A Study on Importance of Customer Satisfaction in Retail Industry

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ABSTRACT: Customer Satisfaction has been an essential element in every industry, even in retail industry. Involves studying the customer's satisfaction within the retail store, with the ambiance, with the brands and service provided and for this it is necessary to understand to the needs of the customers and interact with them.It is essential to understand the need of the customer's and to serve them better and to do so, management should try and understand the key factors which are affecting the customers in making their buying decisions. Satisfied Customers are the assets of the business concerns and Customer satisfaction is the key factor in the formation of the consumers future purchase intentions. To gain loyalty of the customers and to make sure there are repeat purchases it is necessary to satisfy and facilitate customers with the value of the product.The best way to find out the level of satisfaction of customers is to do survey on consumer using a questionnaire through which management can get the idea about the changes that customers want and can identify opportunities and monitor impact of the key factors. A satisfied customer will give their favourable responses and positive experience to the other persons and a dissatisfied customer will exaggerate about the negative experience. So, the retailer must try to satisfy and delight them with the service which enhances differentiation.

Keywords: Customer, Satisfaction, Retail, Purchase Decisions, Customer Loyalty, Brand

I.   INTRODUCTION
It is no longer enough to satisfy customer.You must delight them."- PHILIP KOTLER

Customer satisfaction is a good indicator of how effective a firm is at providing products and/or services to customer and to meet or exceed client expectations. Existing consumers must be retained while new clients are sought. Customer satisfaction is a key indication of purchase intent and loyalty among consumers.

In the recent era, especially after pandemic, Customer Satisfaction has become a requisite. According to Gartner, customer happiness has been considered as the priority area for the competition in their business for 81 percent of marketers. But the competitive advantage isn't everything. According to PwC, 59 percent of consumers will quit a firm after a series of unpleasant encounters, and 17 percent will leave after a single terrible experience. Yes, this also affects your long-term clients.

Customer Satisfaction is an element which is needed in every business, which is associated with the customer, may it be health, hospitality, or even retail. This pandemic when there has been a drastic change in the consumer buying behaviour of the retail industry, Customer Satisfaction has been of high priority for the retail players. There are many factors the influences the Customer Satisfaction. Both price and popularity have important moderating effects on the relationship between satisfaction and customer experience level. (Wan, J. N, Du J., Chiu, Y. L., & Li, J., 2018). As per the findings of Park, Lee, & Jun, (2018) associated with Tourism, giving extra information before to each activity can increase tourist satisfaction, and that non-manipulated characteristics like tour season and first visit can be included in to boost tourism satisfaction even further. Players in the aviation industry prioritises personal service and image to improve consumer satisfaction (Farooq, Salam, Fayolle, Jaafar&Ayupp, 2018). Players in the hospitality industry, strive to meet their customers' needs and, as a result, retain them by seeking to understand the variables that might lead to a good brand relationship and a loyal client base. Practitioners have spent the last decade focusing on creating and keeping future ties with customers, with brand loyalty as their primary aim in growing business and rising market rivalry (Rather, R, & Sharma, J., 2018).

Retailing is one of the largest and fastest growing industries. It accounts for 10% of the country's GDP and 8% of the employment. Retailing is a French word means "TO CUT" and is a business where in the product or service is marketed and efforts are made by the retailer to satisfy its final consumers.Organized retailing includes the activities of trading wherein it involves licensed retailers who are registered for income and sales tax. These include departmental store, Hypermarket, Supermarket, Retail Chain and privately owned large business.On the other hand, unorganized retail refers to the low-cost retailing which includes General store, Kirana Shop, hand cart, pavement Vendors and convenience store which consist of traditional format.

Global Scenario of Retail Industry

Retailing is the largest industry globally and is second largest in the United States both in the number of establishment and in the number of employees. Retailing is the activity which involves selling of goods directly to the consumer and act as an intermediary between the producer and the customer. It has played a major role in increasing the productivity and its best impact is seen on countries such as USA, U.K Mexico, China etc. retailing is the biggest industry with the sale of 7.2 trillion and it employs more than 22 Americans. Retail generated a shareholders return of 18%.

According to the Global retail development Index international retailers are now mere adept to the tackling the individual challenges, which require different strategies to be successful. There has been huge transformation in the retail industry as the retailers have gained understanding about the market struggle with shifting changes in economic and political 5 trends

Retailing in India

The Indian Retail Industry is the fifth largest in the world comprising of organizing and unorganized sectors, India retail industry is one of the fastest growing industries in India, especially for last few years. Though initially, the retail industry in India was almost unorganized, however with change of taste and preference of the customers, the industry is getting more popular of these days and getting organized as well. With growing market demand, the industry is expected to grow to a pace of 20- 30% annually. The India retail industry was expected to grow from 35000 Crore in 2004-05 to 109000 Crore in 2010.

The Indian Retail market is highly competitive and major players such as Wal-Mart, Tesco entering the industry is set to grow even

further. It is thus important to see how well which players in the organized retail industry manages to pull consumers in their stores especially in the retail more focus is on repeated sales and sustaining the customers for long 4 time.With the advancement of technology, the scope the retail industry has widened attracting investors across the globe and has high growth potential. There has been remarkable development in the last decade and has been rapid evolution of the online retail sector. The online retail is expected to be reaching US$ 70 billion by 2020.

