Study of the departmental stores in mumbai marketing essay

Customer satisfaction is the key factor in knowing the success of any departmental stores or business therefore it is very important to measure it and to find that what the factors which affect the customer satisfaction. The Total Quality Management is based on this idea of customer satisfaction. Customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business. Customer satisfaction levels can be measured using survey techniques and questionnaires. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal and to make repeat orders and to use a wide range of services offered by a business. Customers are most likely to appreciate the goods and services that they buy if they are made to feel special. This occurs when they feel that the goods and services that they buy have been specially produced for them or for people like them. It should be always keep measuring in order to get feedback for the product and service in order to develop it further with wide customisation. We cannot create the customer satisfaction by just meeting the customer requirement fully because this has to meet in any case. The customer satisfaction index represents the overall satisfaction level of that customer as one number, usually as percentage.

Department store offers a wide range of products in an organized fashion that are easily accessible to the consumers. The product line of the departmental stores is substantially long. The department stores provide better amenities to the consumer for shopping by developing adequate infrastructure for parking, leisure, coffee shops etc. Departmental stores contain ' a pin to plane' under a single roof. Therefore the customers are

able to purchase whatever they want from a single Roof. In Mumbai, most of the departmental stores attract customers with attractive formats of apparels and discount based daily needs (FMCG) products etc. As Mumbai is considered one of the most crowded cities in India and so has good income earning consumer society due to industrialization and modernization to the greater extent. So it always provides a huge amount of customers to be served. But when it comes to population it comes to variation in families having various household habits as well as buying behaviour. And here arrives the need of Departmental Stores.

Departmental stores are different from discount departmental stores because most departmental stores have checkout registers within individual merchandise departments as opposed to having a central checkout area. As Departmental Stores are the products and therefore connected to the Retail sector in flourishing in India from last years. The contribution of Retail Sector to GDP of India is constantly growing and expected to 22% by 2010. The retail consulting and research agency KSA-Technopak predicted in an Nov2008 report that by 2010 annual retail sales by chain stores will reach 21. 5 billion dollars, from 7. 5 billion dollars now in Indian Metros.

Government Policies are also favourable to Indian Retail sector in regard to FDI due to which this sector remains undominated by foreign players which ultimately going to be beneficial for Departmental Stores as they forms a part of it

Formation of Departmental Stores in Mumbai is the population it is offering and constantly growing. Also the population of Mumbai which includes

people from various class and culture gathered in search of jobs as it is a constantly growing in the sense of industrialization are seeking a wide product line suitable to their needs consisting various brands as well as the time saving factor which they prefers while going for Departmental Stores which are categorized according to nature of products in order to easily locate the product and Mumbai is no exception to it. Following are some famous Departmental Stores in Mumbai-

Asiatic

Big Bazaar

Hyper city

KBN Stores

A To Z Super Market

Z Mart

Subhiksha

Amarsons

CUSTOMER SATISFACTION INDEX (CSI)

The customer satisfaction Index represents the overall satisfaction level of that customer as one number, usually as a percentage. Plotting this Satisfaction Index of the customer against a time scale shows exactly how well the supplier is accomplishing the task of customer satisfaction over a period of time.

The customer satisfaction Index is calculated as follows: Calculate the average important score assigned by respondents for each parameter of all the weightings given by the customer. Find out the weighting factor (divide the average important score assigned by all respondents for each parameters by the sum/total of the importance score). Multiply the weighting factor with corresponding satisfaction score you can get the weighted score. Sum of the weighted score gives total customer satisfaction.

OBJECTIVE OF STUDY:

The primary objective of the study is to know the factors which are affecting the customer satisfaction of service provided by some of the departmental stores in Mumbai using customer satisfaction index.

SECONDORY OBJECTIVE OF STUDY

1 . To determines the level of customer satisfaction about different parameters of services provided by the departmental stores on Mumbai.

2. To find the most important areas which required immediate improvements.

FOLLOWING HYPOTHESIS WILL BE TESTED AT 95% CONFIDENCE LEVEL

1. Individual parameter is less or more important than researcher hypothesis

2. There is significant difference between expectation and satisfaction.

3. There is significant association between satisfaction and area of residence.

RESEARCH METHODOLOGY:

1. RESEARCH DESIGN:

It is an overall framework that indicate what information is to be collected and from which source and by which procedure in research project. In this research, the first stage is exploratory, in which clarification of the specific problem is identified, in second stage we are interested in knowing the characteristics of certain group such as – age , sex , income , education , occupation for which descriptive study is necessary.

