
Customers 'Satisfaction Towards Price on Organized Retail Chain in Allahabad City'

Mr. Ajay joshi* & Dr Ronald V Mani**

*Department of management studies, Sr. Lecturer and Head S . P Memorial institute of technology (SPMIT), Allahabad. India.

**Sr. Assistant Professor, Joseph school of business studies (SHIATS) deemed university, Allahabad.

ABSTRACT:

Retail industries are gaining popularity very quickly in few decades, lots of examiner and big business player busy in this sector should pay special attention to the huge growth of this sector. The present study aims to determining the factors which constituting customer satisfaction at retail stores in Allahabad city. Customer satisfaction in this sector can be an essential sign of how well the stores are meeting the expectations of the customer's requirements. The reason of the study is to identify the factor constituting to the customer satisfaction and to investigate their behavior and its perception towards organized retail outlets, to identify the behavior of the customers purchasing in organized retail outlets, and to study about the future prospective of organized retail outlet in the Allahabad city. Customers of these four big retail chain stores have been interviewed for the study. Customer satisfaction is the most important factors for any industry and its growth. While buying a product in the market or at any retail chain or supermarket, the most important factor that drives the sale of the product is the purchasing power of the customer.

The word "customer" cannot be just considered according to the one who buys but according to the one who is consumer. There are customer belonging to the different workgroups and segments and thus differs their buying capacity. An organized retail chain must be able to cater the needs of all the segments of the society and provided huge range of products having different variants and costs. It should satisfy each and every customer walking in the store and the stores must be able to calculate its sale with the number of walk-ins.

To follow the principal of marketing, the retail chain must be free from bias to cost and segments. Variety of ranges starting from lowest to the highest must be available to satisfy the needs and demands of its customers. A total of 400 questionnaires have been randomly spread to retail customer. The analysis of the result suggests the level of customer satisfaction in term of services provided by organized retail outlets in Allahabad city.

KEY Words: Retail, customer satisfaction, Retail outlets, Behaviour.

INTRODUCTION

India is the 2nd fastest growing economy in the world. It is a 3rd largest economy in the world in terms of Gross domestic product (GDP) and fourth largest economy in terms of Purchasing Power consistency. Present scenario in India huge opportunity for the foreign players and it's a hub for big business man. Standing on the threshold of a retail revolution and witnessing a fast

changing retail landscape, India is the promised nation for global brands and Indian retailers a powerful economy. In the list of emerging market as global India is acquire a top most position. India's retail sector is developed and modernizes very quickly with India's economic growth. The future of retail is more favourable. And the Indian market is growing very quickly; government programme and scheme are becoming more favorable with retail industries.

Indian retail is becoming the next booming industry in the world. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping in India. Modern retail has entered India as seen in sprawling shopping centers, multi-storied malls and huge complexes offer shopping, entertainment and food all under in a single roof. The Indian retail industries are at a conjugation point where the growth of organized retail and growth in the use by the Indian population is going to take a higher growth path. It is observed that Indian population is outstanding change in its demographics. A huge number of young working populations with age of 22 years, nuclear families in metropolitan areas, beside with enlarge numbers of working-women population and emerging golden opportunities in the retail sector are going to the key growth drivers of the retail industry in India. Retail sector in India is growing very quickly with consumer more spending growing by unrivalled rates and with expands number of foreign players to investing in this sector. Considerable tenure of development in this area was in the time of 2000 and 2006, the sector profits got enhanced to 93.5% resulting in a regular annually increase of about 13.3%. Retail sector grew an expression of the outstanding Indian monetary increase and largely increase in returns echelon of clients. Apparels and consumer durables are the fastest growing upright in the retail sector. Mobile phone as a product category has witnessed the maximum growth in the consumer demand between all retail products offering, with growing dissemination of telecommunication in towns and villages. The telecommunication area has been adding on normal 6 million new users every month. The other man-made goods categories are gaining grip primarily in the urban region and growing cities, with growing average revenue and spending power of young metropolitan India.

According to **Hansemark and Albinson** (2004) "satisfaction is an in general customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the completion of some needs, goals or desire".

According to **ICRIER**, in India the total retail business grow at 13 percent per annum from US \$ 324 billion in 2007- 2008 to US\$ 600 billion in 2012-2013 and further US \$ 1.2 trillion by 2016-17.

LITERATURE REVIEW

Reilly (1931) stated that the law of retail gravitation which proposes that people are drawn to larger shopping thus larger cities tend to attract more customers to shop their than smaller ones therefore the need for supermarkets to consider location when putting up facilities.

