

A Study on Customer Satisfaction towards Departmental Stores in Dharmapuri Town

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Abstract

Today business faces a lot of challenges. The major work of today's business is not only to face and survive with competitors but also to study consumer's needs and analysis their behaviour. Though starting a business today is easy, surviving and attaining success is an important issue to be given importance. Today, things are made available in one shop, one place. These days, consumer buying is not more transfer of item from seller to buyer. Consumer wants buying to become a happy affair. They would like to see, touch and feel the commodities that they buy. Understanding this psychology for the consumer many organizations have come to make purchase of happy affair. Therefore Research focuses on customers Satisfaction towards Departmental Stores users particularly Dharmapuri Town. Primary method of data collection for this study. The Data related to Departmental Stores users were collected through Questionnaire method. Convenience sampling method was used by the researcher to collect the data. The statistical tools are used for Chi-square test analysis.

Introduction

A **department store** is a retail establishment offering a wide range of consumer goods in different product categories known as "departments". In modern major cities, the department store made a dramatic appearance in the middle of the 19th century, and permanently reshaped shopping habits, and the definition of service and luxury. Similar developments were under way in London (with Whiteleys), in Paris (*Le Bon Marché* in 1852) and in New York (with Stewart's).

Department stores today have sections that sell the following: clothing, furniture, home appliances, toys, cosmetics, houseware, gardening, toiletries, sporting goods, do it yourself, paint, and hardware and additionally select other lines of products such as food, books, jewelry, electronics, stationery, photographic equipment, baby products, and products for pets. Customers check out near the front of the store or, alternatively, at sales counters within each department. Some are part of a retail chain of many stores, while others may be independent retailers. In the 1970s, they came under heavy pressure from

discounters. Since 2010, they have come under even heavier pressure from online stores such as Amazon.

Big-box stores, hypermarkets, and discount stores are modern equivalent of historical department stores.

Objectives

The objectives of the study are:

- To study the factor influencing the customers to purchase house hold articles from departmental store.
- To study the needs of the customers at the place of purchase.
- To analyse the customer satisfaction level towards departmental stores usage.
- To study the consumer's opinion and ideas about the price, quality and services rendered by the departmental stores.
- To know the satisfaction level of customers' towards departmental stores.
- To offer suggestions to improve the quality of departmental stores.
- To study the sales services provided by the departmental stores.
- To suggest, improve in sales and functions in the departmental Stores based on results.

Statement of Problem

The study of the consumer enable us to analysis one's own decision in buying. The very look of the departmental store attracts people, the way in which products are visited not only to buy, but also spend sometimes in the cafeteria and to enjoy the atmosphere, the consumer takes a look to choose the product and understands the inferential as well as the external factors. This is done in a clean unpolluted atmosphere in departmental store. It is a matter of study as to why people come and buy from a departmental store.

Limitations of the study

- The area of study is restricted to Dharmapuri Town.
- For convenience purpose, the population taken for the study refers to the customers of Ranga Departmental store, Senthilkumar departmental store, Smart Departmental Store, Manivel Departmental store and Golumbu Departmental Store.
- In order to complete the study within the time frame, the number of respondents had been restricted to 1000.

SAMPLING DESIGN

In order to undertake sample, the researcher has classified the entire customers are in socio - economic characteristics viz., age, sex, marital status, educational qualification, occupation and

income. Purposive random sampling method is adopted in this survey. In this chapter the collected information from 1000 respondents related to Customer satisfaction towards Departmental stores in Dharmapuri town have been tabulated and analyzed .

Sample Area of the study

The area covered under the study is in Dharmapuri Town.

Statistical tool for analysis

The collected data has been analyzed using percentage analysis and diagrams. **Chi square Test:**

Statistical tool chi square test is used to find the close relationship between variables. This tool is used to find the association between the variables. Variables such Age, educational qualification, Gender, Marital status ,occupation, Monthly salary, family size, normal place of buying, influence of media ,favorable departmental store etc have been taken for testing.

The chi-square test provides a method for testing the association between the row and column variables in a two-way table. The null hypothesis H_0 assumes that there is no association between the variables (in other words, one variable does not vary according to the other variable), while the alternative hypothesis H_a claims that some association does exist. The alternative hypothesis does not specify the type of

association, so close attention to the data is required to interpret the information provided by the test.

The chi-square test is based on a test statistic that measures the divergence of the observed data from the values that would be expected under the null hypothesis of no association. This requires calculation of the expected values based on the data. The expected value for each cell in a two-way table is equal to (row total*column total)/n, where n is the total number of observations included in the table.

Once the expected values have been computed, the chi-square test statistic is computed as

$$\chi^2 = \sum \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

where the square of the differences between the observed and expected values in each cell, divided by the expected value, are added across all of the cells in the table.

