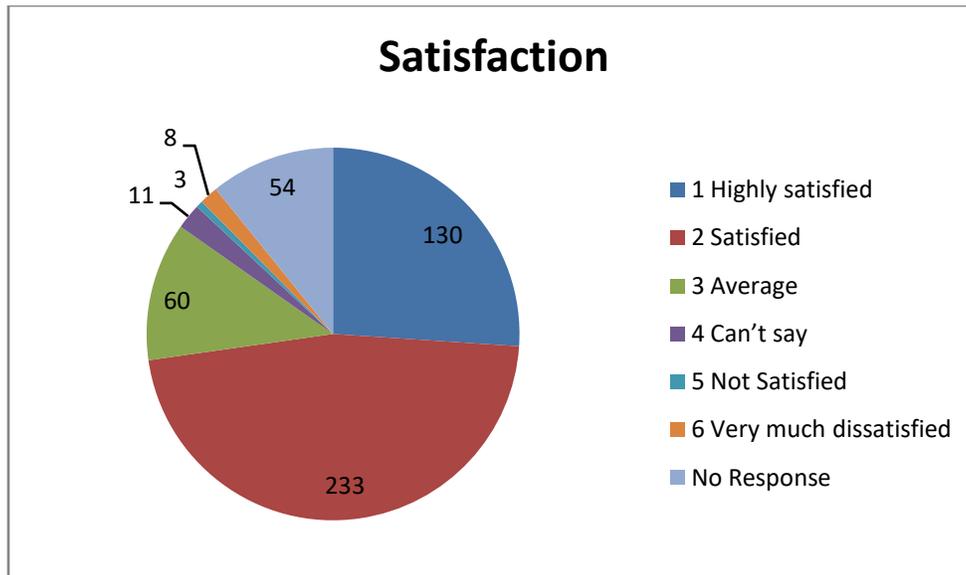


When the question was asked on elements of satisfaction 44.6% of customers felt discounts are the most attractive element made them to feel happy followed by Home delivery with 15.6% Swipe Shoppe and save 14.7% and 5.2% with Security check. Hence discounts are the most grabbing force of the customers

**Table – 1.5: Customers Level of Satisfaction with Big Bazaar**

<b>Satisfaction</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
1 Highly satisfied	130	26.1	29.2	29.2
2 Satisfied	233	46.6	52.2	81.4
3 Average	60	12.1	13.5	94.9
4 Can't say	11	2.3	2.6	97.4
5 Not Satisfied	3	.7	.7	98.2
6 Very much dissatisfied	8	1.6	1.8	100.0
No Response	54	10.7		
<b>Total</b>	<b>500</b>	<b>100.0</b>		

Source: Field Survey



Above table shows that how the consumers are rated their satisfaction level with Big Bazaar retail outlet 46.6% of the respondents are satisfied, 26% are highly satisfied 12% expressed Average satisfaction level, 2.3% said cannot say anything 0.7% are not satisfied 1.6% are very much dissatisfied and 10.7% did not respond. It is clear from the table that Majority i.e., 46.6% of the Customers are satisfied with the products and services offered by Big Bazaar.

### Findings, Suggestion and Conclusions

1. The study found that store environment factors are positively related to buying emotion, while customer buying emotion, consumption behavior, and customer satisfaction are also positively related.
2. The study shows that retail shop are higher than the wholesalers in Bangalore region.
3. Thus, it is clear from the above tables and the analytical information related to the demographic profile of the informal and organized retailers the customer who visit the organized retailers are more compared to that of the customers who visit the informal stores and the people who visit the organized retailer are more in the age group of 18 to 36 years, were the highest population of the country were fall into this group of age, hence, it is clear that there is a high potential growth for the organised retail sector in coming days.

4. The chi-square statistical test is conducted to see if both data have any significant between them and it clearly indicate that their no significant relation between both the variables age and quality.
5. From the study it is found that the average customer of Bangalore city in the data considered for the study were not very sales promotional conscious were as if we consider gender wise analysis they are quit conscience about certain types of sales promotional mix factors. It is found that the feminine genders both the departments and independents are mostly conscious about sales promotion in from of spot offers in shopping malls for getting customer satisfaction in Bangalore city. It is further found from the study that the respondents customers are recreational in their shopping needs, they are not attracted towards any type of promotional activates. They are coming shopping malls for purchasing products but for getting customer satisfaction, they do not attract to any type of sales promotion mix, which is available in shopping malls and they are not price concentrated.
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7. The study showed that tangibles, reliability, responsiveness, competence, credibility, accessibility and customer knowledge are positively related to customer satisfaction. However, only four variables have significant effect on customer satisfaction. The study has shed some light on the importance of focusing efforts on improving service quality in areas of reliability, customer knowledge, credibility, and tangibles in order to continually increase the level of customer satisfaction. Continued improvement in customer satisfaction would mean that an organization of organized retailing would be able to

continually stay ahead of its competitors. Customers would remain loyal to an organization and this brings continued profitability and business success.

## Conclusion

The retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services. It is also the second largest industry in US in terms of numbers of employees and establishments. There is no denying the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth the Indian Retail Industry is the largest among all the industries, accounting for over 10 percent of the country's GDP and around 8 percent of the employment. The retail industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even inching its way towards becoming the next boom industry.

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