McCarthy (1960) defined the marketing mix as a combination of all of the factors at a marketing manager's command to satisfy the target market. He regrouped Borden's 12 elements to four elements or 4Ps, namely product, price, promotion and place at a marketing manger's command to satisfy the target market.

McCarthy (1960) offered the “marketing mix”, often referred to as the “4Ps”, as a means of translating marketing planning into practice.

Frey (1961) suggested that marketing variables should be divided into two parts: the offering (product, packaging, brand, price and service) and the methods and tools (distribution channels, personal selling, advertising, sales promotion and publicity).

Cardozo (1965) stated that a basic perception of marketing is that customer satisfaction with a product will possibly lead to repeat purchases, acceptance of product line extensions, and favourable word-of-mouth advertising.

Oliver (1981) stated that customers’ attitude comprises affective components that are based on evaluation about the store characteristics, product availability and the process of interaction. Hence there is a need to identify the main factors impacting customer satisfaction in food retail supermarkets which will lead to customer retention.

Begona and Rodolfo (2008) had confirmed the importance of prices in the purchasing process. The effects derived from their fluctuations depend on the characteristics of the brand. Specifically, they have found differences in the intensity of response to price variances between manufacturer brands and store brands.

Michael and Tirthankar (2010), explored whether, when, and how recipients’ evaluations of a targeted price promotion may be affected by the offers exclusivity i.e., the extent to which an offer is available to consumers in the marketplace.

La Barbera, et al. (1983) asserts that, satisfaction is positively associated with repurchase intention which is linked to increasing ones likelihood of recommending a product or service, loyalty and profitability.

OBJECTIVE OF THE STUDY

To indentify the customer satisfaction in the organized retail chain in the Allahabad city.

Sample size: Sample size taken for research 400

Area of study: Allahabad city

Research design: the main aim of the analysis is discover the key factors for consumer satisfaction.

Scope of the study: to deal with various problem which effect the decision of customer satisfaction when he purchases a product in retail outlets, which is very essential for retail growth in future prospective.

Research instrument: Questionnaire is prepared for the gathering of information from different respondents the goal of the questionnaire is planned to meet the set of objective.

Period of study: The study was conducted during the period May 2015 to December 2015.

Sampling technique: sampling method is convenience sampling.

RESEARCH METHODOLOGY

The type of research conducted here is expressive in nature. The research is completed on the retail customer of Allahabad, who visited various retail outlet of Allahabad. The size of sample was 400. The sampling essentials here in the research is individual respondents. The technique of sampling is used here in the research work is the judgment sampling. The study is based on the primary data. Questionnaire was planned for collective response of the customer who visited various retail outlets in Allahabad. Five point Like Rt scale questionnaire was used here in survey. The tool used for the analysis of data is chi-square test, to find out the relationship between attribute of service quality and customer satisfaction.

Hypothesis

H (1) There is a significant relationship between attribute of Price and customer satisfaction.

H (0) There is a no significant relationship between attribute of Price and customer satisfaction.

Investigation and interpretation

Demographic summary of the respondents

Essentials	categorization	Number of respondents	%
age	Below 20 Years	58	14.5
	20 -30 Years	182	45.5
	30-40 Years	90	22.5
	Above 40 Years	70	17.5
Gender	Male	278	69.5
	Female	122	30.5
Educational qualification	School level	56	14
	Graduate	120	30
	Post graduate	45	11.25
	professional	179	44.75
Monthly income	Below 10000	72	18
	10000-20000	93	23.25
	20000-30000	158	39.5
	30000-40000	49	12.25
	Above 40000	28	7
Total member of family	Two	19	13
	Three	54	21
	Four	136	48.25
	Five and above	41	17.75

Average monthly purchase at organized retail outlets	Below Rs 500	31	7.75
	Rs 500.1000	84	21
	Rs 1000-2000	85	21.25
	2000-3000	141	35.25
	Above 3000	59	14.75

Table no 1 Demographic Profiles of the respondents

Customer satisfaction towards services provided from organized retail outlets

Price attributes	Expensive	Slightly expensive	Don't know	Slightly Inexpensive	Inexpensive	Total
Food product	53	62	44	140	101	400
Reasonable price	43	52	41	151	112	400
Apparels	53	76	45	135	90	400
Jewellery	54	71	37	148	89	400
Cosmetic	42	49	37	158	114	400
Electronic items	59	56	49	127	109	400
Total	304	366	256	859	615	2400