India has high market potential, Moderate political and low Economic risk as it has occupied a remarkable position in the global retail Index.According to the study of the Boston Consulting group India is expected to become world's third largest consumer economy by reaching US$400 billion in consumption by 2025. As the purchasing power of middleclass people increased there was increase in their disposable income and due that customers spending increased, and India was ranked First in the Global retail Development Index 2017. With the GST taking its shape, it has helped the retailers simplify its tax structure. These will lead to better cash flow, profitability, supply chain structure and pricing.

After an extensive review of various research papers, the following objectives are framed for the study:
- To know about the consumers' purchase intentions towards the product.
- To know which factors influences them to make their buying decisions.
- To get insights about the customers regarding their attitude about the brands available at pantaloons.
- To know about their level with the product quality, variety and services at Pantaloons.

II.   RESEARCH METHODOLOGY:

The purpose of this study is to examine the importance of customer satisfaction in the retail industry with a special association with Pantaloons of Bhubaneswar. The researchers employed a descriptive study strategy. The Descriptive Research Design was considered by the researchers to meet the objectives. For this study, through random sampling method, a total of 100 customers visiting Pantaloons Fashion & Retail Ltd of Sahid Nagar, Bhubaneswar, were identified for the survey. The primary data from the customers was collected via a structured questionnaire. The data was analysed using descriptive statistics, and the

results were utilised to determine the significance of customer satisfaction in the retail industry

III. DATA INTERPRETATION AND ANALYSIS

The following section provides a detailed analysis of the data collected through the survey method. The analysis of the study has been segregated into various sections. The first section comprises of the customer profiling. This is followed by the analysis of the perception of the customers based on their responses towards the close ended questions put forward through the structured questionnaire.

Customer Profiling:

There has been a tentative equal distribution of the respondents between the two genders, with a slightly higher percentage towards female customers. 45% of the customers visiting Pantaloons are22-26 years old which means they are young age people interested in availing products giving more discounts and offers, followed by 27% customers are 15-21 years old, 20% are 27-34years, 7% are 35-45 years, 1% are 45 years and above. Among the respondents, 41% are students, 28% people are salaried persons, 20% Businessman, 8% housewife,3% others.
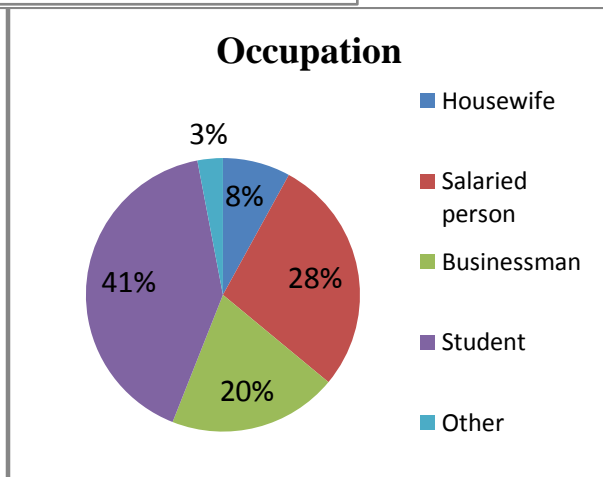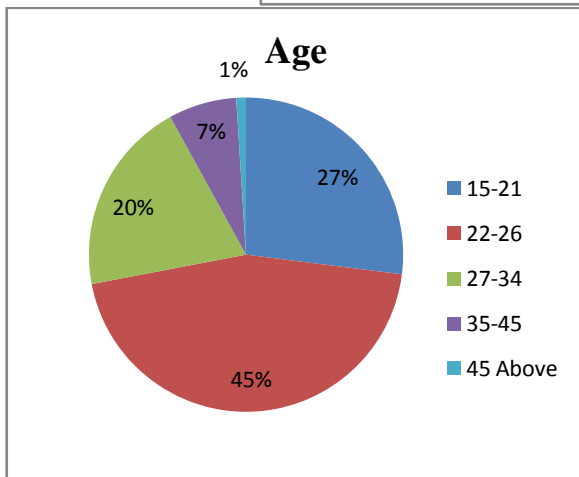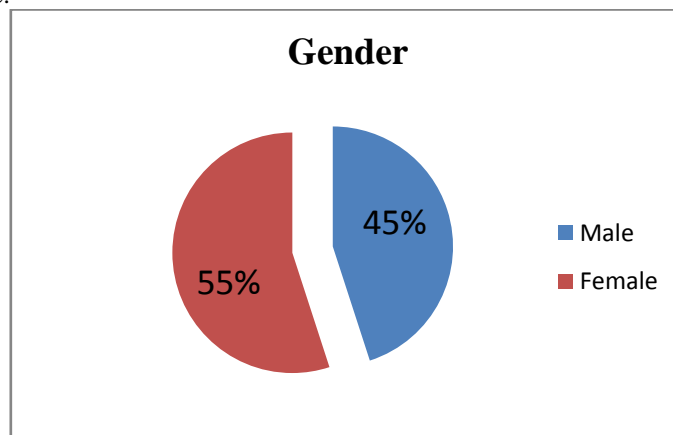