This study involves the field survey conducted across different departmental stores in Mumbai. The respondents were approached outside the billing counter of departmental stores after they had finished shopping, before leaving stores. It also focused on the decision about choice of stores for specific purchase incident, since each purchase occasion might actually be a different decision.

The respondents were given the questionnaire to respond their views about particular departmental stores. In some of the cases respondent were subjected to personnel interview. Responses were sought regarding customer patronage behaviour.

In India departmental stores are proliferated with number of brands and their offering and almost all the stores is used for stocking or displaying the merchandise. The departmental stores are larger mostly 2000-3000 sq. ft. But very few of them have more than 5000 sq. ft. and are being designed for better display and browsing by the shoppers. The format was distinguished based on the facility provided to the shopper to browse and choose by

themselves. This study was conducted in old as well as new format of departmental stores. The store was chosen from different part of city to enable a wider spread of sample.

The general hypothesis about stores choice drivers were that for routine purchase such as grocery items and apparels choice driver should be include in stores services dimensions and attractiveness of the physically layout. It is important to validate this hypothesis. Since the indication is that departmental stores in Mumbai should be providing more evolved dimensions of services to attract shopper it remain to be proven that such dimension do actually improved departmental stores.

2. SAMPLING DESIGN:

For this research, the non probability sampling method is used. Sample size is 50 respondents from different departmental stores in Mumbai. A customer of the departmental stores who have done their shopping and are waiting for billing counter is taken as sample.

3. FINDING OF DESIGN:

1. Reliability Test:

Reliability test is to find out the reliability of the instrument. In this test the value of alpha is found to be 0. 783 which is nearly equal to 0. 8, and according to the thumb rule of alpha reliability is good.

2. One Sample Test

From the results of one sample test (refer table IV), we can say that:

Respondent are considering adequate sign board, quality of products, variety of products, plastic money service as important factor in deciding where to shop.

Parameters which less important for deciding where to shop are availability of open space, layout of the place, offer coupons and mobile charging zone.

Furniture and decor, colour and lighting, comfort and feel, adequate sign boards, courtesy and friendly atmosphere are moderately important.

The broad conclusion about store choice among consumer indicates that image and perception have significant impact on final outcome. Perception about is driven substantially by tangible characteristics of departmental stores such as format of stores, size, distance from home, looks, as well as intangible factor like environment of stores. Given the limited information is available on shopping behaviour of customer in Mumbai as even customer doesn't know that what they like, so it was decided to design an exploratory study to identify major factor which affect behaviour of customer and their satisfaction.

3. ANNOVA test

From the results of ANOVA test (refer table V), we can say that:

The F value of table is 2. 18. Thus, we can accept the hypothesis that the factors quality of products, coupon and advertisement, variety of products, overall ambience affects the customer satisfaction.

Value of nearness to store is 3. 586. Thus, we reject the hypothesis that nearness to store affect the customer satisfaction.

It was observed that customers are ready to travel even far from their residence for buying in departmental stores because of quality services and products.

4. Overall customer satisfaction index:

Customer satisfaction index has been calculated for all parameters taken together. Total customer satisfaction index for departmental store is found to be 61. 07% (refer table VI)

This study has research the store choice behaviour based on the several dimensions. The broad research questions formed on this exploratory research are:

How do consumers perceive the service dimensions in retailing?

Are service parameters influencing the buying behaviour among current customers?

What are the service dimensions that departmental stores ought to pay attention to increase customer satisfaction in departmental stores?

4. FINDING ANALYSIS:

Customers have several reasons to choose any departmental store. But the primary reasons are ' value for money', ' quality of product', ' variety of product' and ' service of the store'. More than 80% respondent indicated that these are the important reasons. Out of all respondents provided, 70%

respondent responded that ' ambience and layout' was equally important as a buying behaviour. This indicated that customer have one or mostly two good primary reason and other reason to visit departmental stores.

The responses were gathered through close ended questions. The respondents were probed for much reason the first reason being the top of the mind. The responses which were gathered through the questionnaire is used for further analysis. The study captured about different responses that could be classified into seven important categories.

PRIMARY STORES CHOICE VARIABLES BY CATEGORY OF STORES:

Grocery and food items are choose by the customer strongly based on the more proximity and patronisation. The customer would like to reduce the time. However as indicated by the higher scores if customer have been buying for longer period off time , they do not mind buying from a store located at greater distance. The importance of relationship, comfort level with the departmental stores is stressed with regard to grocery and food items story

This seems to be some indication of an inherent loyalty to the stores in this category. So when experience of shopping is good there is a high chance of next visit. The customer is willing to trade-off the extra travel with the experience. However the proximity is the most important driver of loyalty to a grocery store. Ambiance is not important factor for customer in this category.