Table no 2 Customer satisfaction towards services provided from organized retail outlets Customer satisfaction level

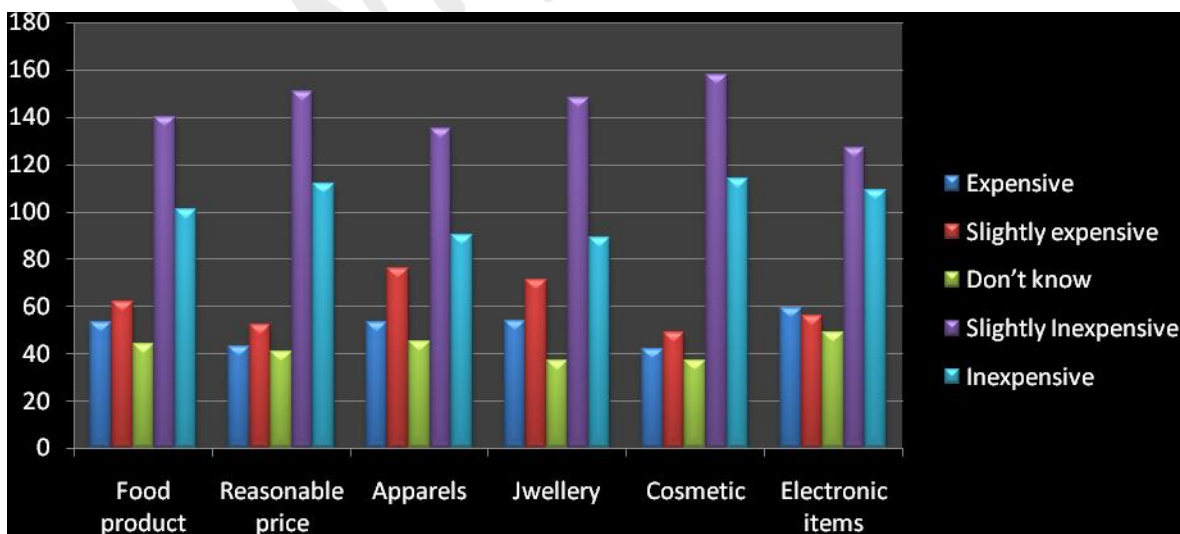


Figure 1 Customer satisfaction level

Are You Satisfied With Reasonable Price

	Highly Dissatisfied	Dissatisfied	Don't know	Satisfied	Highly Satisfied
Big Bazaar	34	46	32	160	128
Vishal Mega Mart	12	30	34	188	136
Reliance	54	39	45	140	120
Spencer	72	92	54	116	66