IV. ANALYSIS OF THE CUSTOMER OPINION TOWARDS CUSTOMER SATISFACTIONS
1. Brand Awareness
From the below figure, the researchers state that most of the Customers visiting pantaloons

are aware about the pantaloons brands and products i.e. 97% customers are aware about the brand at pantaloons.The most preferred brand by customers at pantaloons is Honey i.e 22% followed by Akriti& bare Denim i.e12%, SF is 14%, and so
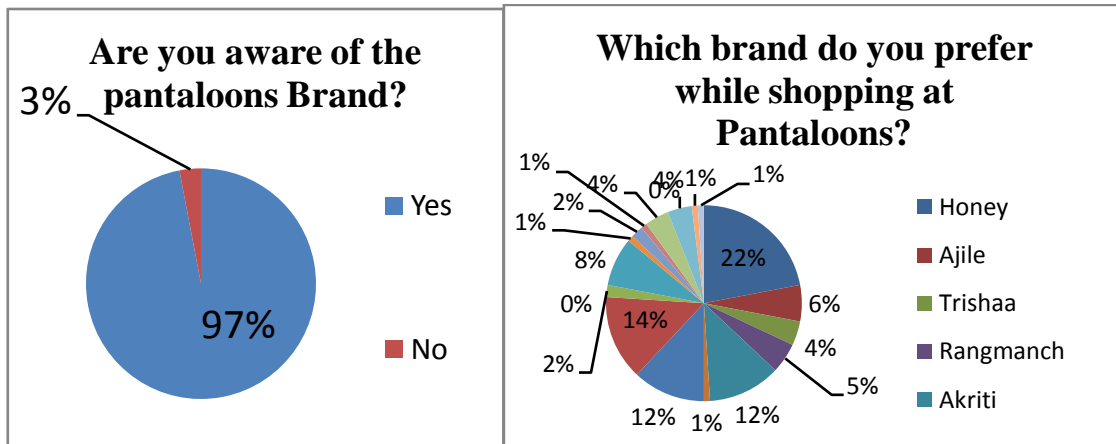
2.   Source of Awareness

From the figure given below, it is clearly interpreted that the major source of awareness for customers at pantaloons is Friends and rela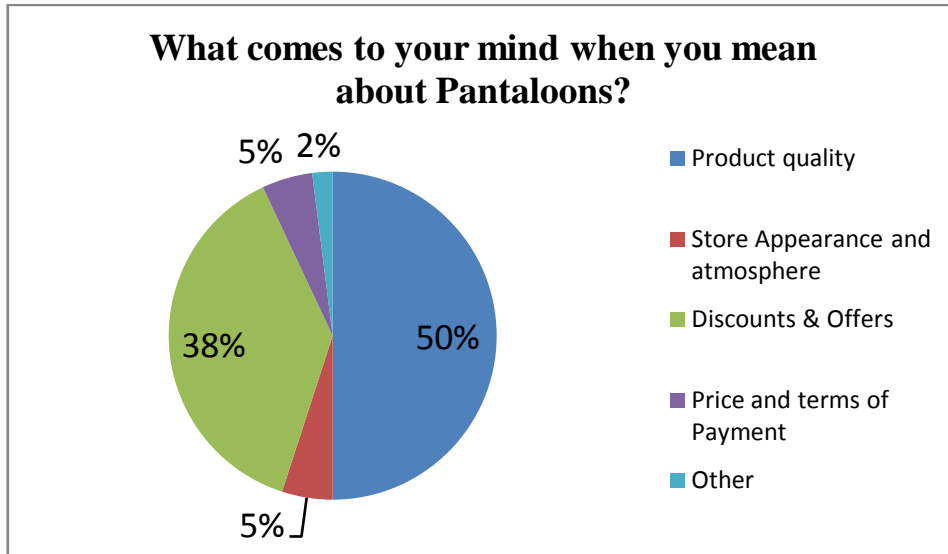tives and SMS service provided by the pantaloons i.e. 32% so it should try and focus more on it by sending timely messages to the Customers, followed by 17% by Callings, 10% by hoardings and so on.
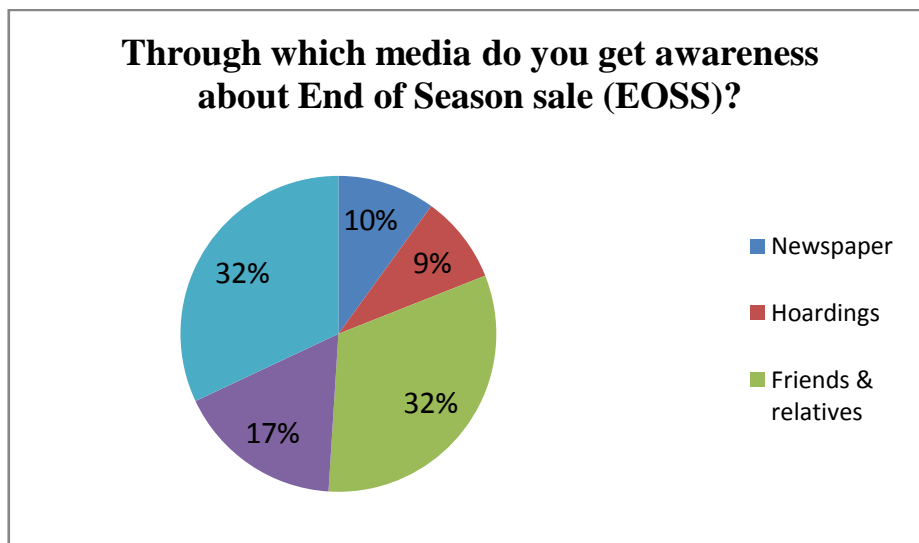