In the case of consumer durable stores, consumers attract more importance to merchandise, referral, and ambience. They prefer to visit those stores that depth and wide range of product. Customer in these stores looks for variety. Stores that offer good price and discount are also visited. The ambience reflected in terms of lighting, setting and comfort is also relevant in determining store choice. A good display of product, so that customer can look around and touch and feel the product becomes an important consideration in departmental stores.

Leisure sections of departmental stores (books and music, accessories and lifestyle products) tend to attract customers on the basis of ambience of stores. The customer wants comfortable store as they tend to stay for longer on each visit. The lighting display and attractive decor of the store become an important factor.

In case of apparels, customers value merchandise, ambience and brand. They want variety and would like to touch and feel the product. Range of merchandise, in terms of product and price, attract shopper to a store. They would like to satisfy themselves about making right choices by trying them out before finalizing their product.

Conclusion and recommendations:

Customer satisfaction is the key to keep existing customer. Customer satisfaction must be matching or greater than the customer expectation. From the research study we have done, we concluded that the overall customer satisfaction regarding the departmental stores in Mumbai is reasonably good. If we define it in percentage term then it is approximately

61%. Yet there are some aspects as noted in guideline section where the departmental stores in Mumbai need to focus more in order to achieve optimum customer satisfaction:

The checkout counters are crowded, especially in peak hours and holidays. Customers have to spend 20 minutes to 45 minutes in queue. Departmental stores should take proper measures to increase number of checkout counters in case of such occasions.

Products kept in sections such as toys and children's sections should not be kept at height. According to suggestions given few customers, specially children, find it difficult to get access to such products.

In case of trolleys used, there is not enough space to move around the departmental stores on holidays or in peak hours. This may cause hindrance in case of emergency or in case of families with small children. Departmental stores to take proper measure so as to allocate enough space for movement of trolley even during holidays or peak hours.

TABLE: 1 SAMPLE PROFILE

Gender
Male

24

Female

26

Age group

20-24

17

25-29

10

30-34

12

35-39

11

Monthly income

10000-20000

16

21000-30000

24

31000-40000

10

Age group

Total

50

TABLE: II BUYING BEHAVIOR

Frequency of visit

Money spend

Time spend

Seldom

4

Less than Rs. 1000

4

Less than ½ hour

4

Once a month

24

Rs. 1000- Rs. 2000

20

½ hour to 1 hour

13

Once a week

13

Rs. 2000- Rs. 3000

11

1 hour to 1 ½ hour

12

More than once a week

9

Rs. 3000- Rs. 4000

9

1 ½ hour to 2 hour

11

Rs. 4000- Rs. 5000

2

2 hour to 2 ½ hour

3

More than Rs. 5000

4

More than 2 ½ hour

7

TABLE III PRIMARY AFFECTING FACTORS

MERCHANDISE

AMBIENCE

SERVICE

Value for money

Availability of open space

Security and safety

Quality of product

Furniture and decor

Ease of movement for trolley

Ambience/ experience

Colour and lighting

After sale service

People and service

Comfort and feel

Plastic money service

Fast checkout

Adequate sign board

Hygiene and sanitation

Close to where customer live

Other entertainment (music, T. V., games, books)

Complaint cell

Variety of product

First aid service

Convenience of parking

Personal assistance

TABLE IV ONE SAMPLE T TEST

Mean

Sig. (2-tailed)