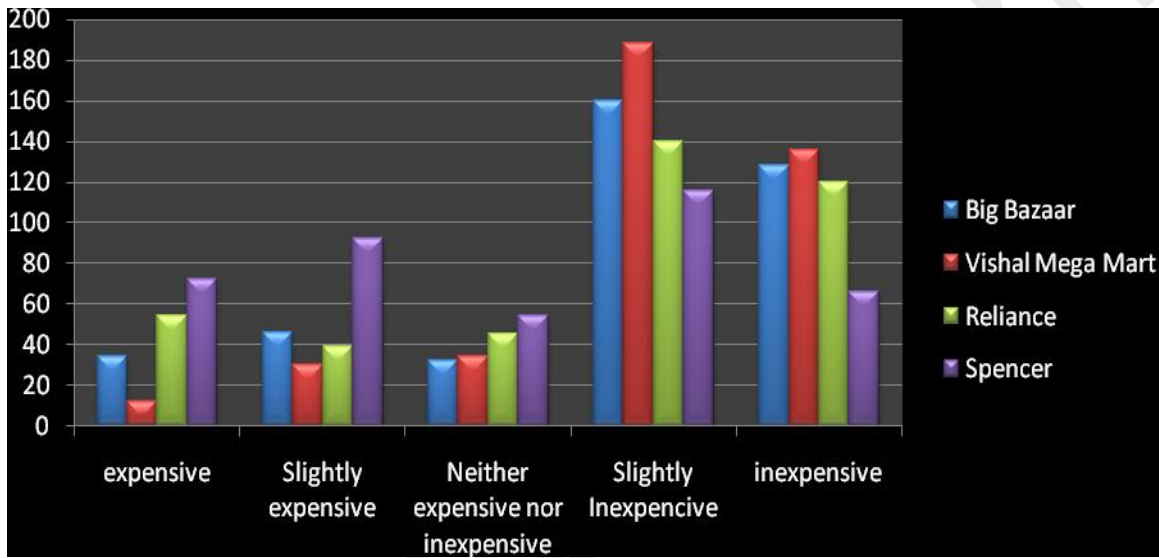
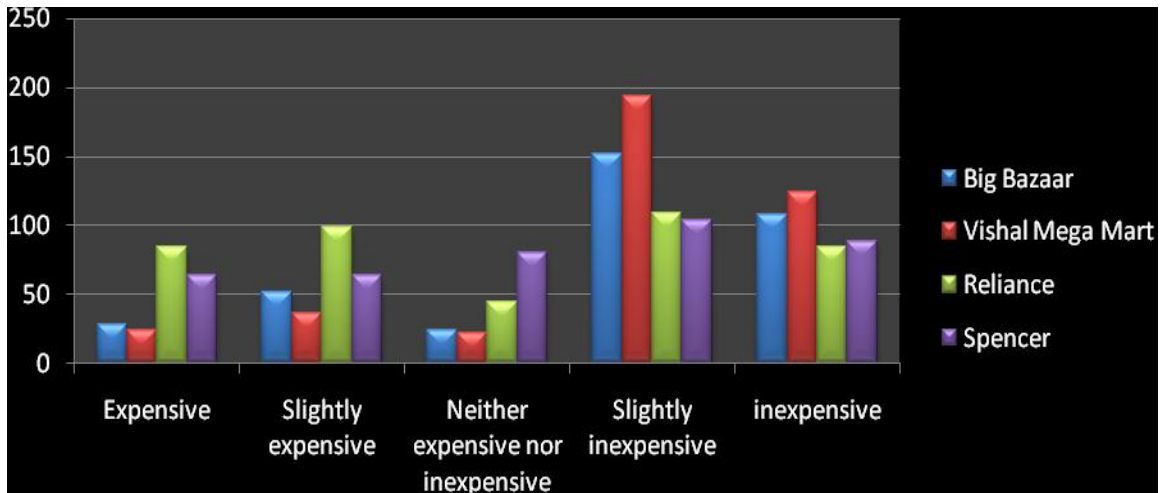


Figure: 4.5 reasonable price

This figure shows that regarding reasonable price 81% consumers of Vishal Mega Mart are satisfied, followed by 72% Big Bazaar, 65% Reliance and 46% Spencer.

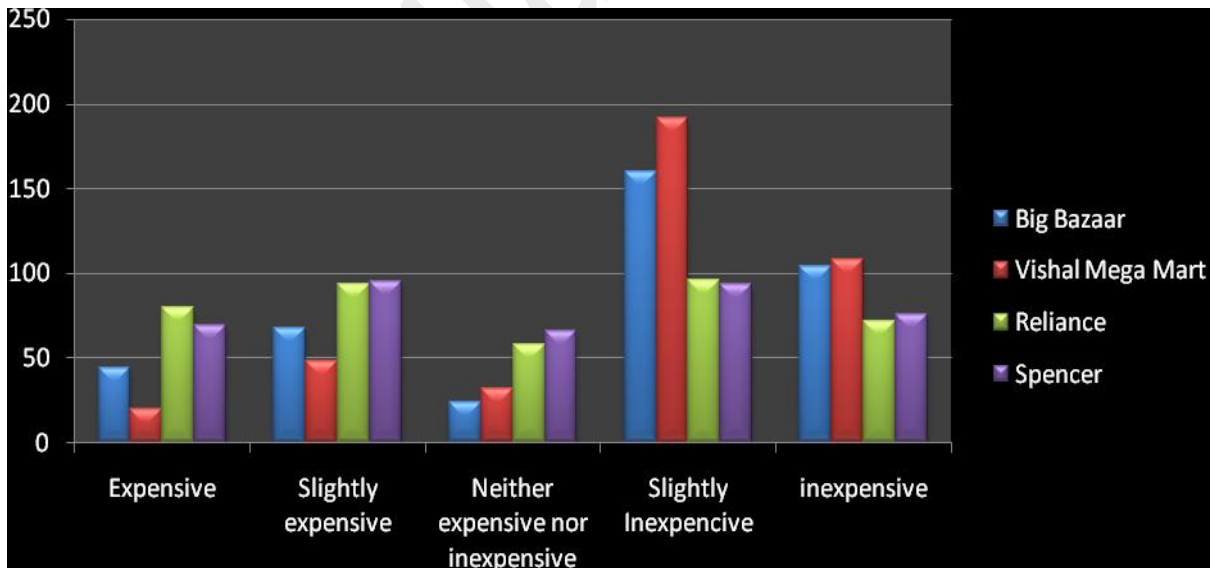
Are You Satisfied With Price Of Food Product