3.   Attributes of Pantaloons

From the figure mentioned below,it is clear that most of the customers are quality conscious so Pantaloons should focus more on quality. It is clear from the chart that 50% of the respondents chose quality out of the 100 respondents, whereas 32% think about discounts and offers, 5% are interested in Price and terms of payment.

What comes to your mind when you mean about Pantaloons?

5% 2%
5%
38%   50%

■ Product quality
■ Store Appearance and atmosphere
■ Discounts & Offers
■ Price and terms of Payment
■ Other

4.   Frequency of shopping at Pantaloons
Most of the Customers visiting pantaloons shop at Pantaloons once a month i.e. 69%, 18%

Visits once in two weeks which is favourable for the business, 8% visits once in three weeks, and 5% visits every week.

How frequently you shop at Pantaloons?

5%
18%
8%
69%

■ Every week
■ Once in Two week
■ Once in Two week
■ Once in Two week
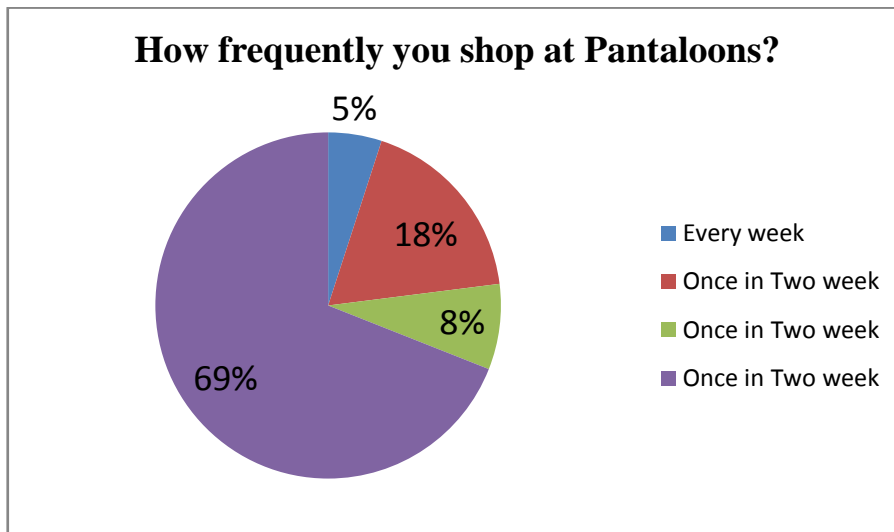
5.   Preferred Section with respect to quality, price and variety
55% customers visiting Pantaloons are females therefore form the above data is clear that the most

preferred section is women's i.e 51%, Followed by Men's, Kids and accessories.

Which section you like the most with respect to quality, price and variety?

2%
8%
39%
51%

- Women's
- Men's
- Kids
- Accessories
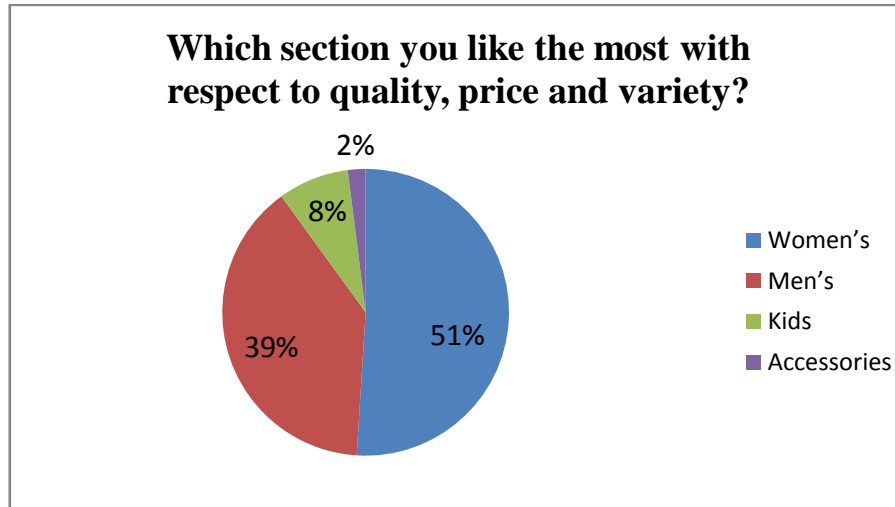
6. Brand and Product availability at Pantaloons Is?

