

# A STUDY ON CONSUMER BEHAVIOUR AND SATISFACTION TOWARDS RETAIL STORES WITH REFERENCE TO KOTTAYAM DISTRICT KERALA

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## ABSTRACT

The objective of purchasing behaviour facilities to raise the degree of consumer pleasure, [1]. If the level of customer satisfaction with purchasing behaviour is high, then the level of productivity is also high, which improves the percentage of profit as well. Thus, purchasing behaviour facilities serve as the foundation for profit [2]. When a company organisation sets itself the purpose of satisfying its numerous clients, the vast majority of the equipment in the business organisation will be effective in achieving that goal. Furthermore, they will be significant due to the fact that the primary goal for their presence has been achieved, and their long-term survival will not be endangered [3]. The primary goal of the study is to get an understanding of consumers' preferences for retail shops in the Kottayam Area/Region in general, as well as their attitude toward specific retail businesses in the Kottayam Area/Region. Increasing customer loyalty is a key component of every promotional campaign. When a sample of 250 people was collected, statistical tools including percentage analysis, factor analysis, ANOVA (Anova on the mean), mean ranking, and descriptive statistics were used to analyse the data. The results of this analysis revealed that the customers were happy with the service they received but the stores have to look after further development to improve the variety of products with the store which leads to a positive buying behaviour with them.

**Keywords:** *Buying behavior, Customer loyalty and Customer satisfaction.*

## INTRODUCTION TO CUSTOMER SATISFACTION

Customer satisfaction is a measure of how well a company's products and services meet or exceed the expectations of its customers [4]. Customer satisfaction is a significant predictor of customer purchase intentions and

loyalty, according to a recent study. Among the most regularly gathered measures of market perceptions [5], client satisfaction metrics are among the most often used.

Customer satisfaction is a concept that is regularly heard in the marketing industry. Customer satisfaction is a measure of how well a company's products and services meet or exceed the expectations of its customers [6]. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals [7]."

The brand, which is offered by the firm at any level of brand, does not just satisfy customers; the consumer expectation exceeds the grade of other facilities such as giveaways provided by the company [8].

## Retail store

A retail shop may be defined as a major retail organisation with a number of departments all located in the same building and controlled from a central location. Each department specialises in a specific form of commerce and functions as a full entity within it [9].

This type of retail institution is also defined as one that meets a broad range of a consumer's personal and domestic durables product demands while also providing the consumer with a choice of several goods lines, at varying price points, over a variety of product categories [10]. Departmental shops often offer a wide selection of merchandise, including garments as well as furniture, household appliances, and gadgets, as well as a few more lines of merchandise such as paint, plumbing supplies, toiletries, cosmetics, photographic equipment, jewellery, and sports goods [11].

## Retail stores in Kottayam

According to industry associations, there is a rising need in the state for the formulation of a retail policy in order to establish Kottayam as the country's retail center [12]. "Kerala has the potential to be the next Dubai or Singapore, the global leaders in facilitating retail tourism," said Kumar Rajagopalan, CEO, and Retail Association of India (RAI)[13]. Indian retailers have emerged as one of the most dynamic and fast-paced areas of the economy, with sales increasing by an average of 20% annually. The whole retail market in India is predicted to increase at a rate of 12 % per year over the next five years. The efforts of governments like as Maharashtra, Andhra Pradesh, Kerala, and Karnataka to promote growth in this segment have led in the formulation of retail laws that are special to the industry [14].

Owing to Kottayam's strong tourist potential, growing per capita income, high literacy rate, and high technological usage, the state has an inherent competitive edge in terms of leading a retail revolution provided the appropriate laws are implemented. It was also discovered that, in areas such as Kottayam, a retail establishment must get around 30 permits in order to be operational, which is a highly unattractive situation for the expansion of the industry [15]. In the opinion of industry experts, the involvement of retail establishments catering to grocery and food products under the Essential Services Act, the establishment of 24x7 working hours, the availability of overtime pay, and the capacity of female employees to work around the clock will go a huge way toward creating a friendly environment for the retail sector in Kottayam [16]. According to business organisations, the introduction of the Goods and Services Tax (GST) has facilitated the flow of goods across states. RAI has voiced its dissatisfaction with the failure of significant e-commerce businesses in India to disclose their financial results [17]. The retail industry contributes more than 11 percent of the country's gross domestic product (GDP) and employs around 9 percent of the total workforce. As a result, the purpose of this study is to examine customer behaviour and satisfaction with regard to retail outlets in Kottayam [18].