	Expensive	Slightly expensive	Neither expensive nor inexpensive	Slightly Inexpensive	Inexpensive
Big Bazaar	38	52	30	162	118
Vishal Mega Mart	24	36	22	194	124
Reliance	--	--	--	--	--
Spencer	65	61	79	107	88



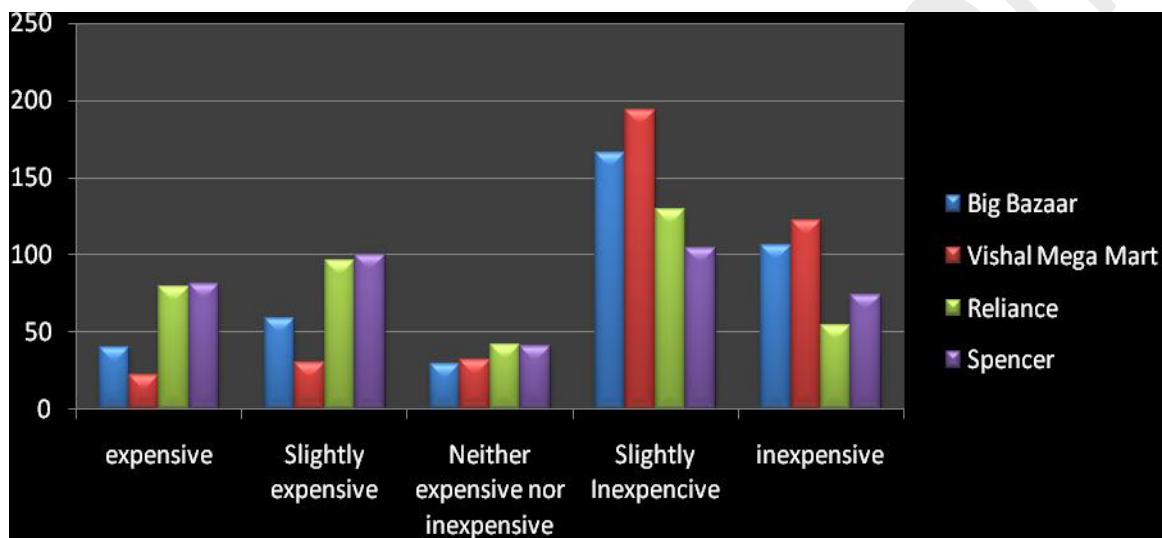
Are You Satisfied With Price Of Apparels

	expensive	Slightly expensive	Neither expensive nor inexpensive	Slightly inexpensive	inexpensive
Big Bazaar	44	68	24	160	104
Vishal Mega Mart	20	48	32	192	108
Reliance	80	94	58	96	72
Spencer	69	95	66	94	76



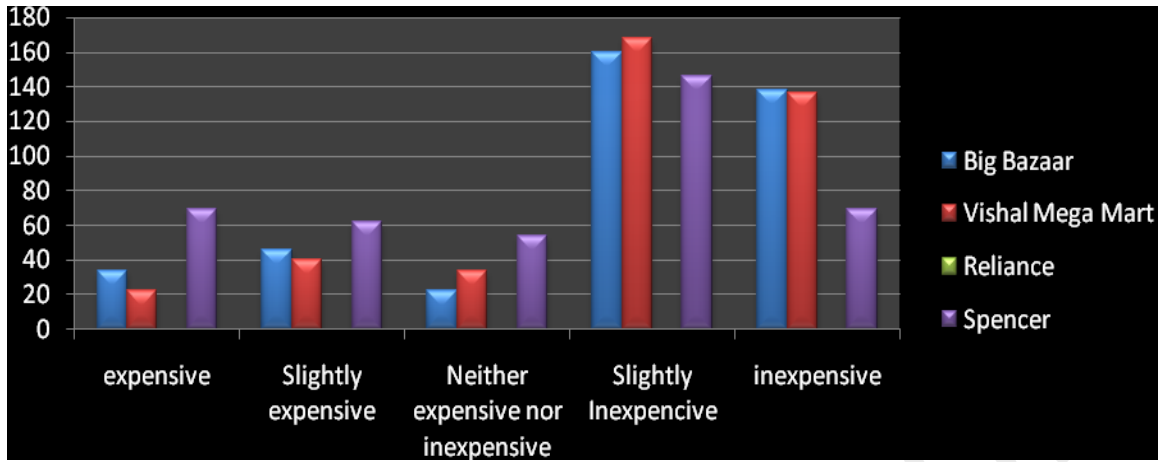
ARE YOU SATISFIED WITH PRICE OF JEWELLERY