The distribution of the statistic χ^2 is chi-square with $(r-1)(c-1)$ degrees of freedom, where r represents the number of rows in the two-way table and c represents the number of columns. The distribution is denoted χ^2 (df), where df is the number of degrees of freedom.

The chi-square distribution is defined for all positive values. The χ^2 -value for the chi-square test is $P(\chi^2 \geq X^2)$, the probability of observing a value at least as extreme as the test statistic for a chi-square distribution with $(r-1)(c-1)$ degrees of freedom.

Meaning of Departmental stores

Departmental stores occupy very important place among the large scale retailing institutions. Development of big cities, mass production of goods, busy lives of city people including several others have become the motivating factors for the development of departmental stores. The credit for the development of departmental store goes to France because departmental store was first established in Paris in 1852 naming it as 'Bon Marche'.

Departmental stores are such a large scale retailing institutions in which different departments deal in different types of goods in the same building. They try to satisfy almost all kinds of needs of consumers at the same place. They sell all kinds of goods through centrally organized different departments. Separate departments are established for each type of goods. Different departments are operated to deal in different goods such as foodstuffs, kitchen materials, ready made garments, clothes, medicines, motor cars, books, electronic and electrical goods, leather goods, cosmetics etc. under one roof or in same building. The customers can find all kinds of goods whatever they

need. The main objective of departmental stores is to make all types of merchandise available to customers and make them free from the troubles of visiting shops to shops to buy one or other.

Therefore, departmental store is such a large-scale retailing business institution, which is established in the center of city areas and varieties of goods are sold out from same roof. Separate departments deal in separate goods. Departmental store can sell more volume of goods and attracts, mostly women customers.

Methodology

The primary methods of data collection, that is, questionnaire technique was used to collect the data required. Respondents include both male and female. Convenience sampling method has been adopted under the non-probability sampling techniques and about 1000 samples have been collected for the study.

The questionnaire consists of four parts namely, personal information, purchasing pattern, details about products and customers services provided at the store. The questionnaire was designed in such a way that the respondents were able to express their opinions and ideas freely and frankly.

Review of Literature

William E Jackson III, Purushottaman Nandakumar, Aleda V Roth, 2003) 42

suggest that the optional level of service quality depends critically on the competitive structure of the market, the degree of demand and the ease of imitation of competitors' service quality innovations.

Gabbott Mark (2000) 33 quotes several psychological studies which show that non-verbal behaviour by the service provider affects service evaluation, because the quality of interaction between the customer and the service provider influences the customers' perception of service quality.

Brent McKenzie (2006) 58 in his paper on "Retail service quality success factors in Estonia: A qualitative Approach", reveals that the findings are limited within the potentially confounding effects of other consumer specific shopping variables. Within Estonia, there is a need for a greater understanding of retail consumer behaviour theory and practice, rather than mere consumer data gathering.

Amy Wong Lianxi Zhou (2006) 62 deals with the service quality and customer satisfaction as determinants of relationship quality. It explains the impact of relationship quality on key relational outcomes (customer loyalty and customer commitment). The findings suggest that the inclusion of the relationship quality construct in the service quality-satisfaction model can further enhance the predictive value of service quality and customer satisfaction.

Donelda S. McKechnie, Jim Grant, Vishal Bagaria (2007) 63, consolidate the observations of listening actions displayed by service providers when interacting with customers in retail establishments. The study contributes to knowledge about non-verbal communication within service encounters. Implications for management include: determining the optimum frequency and occurrence of listening activities; and training to service providers accordingly.

Byron Keating, Robert Rugimbana, Ali Quazi (2003) 45 explore and define two related constructs – service quality and relationship quality – to ascertain whether consumers can meaningfully distinguish between the constructs. The paper finds that, although service quality and relationship quality are distinct constructs, they overlap in the area of personal interaction and problem solving.

According to Kim and Jin (2001), customers' satisfaction and the intention to repurchase result from the customers' emotional experience during the purchase stage and, hence, from the appraisal of the store's image. Atmospheric variables influence customers' satisfaction regardless of shopping orientation; some variables do, however, contribute to satisfaction for specific consumer segments (McKinney, 2004). Customers' satisfaction or dissatisfaction and intention to repurchase are therefore indicators of the customers' perception of the store, which, in turn, is created by store image. Customers'

satisfaction or dissatisfaction is prevalent not only in the consumption stage but also while purchasing, thus emphasizing the importance of store image. The greater the satisfaction of the customer during purchasing, the greater the intention to repeat purchase (Chen-Yu & Hong, 2002).

Baker et al. (2002) affirmed that consumers evaluate store image dimensions as reliable information cues about product attributes, price, quality, value and overall shopping experience.

Bitner (1990) reported that consumers concentrate on design and ambient environment cues when evaluating a store.