## STATEMENT OF PROBLEM

Segmentation is defined as the practice of dividing markets into groups of potential consumers who share common attributes or who are expected to demonstrate comparable purchasing behaviour [19]. The study area taken for the study is Kottayam and the stores taken for the study has four stores. The stores are those who are having only one store with Kottayam town. The study has not included with chain Retail stores who have their own brand name and that is also taken as a problem for the study to find out the brand reputation of small stores with the study area.

## OBJECTIVES OF THE STUDY

1. To define the demographic profile of the respondents.
2. To find out their degree of satisfaction in select retail stores in Kottayam.
3. To evaluate the reasons for purchasing in retail store.

## NEED OF THE STUDY

Assessing buying behaviour is not sufficient without also understanding the composition and origin of the consumers. Customers are drawn to imported items because of the excellent quality of the goods [20]. The country of India is

home to a diverse range of national and international products. As a result, a lot of worldwide and national product companies have concentrated their efforts on identifying their customers and their purchasing habits. The findings of these researches have been beneficial in providing solutions to a variety of marketing problems that have arisen in retail outlets throughout Kottayam.

## SCOPE OF THE STUDY

In marketing efforts, the perspective of the customer is a crucial factor to consider. The fate of the product and the organisations is determined by the perception of the customers [21]. There are a variety of things that influence the perspective of customers. These considerations include post-purchase behaviour, reputation, product availability, branding, and convenience, among others. "The scope of the study is restricted to Kottayam".

## RESEARCH METHODOLOGY

**Research Design:** The study proposes to cover the customer behaviour towards retail stores. As the study is based on customer behaviour towards various Retail stores Cluster sampling is been used in the research.

**Area of the study:** The survey was done in selected retail stores in Kottayam

### Sample size

The sample is been collected from four Retail stores and the respondents are divided equally with all the four Retail stores selected for the study. The total sample size taken for the study is 250.

### Data Sources

The study used both primary data and secondary data.

**Primary data:** The primary data was acquired by a field survey with Questionnaire as survey method in the study area.

**Secondary data:** The secondary data was gathered from journals, websites and articles.

**Tools used for Collection of Data:** Frequency analysis, Chi square, Factor analysis and ANOVA.

## LIMITATIONS OF THE STUDY

- 1) The study has been limited to the state of Kottayam.
- 2) The Response of the Migrant can be Skewed and Subjective.
- 3) Many Respondents were not vocal in stating their genuine opinions.
- 4) Due to time restrictions, the sample size was kept limited, and the viewpoint of the majority was not taken into consideration.
- 5) The sample survey was collected from the respondents using convenient sampling method.
- 6) There may be a bias in collection of data from the respondents.

## ANALYSIS AND INTERPRETATION

### Demographic variables of the respondents

Demographic variables	Particulars	Frequency	Percent
Gender	Male	103	41.2
	Female	147	58.8
	Total	250	100
Marital status	Married	156	62.4
	Unmarried	94	37.6
	Total	250	100
Age	Below 20 years	7	2.8
	20 years-40 years	89	35.6
	40 years-50 years	76	30.4
	Above50 years	78	31.2
	Total	250	100
Educational qualification	Schooling	19	7.6
	Diploma	81	32.4
	Undergraduate	123	49.2
	Postgraduate	21	8.4
	Professional degree	6	2.4
	Total	250	100
Occupation	Student	10	4
	Private Job	36	14.4
	Government job	34	13.6
	Home maker	119	47.6
	Business	51	20.4
	Total	250	100

70.4% are male and 29.6% are female. 2.8% are married and 97.2% are unmarried. 2.8% are from the age group of below 20 years, 2.8% are from the age group of 20-40 years, 56.4% are from the age group of 40-50 years and 38% are from the age group of above 50 years, 6% have completed their schoolings, 32.4% have finished their diploma, 49.2% have completed their under graduation, 8.4% have completed their post graduation and 2.4% have completed their professional degree. 24% are in to private job, 30.8% are in to government job, 37.2% are home makers and 4% are doing business.