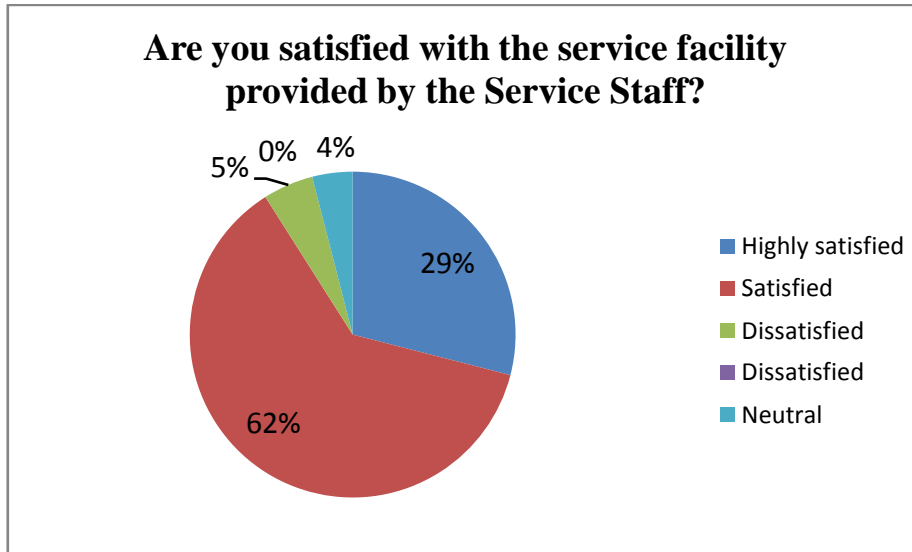From the below mentioned figure, it is clear that Brand and product availability at Pantaloons is up to the mark. As out of 100 respondents 41 of them liked the excellent option and 46 of them viewed it as good. It means the brand and Product availability at Pantaloons is good, Qualitative, and doing good Job.

Brand and Product availability at Pantaloons Is?

3%
10%
41%
46%

- Excellent
- Good
- Average
- Poor
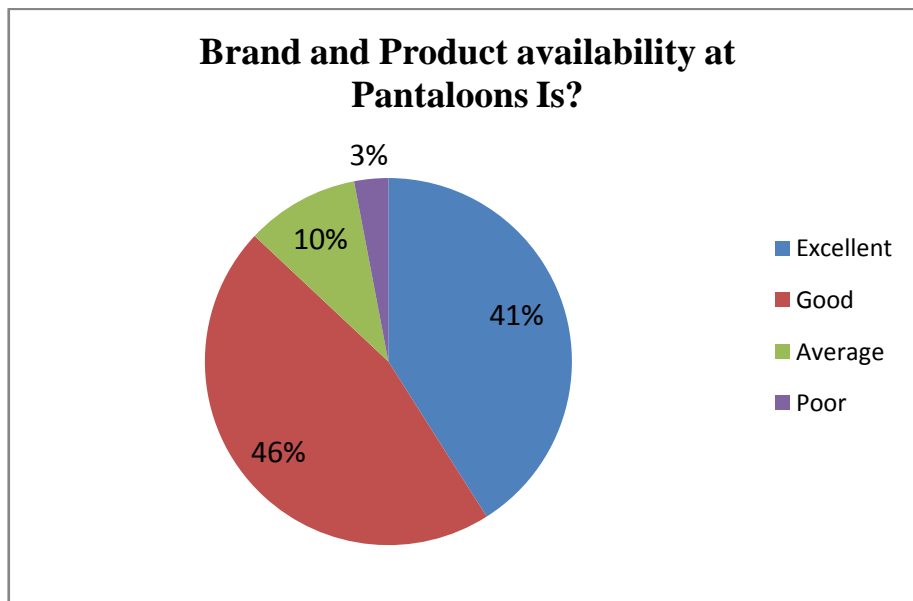
7. Satisfaction towards the service facility

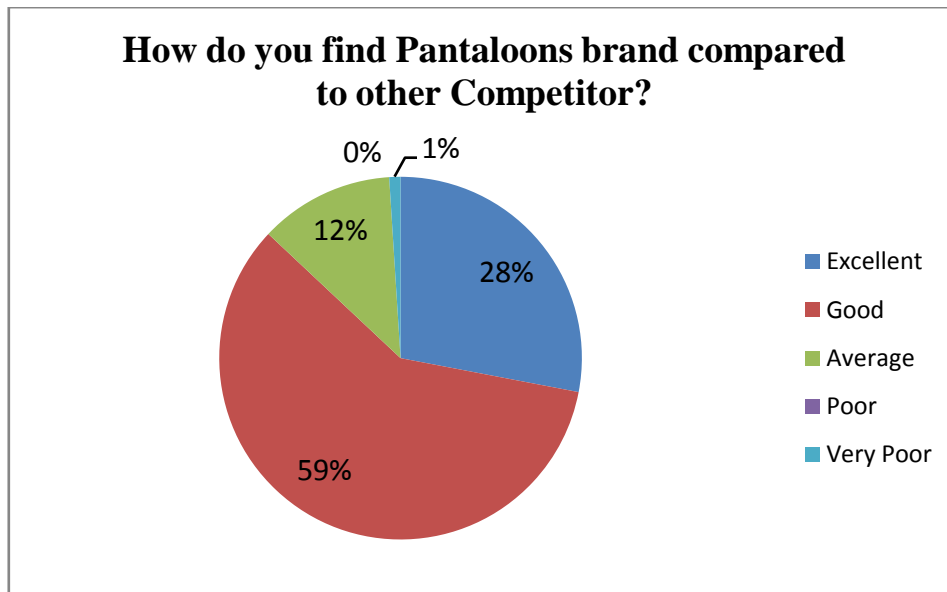Service provided by Staff members is good, they are performing their Duties well as 62% of the customers are satisfied with the Service Staff facility and 29% of the Respondents are highly satisfied.