According to Jacoby and Mazursky (1984), consumers depend heavily on pictures of store interiors for information during the shopping experience. Customer satisfaction is therefore reached through a positive evaluation of the desired store image. It can therefore be deduced that needs satisfaction and shopping satisfaction lead to store choice, which underscores why stores strive toward the needs and goal satisfaction of consumers (Baker et al., 2002). In the previous sections, the significance of store image in corporate identity and the importance AN EMPRICAL STUDY ON FACTORS INFLUENCING STORE IMAGE, SATISFACTION AND LOYALTY IN DEPARTMENT STORES 59 thereof to retailers was pointed out. Dependent and independent variables in store image research were highlighted to

substantiate the significance of a store's image in successful retailing.

According to Thomas, Dan R. E., (1978) 11, service differentiation is necessary for the growth and development of service businesses. Chase, Richard B, (1981) holds that the potential efficiency of a service system is a function of the degree of customer contact entailed in the creation of the service product.

The probability that a consumer will shop at a given store increases as the individual's perceptions of the store become more positive. In general, consumers patronize stores whose image is congruent with their self-perceptions and unconscious needs. Thus, store specific attitudes (e.g. store image) and general attitudes toward the type of store influence shopping behaviour (e.g. shopping frequency) (Darley & Lim, 1999, p.312)

Service is a crucial element of a brand; this includes staff-customer interaction (sales) (Newman & Patel, 2004). As shown above, sales personnel are responsible for the social interaction with customers through this interplay between service and sales personnel. Service builds customer relationships and leads to positive-word-of-mouth and customer loyalty (Newman & Patel, 2004). Customers' perception of social cues, which includes service, improves their perception of merchandise (Hu & Jasper, 2006; Newman & Patel, 2004). Teller, Kotzab and Grant (2006)

found that sales personnel service greatly affect store choice, even more than modern services, such as home delivery. Service by sales personnel through knowledge and courteousness is emphasized by Berman and Evans (1995). Good service therefore contributes toward forming a positive store image.

Thang and Tan (2003) concluded that stores that provide good service leave shoppers with a more favourable perception which promotes an empirical study on factors influencing store image, satisfaction and loyalty in department stores 51 repeat visits and has a positive impact on consumer purchase behaviour. Miranda et al. (2004) underscored this by concluding that intention to remain loyal to a store is influenced by several factors, including service. Hellier et al., (2003) also showed that customers' repurchase intention is influenced by service. While the repurchase intention is thus influenced by service quality, Wirtz et al. (2007) stated that the effect of service on consumer behaviour is moderated by emotional arousal. Huddleston et al. (1990), found that mature female consumers' lifestyle characteristics influence their preferences for services. In contrast, Oates et al. (1996) showed that the perception of the importance of the service dimension is not notably different among elderly consumer segments on the basis of lifestyle. Research results, however, highlight the fact that management should take note of the impact that service can have on consumer behaviour and that the

preference for service is influenced by independent consumer variables.

Findings of the study:

- More than 53.5 percent of the respondents belong to the age group of 21-30 years.
- 47.5 percent of the respondents are female and 52.5 percent of them are male.
- 58 percent of the total respondents are married and others are unmarried.
- 40 percent of the respondents are Degree /Diploma holders.
- 45 percent of the respondents are employed, followed by 21.5 percent of the respondents are student.
- 49.5 percent of the respondents are having the monthly income of above Rs.9,000.
- More than 57.5 percent of the respondents belong to the family size of 2 to 4 members.
- More than 63 percent of the respondents are purchasing the products from departmental stores.
- More than 46.5 percent of the respondents buy the goods through the word of mouth advertisement.
- More than 48 percent of the respondents are prefer Ranga Departmental Store.
- More than 30.5 percent of the respondent purchase the goods for convenient.



- More than 32.5 percent of the respondents are purchase the goods for more than 3 years.
- 38.5 percent of the respondents purchase provision & groceries product.
- More than 41.5 percent of the respondents are getting immediate rectification from the damages.
- More than 36.5 percent of the respondents getting free door delivery always.
- 61.5 percent of the respondents are enjoying only two wheeler parking facility.
- 41 percent of the respondents are enjoying the discounts and benefits sometimes.
- More than 46.5 percent of the respondents are satisfied with the customer care service.
- More than three- fourth (77.5 percent) of the respondents are satisfied about the products.
- More than 57.78 percent of the respondents are not satisfied about departmental stores because of no bargaining facility available in the departmental stores.
- 64 percent of the respondents are facing some difficulties while purchasing.
- 34.38 percent of the respondents are states that the departmental stores follow too many formalities.

- Majority of the respondent's family members are satisfied about the departmental store.
- 72 percent of the respondents are having willingness to recommend other to buy in departmental stores.
- More than 66.5 percent of the respondents are accepting the department stores are more advantages than other stores.

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