#### Frequency of visiting the store

	Frequency	Percent
Once in a week	40	16.0
Fortnight	30	12.0
Monthly	50	20.0
Occasionally	130	52.0

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Total	250	100.0

The above table depicts about frequency of visiting the store by the respondents. Out of 250 respondents, 16% said they visit the store once in a week, 12% said they purchase fortnight, 20% said they purchase monthly, 52% said that they purchase occasionally. It shows that most of the respondents visit the store occasionally.

#### Average amount spent for purchasing per month in Retail stores

	Frequency	Percent
Up to Rs.3,000	42	16.8
Rs.3,000 to Rs.5,000	107	42.8
Rs.5000 to 7,000	62	24.8
Above Rs.7000	39	15.6
Total	250	100.0

The above table shows about average amount spent for purchasing per month in Retail stores were out of 250 respondents 16.8% are spending up to Rs.3,000, 42.8% are spending from Rs.3,000 to Rs.5,000, 24.8% of the respondents are spending from Rs.5000 to 7,000, 15.6% are spending above Rs.7000. It shows that most of the respondents spending from Rs.3, 000 to Rs.5, 000 per month in Retail stores.

#### FACTOR ANALYSIS FOR LEVEL OF SATISFACTION OF CUSTOMERS

A total of 26 variables were identified for the purpose of collecting satisfaction from the customers. In order to reduce the number of variables and to identify the key factors contributing towards the expectations of customers, factor analysis is performed. KMO and Bartlett's test is conducted to identify the sampling adequacy.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.603
Bartlett's Test of Sphericity	Approx. Chi-Square	1.705E3
	DF	66
	Sig.	.000

KMO of sampling adequacy value for the service quality measures is 0.603 and it indicates that the sample is adequate to consider the data as normally distributed.

Rotated Component Matrix				
	Component			
	1	2	3	4
V1	.277	-.065	.863	-.095
V2	.013	.461	<b>.785</b>	.044
V3	.869	.226	.104	.152
V4	<b>.731</b>	-.004	.149	.113
V5	.350	<b>.747</b>	.092	.005
V6	.366	.026	.421	-.497
V7	.460	.258	.405	.051
V8	.301	-.168	.092	.877
V9	.116	.290	-.036	.821
V10	-.289	.683	.497	.191
V11	<b>.795</b>	.256	.053	.034
V12	.441	<b>.797</b>	.048	.014

From the above table the common factors above 0.5 are taken for decision making process of the study and the factors are level of satisfaction towards quality of the product, Level of satisfaction towards reasonable price, level of satisfaction towards accurate weight/adequate quantity, level of satisfaction towards exchange of defective/damaged goods, level of satisfaction towards door delivery.

#### Descriptive statistics for level of satisfaction of customers towards departmental stores

Particulars	N	Mean	SD
Level of satisfaction towards range of products	250	<b>3.00</b>	1.206
Level of satisfaction towards quality of the product	250	<b>2.89</b>	1.110
Level of satisfaction towards availability of fresh items	250	2.66	.915
Level of satisfaction towards reasonable price	250	2.66	1.030
Level of satisfaction towards accurate weight/adequate quantity	250	<b>2.92</b>	1.175
Level of satisfaction towards offers and discounts	250	<b>2.92</b>	1.085
Level of satisfaction towards customer services	250	2.61	.815
Level of satisfaction towards parking facilities	250	<b>2.98</b>	1.064

Level of satisfaction towards billing facilities	250	<b>2.91</b>	.986
Level of satisfaction towards availability of trolleys/shopping bags	250	2.67	1.147
Level of satisfaction towards exchange of defective/damaged goods	250	<b>3.01</b>	.967
Level of satisfaction towards door delivery	250	2.70	.929
Valid N (listwise)	250		

The above table shows about the descriptive statistics for factor related to level of satisfaction of customers with Retail stores. Based on the result the factors above the average mean (2.82) are taken for decision making process of the study. The factors are level of satisfaction towards range of products, quality of the product, towards accurate weight/adequate quantity, offers and discounts, customer services, parking facilities, billing facilities and exchange of defective/damaged goods.