Are you satisfied with the service facility provided by the Service Staff?

5%   0%   4%

29%

62%

- ■ Highly satisfied
- ■ Satisfied
- ■ Dissatisfied
- ■ Dissatisfied
- ■ Neutral

8.   Comparison of Pantaloons with other Competitors

As the availability of the Brand and product at pantaloons is up to mark and Qualitative,

Customers find the brand Qualitative, and good as compared to Competitors as 59 respondents out of 100 have liked good option, and 28 % respondent viewed it as excellent.

How do you find Pantaloons brand compared to other Competitor?

0%   1%

12%

28%

59%

- ■ Excellent
- ■ Good
- ■ Average
- ■ Poor
- ■ Very Poor

9.   Buying experience

The overall Buying experience of the Customers outranks the Product and Price. Here this chart clearly shows that 63 respondents out of

100 had good buying experience which means they are satisfied with the service facility, Quality and Prices of the Product, followed by 29% viewed it as excellent.
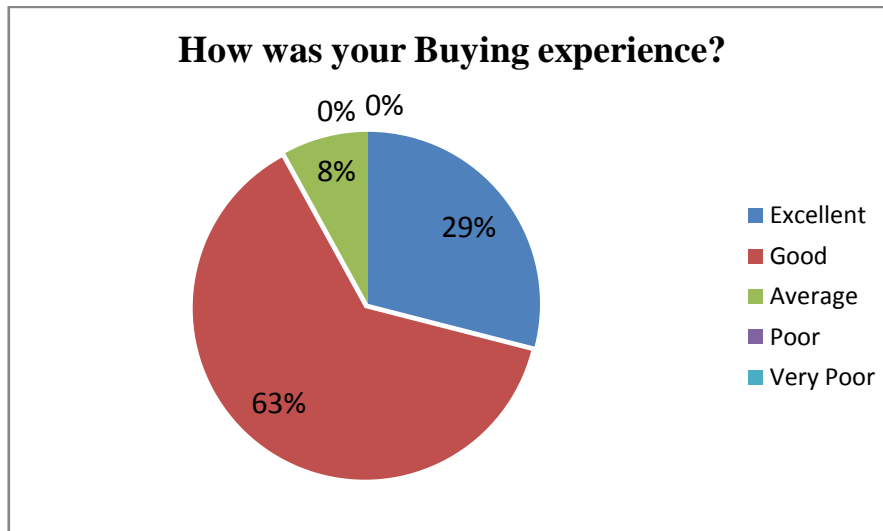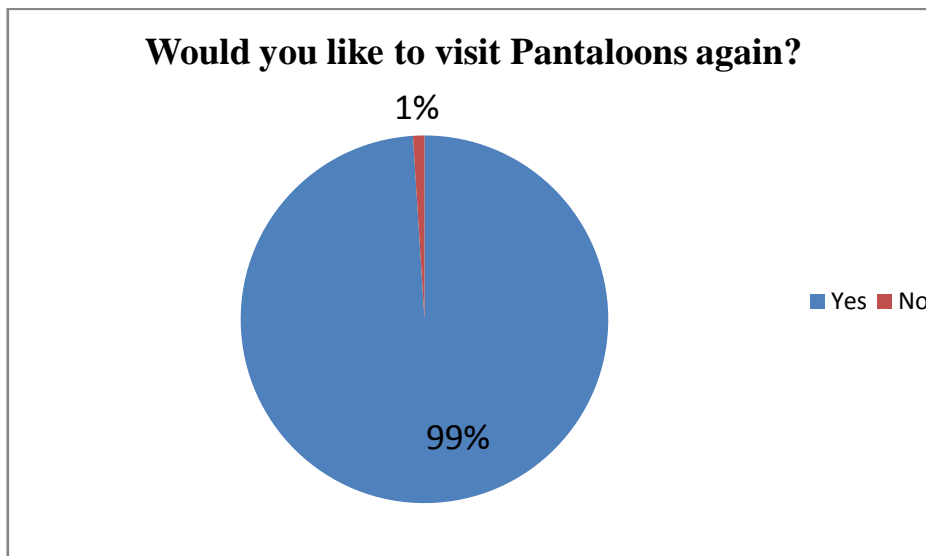
10.

