SATISFACTION OF BUYERS TOWARDS RETAIL OUTLETS

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ABSTRACT

Retail industry is has gained its magnitude in the country and the retailers competing to provide all that possible under their roof for the shoppers who fall in to their units. This is experienced as a very challenging task as it decides the satisfaction level of the customers that keep them bounced back to the retail unit continuously. This study aims at understanding how far the shoppers are satisfied with the retail outlets and the factors that make them to feel satisfied in the retail outlet. This study tried to unveil the areas of shoppers’ satisfaction to expectations, choices and its’ relationship with various other parameters through a structured and customized market research technique. The study has been conducted in the Chennai (India) region among a group of 200 shoppers of different age group, income level with equal breakup of male and female. The methodology adopted has helped in concluding certain factors with high level of authenticity of relevant support data and information with statistical significance. The conclusion for this study has been derived, after validating the data collected and then processing the same with certain key statistical tools including correlation and ANOVA.

Keywords: Shoppers’ Satisfaction, Retail outlet selection, Retail sector, Chennai, India.

INTRODUCTION

The theory of the retail concept emerged from a concept of “Theory of Central Tendency on Retailing” which fairly discusses on how the retail formats been emerged and established in to the days of modern retailing. As the people in the economy started being dynamic in their livelihood their point of purchase pattern have also changed along with it which leveraged the market to identify unorganized markets to the organized retail
markets with the essence of unique concepts and service factors which gradually started grabbing the attention of potential audience from the economy.

It is not only that the infrastructure components have shifted to new quality levels; it is also very much evident that the retail patterns/concepts have changed to new horizons. The specialty stores, combo concept stores, online shops, auction retailing are the new era retail patterns. With the changing expectation by the shoppers on retail choices, the retail brands have also prepared themselves to deliver their services accordingly to the prospects.

REVIEW OF LITERATURE

V. Kumar and Rajkumar Venketesan in their publishing titled “Who are the multichannel shoppers and how do they perform?: Correlates of multichannel shopping behavior” details that “customers who buy across multiple product categories, initiate more contacts with the firm, have past experience with the supplier through the online channel, have longer tenure, purchase more frequently, are larger and receive communication from the supplier through multiple communication channels, especially through highly interpersonal channels. We also find evidence for a nonlinear relationship between returns and multichannel shopping, and that there is a positive synergy towards multichannel shopping when customers are contacted through various communication channels. Customers who shop across multiple transaction channels provide higher revenues, higher share of wallet, have higher past customer value, and have a higher likelihood of being active than other customers.”

David R. Bell and James M. Lattin produced a research paper on “Shopping Behavior and Consumer preference for store price format: Why “Large Basket” Shoppers prefer EDLP. This article reveals that In recent years, the supermarket industry has become increasingly competitive. One outcome has been the proliferation of a variety of pricing formats, and considerable debate among academics and practitioners about how these formats affect consumers' store choice behavior. The idea that consumer shopping behavior (as defined by average size of the shopping basket and the frequency of store visits) is an important determinant of the store choice decision when stores offer different price formats.

A research article tagged “Impact of ambient odors on mall shoppers' emotions, cognition, and spending: A test of competitive causal theories” written by Jean-Charles Chebat and Richard Michon details that, shoppers' perceptions of the retail environment and product quality mediate the effects of ambient scent cues on emotions and spending behaviors. Positive affect is enhanced from shoppers' evaluations. Using structural equation modeling the authors conclude that the cognitive theory of emotions better explains the effect of ambient scent. Managerial implications are discussed.

Peter R. Dickson and Alan G. Sawyer details in the paper “The Price Knowledge and Search of Supermarket Shoppers” says that shoppers tended to spend only a short time making their selection and many did not check the price of the item they selected. Perhaps as a consequence, more than half could not correctly name the price of the item just placed in the shopping cart and more than half of the shoppers who purchased an item that was on special were unaware that the price was reduced. Other results on point-of-purchase information processing and behavior are discussed.
“Store atmosphere and purchasing behavior” an article released by Robert J. Donovan, John R. Rossiter, Gilian Marcoolyn, Andrew Nesdale discusses that Arousal was found to vary in its effects across the two studies and bears further investigation. The effects of the emotional factors of pleasure and arousal were shown to be additional to cognitive factors such as variety and quality of merchandise, price speculating and value for money. The practical significance for retailers is that emotional responses induced by the store environment can affect the time and money that consumers spend in the store.

Susan Spiggle and Murphy A. Sewall in their paper named “A Choice Sets Model of Retail Selection” addressed some questions which include “can consumers be grouped into segments based on which stores they consider, visit, and interact in with salespersons?”, “At which stages of the consumer retail selection process is given store relatively strong and weak vis-à-vis competitors’”, and “Is there a set of competitors to which a given store loses customers who have considered, even visited, the establishment?”

The current study is concerned in understanding the shoppers’ expectation and the choice of selecting retail outlet. This is executed by relating the range of standard demographic details like age group, gender group and income group with the shoppers’ various attitudinal factors like, satisfaction towards the retail outlets, concern on the ambience, concern on the price range, and concern on the service elements that influence satisfaction.

OBJECTIVE OF THE STUDY

1. There is significant positive relationship between age group/income levels with the Satisfaction towards the retail outlets.
2. There is significant positive relationship between age group/income levels with the ambience concern towards the retail outlets that enhances the shoppers’ satisfaction.
3. There is significant positive relationship between age Price levels in the retail outlets to increase satisfaction.
4. There is significant differences exist among gender and the satisfaction towards the retail outlet.
5. There is significant differences different social groups and the satisfaction level in the retail outlet by considering all factors in consideration.