	Expensive	Slightly expensive	Neither expensive nor inexpensive	Slightly inexpensive	Inexpensive
Big Bazaar	40	59	29	166	106
Vishal Mega Mart	22	30	32	194	122
Reliance	74	100	42	129	54
Spencer	81	96	45	104	74



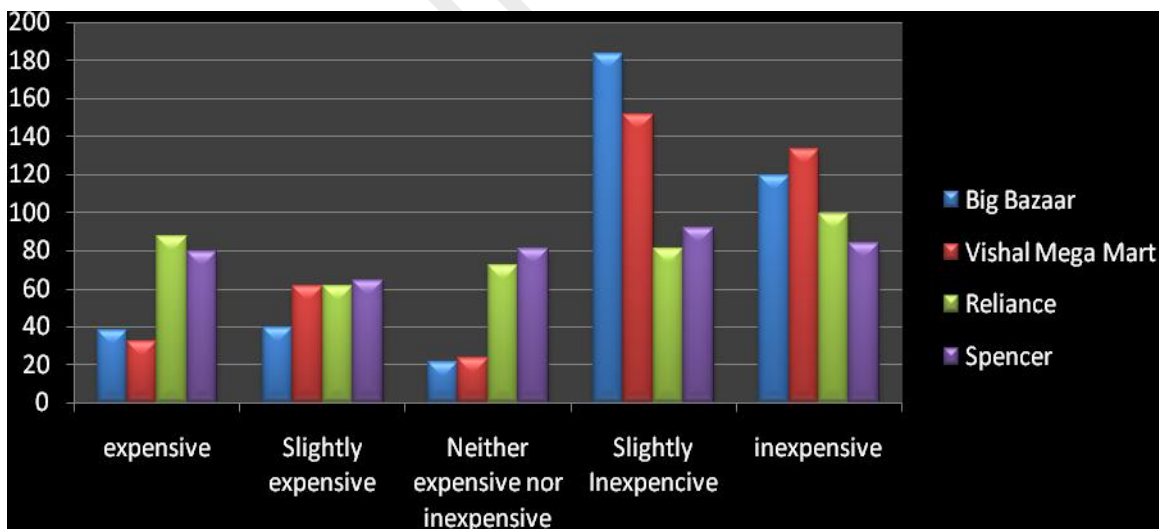
Are You Satisfied With Price Of Cosmetics Items

	Expensive	Slightly expensive	Neither expensive nor inexpensive	Slightly inexpensive	Inexpensive
Big Bazaar	34	46	22	160	138
Vishal Mega Mart	22	40	34	168	136
Reliance	--	--	--	--	--
Spencer	69	62	54	146	69



Are You Satisfied With Price Of Electric And Electronic Items

	Expensive	Slightly expensive	Neither expensive nor inexpensive	Slightly inexpensive	Inexpensive
Big Bazaar	38	39	21	183	119
Vishal Mega Mart	32	61	23	151	133
Reliance	87	61	72	81	99
Spencer	79	64	81	92	84



RESULT AND DISCUSSION

In this study it was found that customers are satisfied with organized retail outlets in comparison to unorganized retail outlets. Customers are satisfied with the prices of the products available in organized retail outlets. Customers are getting attracted towards retail outlets due to best prices provided by retail store on the products like electric and electronic items, artificial jewellery and apparels.

CONCLUSION

Retailing is the biggest private trade in India and next largest employer after agriculture. The Indian retail industry accounts for above 20% of the country's gross domestic product (GDP) and add 8% to total employment (2014). With over 14 million retail store, India has the maximum retail outlet density in the world. This sector witnessed major growth in the past 11 years – from small unorganized family-owned retail formats to organized retailing.

As we all know that there is a boom in organized retail sector in past few years. This study also reveals that the customers prefer organized retailing over unorganized retailing, due to which the organized retailing become a threat to the unorganized outlets. But it was found during the study that there are few points where retail outlets can do much better like providing food facility at reliance and by improving pricing strategy so that more customers can be attracted towards retail outlets.

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