11.   Re-Visiting the Pantaloons
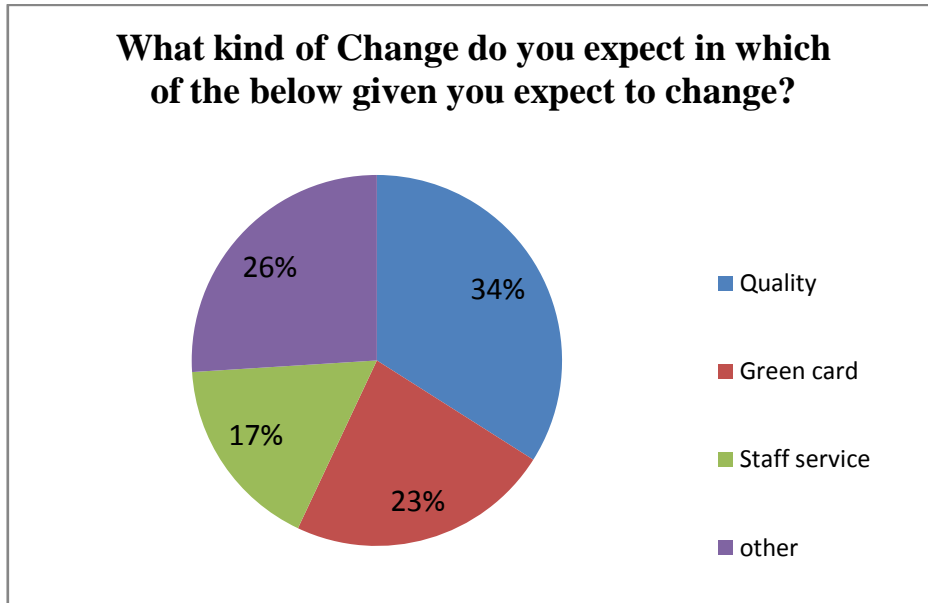   From the below mentioned figure,100% of the respondents are ready to visit again which means the respondents are ready for repeat purchase as they find the Quality of the product is good, the service facility provided by Staff members is up to the mark and prices are also Reasonable.

**12.   Change Expectation by the Customers**
23% respondents expect change in green card facility and 17 respondents expects change in the Service staff facility.

What kind of Change do you expect in which of the below given you expect to change?

13.   Satisfaction towards pantaloons service department (exchange, alteration, credit Note)
From the below mentioned data, it is interpreted that 52 Respondents out of 100 are satisfied with service department as they marked it good, 40% of them find it excellent which means the service of exchange, alteration is satisfactory.

Are you satisfied with pantaloons service department (exchange, alteration, credit Note?
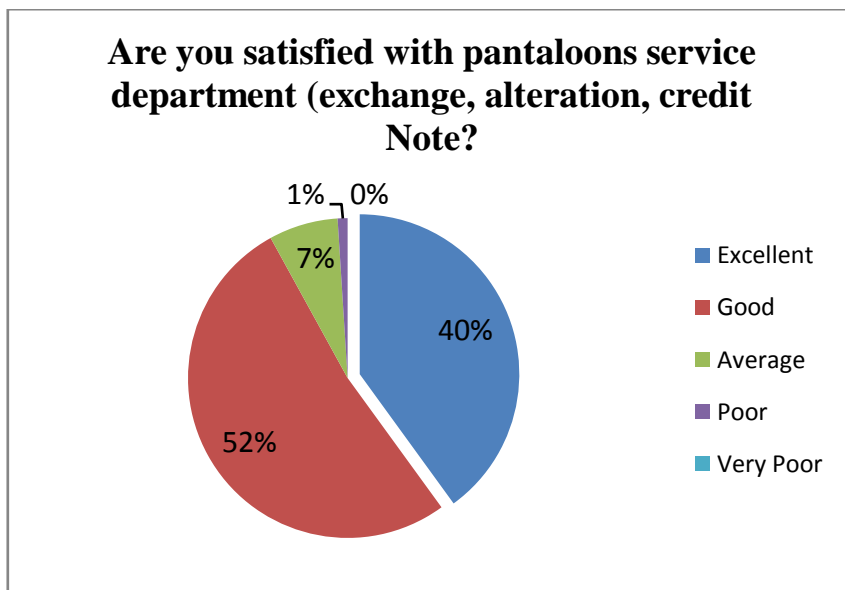
14.   Consumer Spending
Consumer spending is important component as it affects the sales and profit of the firm. From the above pie chart, it is clear that it is clear that the 54% of the Respondents spends on average between 0-5000 and 43% of them spend between 1500- 25000, 3% of the Respondents spend more than Rs. 25000.
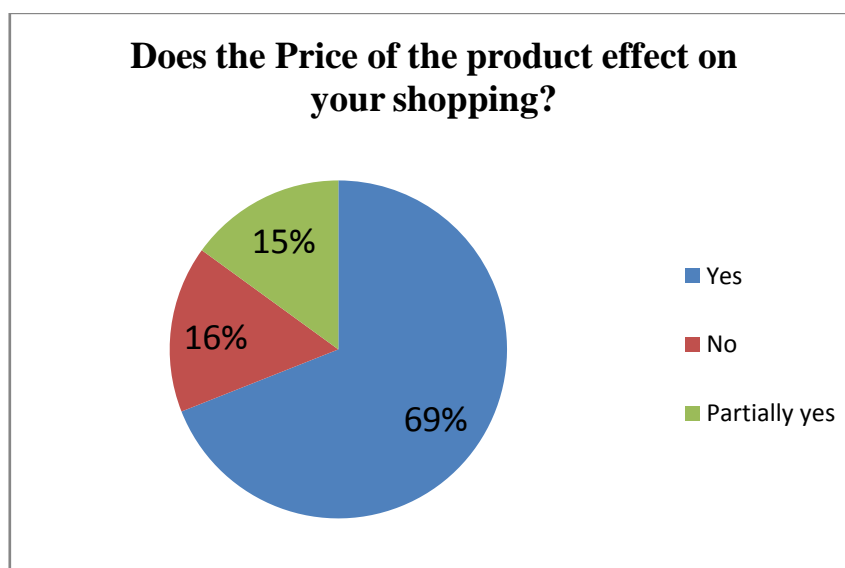
Sales
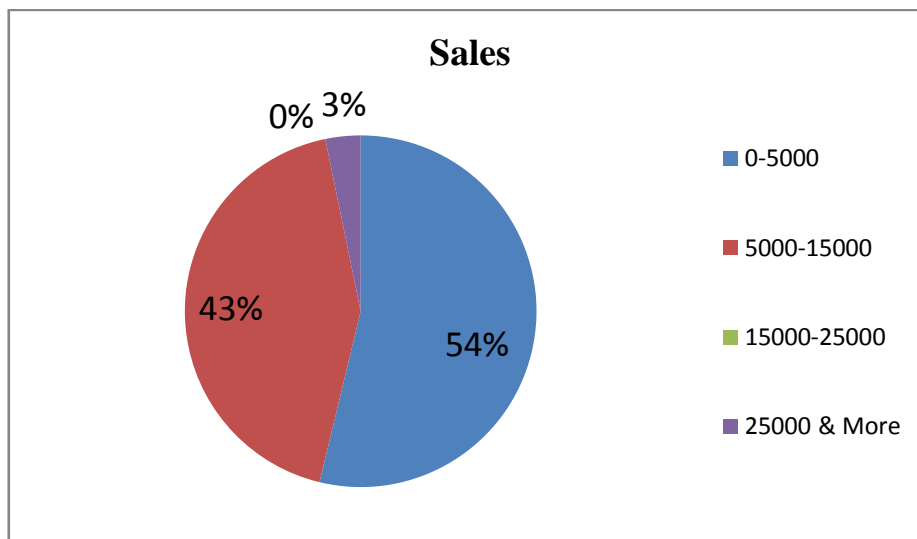
15.
16. **Impact of pricing on the Shopping**
From the below mentioned pie chart, we can say that 69% of the respondents are affected by the Price so pantaloons should focus on Price and provide a product with the Price that is reasonable to the customers as they are Price sensitive, 15% of them say partially yes.