#### RANKING ON REASON FOR PURCHASING IN RETAIL STORE

S.NO	Ranking on reason for purchasing in Retail store	Average mean	Mean rank
1	One roof shopping/convenient shopping	4.40	1
2	Saves time and efforts	5.76	6
3	Variety of products	6.56	8
4	Quality of products	4.42	2
5	Reasonable price	5.58	4
6	Offers and discounts	5.82	7
7	Brand image	5.62	5
8	Reputation of the Retail store	4.84	3
9	Door delivery	5.94	9
10	Nearby residence	6.06	10

The above table shows about the mean rank of the factors related to reason for purchasing in Retail store were the priority was given to One roof shopping/convenient shopping and these factor is taken for decision making process of the study.

#### Comparison between age and factors related to level of satisfaction

Ho1: There is no relationship between age and factors related to level of satisfaction

		Sum of Squares	df	Mean Square	F	Sig.
Level of satisfaction	Between Groups	26.773	3	8.924	7.838	.000

towards quality of the product	Within Groups	280.091	246	1.139		
	Total	306.864	249			
Level of satisfaction towards reasonable price	Between Groups	58.606	3	19.535	23.386	.000
	Within Groups	205.494	246	.835		
	Total	264.100	249			
Level of satisfaction towards accurate weight/adequate quantity	Between Groups	19.014	3	6.338	4.804	.003
	Within Groups	324.542	246	1.319		
	Total	343.556	249			
Level of satisfaction towards exchange of defective/damaged goods	Between Groups	15.771	3	5.257	5.954	.001
	Within Groups	217.193	246	.883		
	Total	232.964	249			
Level of satisfaction towards door delivery	Between Groups	47.334	3	15.778	23.164	.000
	Within Groups	167.562	246	.681		
	Total	214.896	249			

The above table shows about the relationship between age and level of satisfaction of various factors filtered from factor analysis. It shows that there is a significant relationship between age and Level of satisfaction towards quality of the product (0.000), Level of satisfaction towards reasonable price (0.000), Level of satisfaction towards accurate weight/adequate quantity (0.003), Level of satisfaction towards exchange of defective/damaged goods (0.001), and Level of satisfaction towards door delivery (0.000).

## FINDINGS

- Most of the respondents are married.
- Maximum of the respondents are from the age group of 20-40 years.
- Most of the respondents have completed their under graduation.
- Maximum of the respondents are home maker in our survey.
- Most of the respondents are having 4-5 members in their family.
- Maximum of the families are earning from Rs.30, 000 - Rs.40, 000 as their family income.
- Most of the families have 3-4 earning members in their family.
- Maximum of the respondents visit the store occasionally.
- Most of the respondents spending from Rs.3, 000 to Rs.5, 000 per month in Retail stores.

- Maximum of the respondents said they purchase grocery items from Retail stores.
- Based on descriptive statistics the factors level of satisfaction towards range of products, quality of the product, towards accurate weight/adequate quantity, offers and discounts, customer services, parking facilities, billing facilities and exchange of defective/damaged goods can be taken for decision making process of the study.

## SUGGESTIONS

- The Retail stores can act as a one stop shop like Walmart to the core as the respondents prioritize the same based on the survey conducted. If it so then it leads to increase in sales and brand image of the store.
- The Retail stores can give the products to a reasonable prize when compared to their competitors so that it will create a goodwill for the store and there will be a positive buying behaviour towards the store.
- Based on the service quality satisfaction the stores have to be keen on quality of the product, reasonable price, weight/adequate quantity, exchange of defective/damaged goods and door delivery.

## CONCLUSION

The customers are satisfied with the service provided but the stores have to look after further development to improve the variety of products with the store which leads to a positive buying behaviour with them.

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