METHODOLOGY

Research Design

The ex-post-facto research design was adopted to investigate the relationship between different demographic segments and with the attitudinal behaviors while selecting the retail outlet for shopping.

Participants

The target population consists of shoppers from the Chennai region who are frequent shoppers and the decision makers of selecting the outlet. A total of 200 shoppers have participated in this research as respondents to share their behavioral factors while selecting the retail outlets for shopping their various utilities. The respondents are recruited based on various age groups of 24 years to 35 years, 36 years to 45 years, 46
years and above and income group of 3 lacs to 5 lacs INR, 5.1 lacs to 7.5 lacs INR and above 7.5 lacs and gender of both male and female. (social segments are calculated through SEG matrix) The sample quota is maintained in a balanced way to have equal participation of all the class of factors mentioned.

**Measures**

A set of questionnaire was prepared which includes six sections as follows; Section-1 captures the details about the survey and the details of the respondents. Section-2 and 3 includes the shoppers’ profiling on the age, gender and the income group. Section-4 captures the actual rating of the shoppers on their various attitudinal behaviors on selecting the retail outlets like loyalty, concern on the ambience, concern on the price range, concern on the service elements, concern on product and the brands available on the store.

**Procedure**

The questionnaires were administered to the respondents at the premises of individual retail units spread across the Chennai region. Prior to that, a detailed database was generated including all the prospective retailers in the city who could be relevant for the survey. Appointments are taken well in advance over email and phone for the survey. The researcher following the granted permission by the respective retail owners of the selected brands approached them individually. The researcher explained the purpose of the study to the respondents. The respondents were assured of their anonymity and confidentiality of any information being provided. The respondents completed the questionnaires and out of the 200 copies of the administered questionnaire, all of it were collated and analyzed statistically using Pearson Product Moment Correlation and ANOVA testing.

**RESULTS**

From the analysis of the data collected, and testing of the stated hypotheses, the following results were obtained:

1. There is significant positive relationship between age group/income levels with the Satisfaction towards the retail outlets. R= -0.287. Reject H0
2. There is significant positive relationship between age group/income levels with the ambience concern towards the retail outlets that enhances the shoppers’ satisfaction. R = 0.175. Accept H0
3. There is significant positive relationship between age Price levels in the retail outlets to increase satisfaction. R = 0.162. Accept H0
4. There is significant differences exist among gender and the satisfaction towards the retail outlet. P= 0.173

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5. There is significant differences different social groups and the satisfaction level in the retail outlet by considering all factors in consideration. P=0.173

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**Hypothesis: 1**
The null hypothesis H0 is rejected as the relationship between the age group and the satisfaction level towards retail outlets are negatively correlated. The result depicts that higher the age group lesser is the satisfaction they attain and it means that retail outlets are not much concerned or prepared enough to make the higher age group to feel satisfied in their facility. It is highly required for the shoppers to keep the satisfaction level of upper age group shoppers as they occupy a major chunk of shopper’s crowd.

**Hypothesis: 2**
The null hypothesis H0 is accepted as the relationship between age group levels and the ambience concerns of the shoppers has a positive relationship of R=0.175. This has been tested in this research as the ambience factor plays a significant role in deciding the satisfaction of the shoppers. When relating this result with the results of the Hypothesis-1 tested, then we can understand a correlation that upper the age group, higher is the expectation for ambience and satisfaction is recorded at low level. So, it means that retail outlets are not keeping the ambience level up to the mark.

**Hypothesis: 3**
The null hypothesis H0 is accepted with a positive correlation R= 0.162. Thus the statement proves that better is the price offered in the retail outlet higher is the satisfaction level experienced. This proves that shoppers are price sensitive and it directly determines the satisfaction of them in the retail outlet. So outlets should concentrate offering best prices in the outlets that keeps the shoppers satisfied thus increasing the bounce-back rates.

**Hypothesis: 4**
The null hypothesis H0 is accepted and thus concluding that the satisfaction level varies among the different genders (i.e.,) male and female. Though the satisfaction levels are not differentiated here statistically, the result proves that the satisfaction level is differing among the genders. So, retail brands should concentrate is offering different elements that concentrate building satisfaction among male and female separately.

**Hypothesis: 5**
The null hypothesis H0 is accepted and thus concluding that the satisfaction level varies among the different Social segments. It is not that only genders differentiate the shoppers’ satisfaction but also the social class of the shoppers do differentiates their satisfaction level. The retail outlet must know which class of society is getting dropped in to the outlet and also should develop the retail service quotient to enhance the satisfaction among the different social classes.
CONCLUSION

When considering all the results from this study, one can understand that satisfaction in a retail outlet is a high priority for shoppers to have a good experience and also for the retail owners to keep their customers bounced back. The satisfaction earned by different genders, age and segments differs among each other and it is important for the retailer to understand what kind of shoppers are getting fallen in and to frame the satisfaction strategies accordingly.

SUGGESTIONS

• Keeping the profiles of the frequent shoppers in a database and keeping the track monitored in the purchase habits
• Keep the outlet lively for the shoppers that would attract all class of shoppers
• Keep the product mix that best suits the shoppers and found the outlet realized as the best destination for them

REFERENCES

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