Does the Price of the product effect on your shopping?

V. RESEARCH FINDINGS
The research findings of the study are:
• Most of the Customers visiting the Pantaloons Fashion & Retail Ltd. are females and the most preferred Brand by the Customers is Honey.
• From the above interpretation I have found that the most preferred Section is women's i.e.51% and 61% of the customers visit pantaloons once in a month.
• Pantaloons is a point of attraction to Customers due to discounts offered and schemes provided by the store but the Customers did not find it Promising or satisfactory and wanted enhancement in the Discounts.
• Most of the Respondents visiting pantaloons did not find different sizes and footwear needs improvement.
• Employees at the Pantaloons were using the parking space of the mall and therefore respondents were not getting enough space and therefore they were dissatisfied.

VI.   SUGGESTIONS

- More variety of products with different sizes should be made available and space should be provided for children coming with their parents for fun and entertainment.
- Pantaloons should increase variety in the products in its basket. It should be specially increased in Traditional wears for women's, cosmetics and footwear.
- Number of billing counters should be increased during the sales and some special occasions in order to fasten the billing Process and minimize the large Queues and a greater number of computers should be installed
- In order to strengthen the customer loyalty, the staff members should be trained so that they can make customers aware about the green card membership and can get the benefit.
- Before implementing or offering any scheme or offer it should be analysed before generating it to the customers and if possible, more lucrative discounts should be given to attract more customers.

VII.   CONCLUSION

- This research report highlights strengths and weakness of pantaloons in order to compete in a smarter way and this research report aims to study consumer's attitude towards Pantaloons. Major players of Pantaloons are Reliance Trend retail, Big Bazaar etc. and Retail industry in India is growing at a fast pace and Pantaloons captures large market share and should try and get more benefit from it. Recommendations given should also be taken into consideration.
- More than 65% of the customers come in between the age of 22-35 and according to these data store should give more importance to this segment and attract more customers in order to maximize their revenue and make loyal consumers. Customers should be provided a good billing experience is vital for a retailer. Sometimes Customers get exhausted standing in a queue for long.
- The factor that affects the customers to the pantaloons, as in the store mainly focus on their in house brand availability and value of money. Most of the customers believe that pantaloons have their own branded products and are offering to the customers at reasonable price.

VIII.   LIMITATION OF STUDY

- The study is limited only to the visitors of Pantaloons
- The study is restricted to the Central Bazar, Pantaloons store and the sample size taken was taken 100 and due to that there are chances of error while analysing the data.
- Many consumers are in hurry while giving their response so they might not be able to give genuine Responses.

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