Std. Deviation

t

Availability of open space

3. 96

. 000

. 935

-5. 564

Furniture and decor

4. 00

. 000

1. 190

-4. 201

Layout of the place

3. 92

. 000

. 909

-5. 939

Colour and lighting

4. 28

. 001

. 980

-3. 674

Comfort and feel

4. 04

. 000

. 790

-6. 080

Sight-seeing experience

3. 88

. 000

1. 130

-4. 956

Ease to search the product

4. 12

. 000

1. 092

-4. 028

Adequate sign boards

4. 04

. 001

1. 207

1. 455

Other entertainment

4. 24

. 006

1. 268

-2. 998

Overall ambience of the store

4. 13

. 003

1. 296

-3. 308

Value for money

4. 44

. 032

1. 227

-2. 281

Quality of products

4. 72

. 110

. 843

1. 661

Ambience/ experience

4. 04

. 000

1. 020

-4. 707

People and services

4. 16

. 000

. 987

-4. 257

Close to where customer live

4. 56

. 053

1. 083

2. 031

Courtesy and friendly atmosphere

4. 08

. 001

1. 152

-3. 994

Offer coupons in advertisement

3. 80

. 000

1. 041

-5. 765

Variety of products

4. 56

. 069

1. 158

1. 901

Convenient stocking/ display

4. 16

. 000

1. 028

-4. 086

After sales service

4. 28

. 007

1. 208

-2. 979

Plastic money service

4. 32

. 008

1. 180

2. 880

Mobile charging zone

3. 48

. 000

1. 418

-5. 361

Home delivery services

4. 12

. 001

1. 166

-3. 773

TABLE V ANNOVA TEST

Sum of Squares

df

Mean Square

F

Sig.

Quality of products

Between Groups

5. 058

8

1. 265

2. 111

. 117

Within Groups

11. 982

40

. 599

Total

17. 040

48

Money spend

Between Groups

5. 912

8

1. 478

1. 018

. 422

Within Groups

29. 048

40

1. 452

Total

34. 960

48

Nearness of store

Between Groups

11. 762

8

2. 940

3. 586

. 023

Within Groups

16. 398

40

. 820

Total

28. 160

48

Coupons and advertisement

Between Groups

4. 474

8

1. 119

1. 039

. 412

Within Groups

21. 526

40

1. 076

Total

26. 000

48

Variety of products

Between Groups

5. 557

8

1. 389

1. 044

. 409

Within Groups

26. 603

40

1. 330

Total

32. 160

48

Overall ambience

Between Groups

11. 289

8

2. 822

1. 962

. 142

Within Groups

27. 336

40

1. 439

Total

38. 625

48

TABLE VI CALCULATION OF TOTAL CUSTOMER SATISFACTION INDEX

PARAMETERS

SCORE (A)

SATISFACTION SCORE (B)

WEIGHTING FACTOR (c)=(a/T)

weighted score (d)=(b*c)

value for money

4. 44

4. 075

0. 032

0. 1304

quality of products

4. 72

4. 067

0. 034

0. 138278

ambience/ experience

4. 041

4

0. 029

0. 116

people and services

4. 167

4. 087

0. 03

0. 12261

fast checkout

4. 12

3. 394

0. 029

0. 098426

close to where you live

4. 56

4. 234

0. 033

0. 139722

courteous and friendly employee

4. 08

4. 12

0. 029

0. 11948

offer coupons in advertisment

3. 8

3. 87

0. 027

0. 10449

variety of products

4. 56

3. 067

0. 033

0. 101211

convenience of parking

4. 16

4. 67

0. 03

0. 1401

convenient stocking / display

4. 167

4. 82

0. 03

0. 1446

avaliability of open space

3. 96

3. 967

0. 028

0. 111076

furniture and décor

4

3. 789

0. 028

0. 106092

colours and lighting

4. 28

4. 234

0. 232

0. 982288

layout of place

3. 92

4. 9

0. 27

1. 323

comfort and feel

4. 04

3. 69

0. 029

0. 10701

sight seeing experience

3. 88

4. 3

0. 028

0. 1204

adequate signboards

4. 04

4. 867

0. 029

0. 141143

ease to search the products

4. 12

3. 234

0. 029

0. 093786

other entertainment

4. 24

4. 45

0. 03

0. 1335

overall ambience

4. 125

3. 6

0. 029

0. 1044

security and safety

3. 76

4. 65

0. 027

0. 12555

ease of movement of trolley and basket

3. 64

4. 87

0. 026

0. 12662

parking in and out

4. 16

4. 12

0. 029

0. 11948

after sales services

4. 28

4. 65

0. 03

0. 1395

plastic money service

4. 32

4. 67

0. 031

0. 14477

hygience and sanitation

4. 36

4. 346

0. 031

0. 134726

smoking zone

3. 4

3. 534

0. 024

0. 084816

home delivery services

3. 48

3. 56

0. 024

0. 08544

complaint cell

4. 12

4

0. 029

0. 116

first aid services

3. 84

3. 96

0. 0267

0. 105732

handicap parking space

3. 72

4. 36

0. 0267

0. 116412

pavement surface at the entry and exit

3. 8

4. 34

0. 027

0. 11718

personal assistance

4

3. 89

0. 029

0. 11281

138. 3

6. 107048