

A Study on Customer Perception of Departmental Stores in Coimbatore City

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ABSTRACT

A department store is a retail concern which focuses on fulfilling an extensive range of the individual and housing durable goods offering the shopper a choice of multiple products lines at different price in all product groups. Many marketing research studies shows that the customers are satisfied with the quality of services provided by the retail stores. Service quality is taken as an important factor to enhance the satisfaction of the customers and customer loyalty. A variety of service quality measurement tools are applied to know the accurate level of customer satisfaction and customer loyalty towards their retail service offering. The main aim of the study is to find the customer perception of departmental stores in Coimbatore city and how well the service quality factors affect the level of satisfaction of the customers.

Keywords: Departmental Stores, Service Quality, Retail stores, customer loyalty

Introduction

The Indian retail industry has emerged as one of the most dynamic and fast-paced industry due to the entry of several new players. India has occupied a remarkable position in global retail rankings with high market potential, low economic risk, and moderate political risk. In market potential, India ranks eleventh position (after United States, China, Canada, UK, Brazil, Germany, Austria and Mexico). India's net retail sales are quite significant among emerging and developed nations. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space. Overall its high growth potential, India is favorably with global peers among foreign investors.

Indian corporate bigwigs such as Reliance, AV Birla, Tata, Godrej, Bharti, Mahindra, ITC, RPG, Pantaloon, Raheja and Wadia Group are already present in retail sector and are expected to invest close to Rs.1 trillion in retail business over next five years. Other prominent retail players are the Spencer's, Lifestyle India, Indiabulls, Wadhawan Group and Vishal Retail etc., The global retailers are already expanding their presence in India are Wal-Mart, Carrefour, Costco Wholesale Corp, Tesco Plc., Metro AG, Shoprite Holdings GAP, JC Penney, H&M, Karstadt-Quelle and Sears (Kmart).

Retail market is divided into two types, such as organized and unorganized sector comprises of licensed retailers in hypermarkets, super markets, malls, departmental stores etc and, the unorganized sector dominated by large number of small retailers comprising of local kirana shops, owner manned general stores, chemists, apparel shops, pavement vendors, hand cart hawkers etc. A third form of retail is the virtual retails where products are ordered via mail, telephone or online without having examined physically but instead in a catalog, on television or on a website.

A **departmental store** is a large retail trading organization. It has several departments, which are classified and organized accordingly. Departments are made as per different types of goods to be sold. For example, individual departments are established for selling packed food goods, groceries, garments, stationery, cutlery, cosmetics, medicines, computes, sports, furniture, etc., so that customers can purchase all basic household requirements under one roof. It provides them maximum shopping convenience and therefore, also called as '**Universal Providers**' or '**One spot shopping**'. The concept of a departmental store first originated in **France**.

“A departmental store is a large retailing business unit which handles a wide variety of shopping and specialty goods and is organized into separate department for purposes of promotion, service, and control.”-E.1V. Cundiff and K.R.Still

The departmental stores originated in the European countries during the 19th century. The first departmental store known as BON MARCHE was established in France in the year 1852. Two more departmental stores via; the LOUVRE and the PRINTEMPS were established in 1855 and 1856 respectively. Gradually the departmental stores started getting immense popularity. In England, departmental stores came into existence in 1840 and in the U.S.A. in the middle of nineteenth century.

Service Quality

Quality is such an important issue that it is considered as a significant concept in our real life. It is regarded as a strategic organizational weapon. The pressing need of developing service organizations and upgrading their services necessitates the measuring of service quality. The assets in checking the quality progress and providing bases for improving it. As a result of economic changes throughout history, the concept of 'quality' has changed. 'Quality' comes from the Latin word 'Qualitas', which refers to the nature of a person or the nature of an object. In the past Quality meant accuracy and perfection (**Al-Dararkah, 2002**).

Zeithaml & Bitner (2003) states that: "Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service: reliability, responsiveness, assurance, Empathy, tangibles. Satisfaction, on other hand, is more inclusive: it is influenced by perceptions of service quality, product quality, and price as well as situational factors and personal factors.

Statement of the Problem

Rapidly changing retail environment along with sophisticated and demanding customers have made it mandatory for the retailers to differentiate themselves in meeting the needs of customers which will help them in improving their competitive positioning in the market (Mehta 2000). For competitive survival and growth, retailers are focusing on areas under their control that might give them an edge in the market. Hence delivering high levels of service quality as an area is receiving major attention in this regard. Good service quality leads to customer satisfaction, retention and patronage, customer loyalty, positive relationship to

costs, profitability and positive word of mouth. Hence retailers are keen to adopt service quality as a means for improving their performance in the market. Therefore it leads to study the customer perception of departmental stores in Coimbatore city.

Scope of the Study

Retailing in India is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and customer buying behavior, ushering in a revolution in shopping in India. Modern retail has entered India as seen in sprawling shopping centers', departmental stores, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof. The research study entitled "A Study on customer perception of departmental stores in Coimbatore City" is undertaken to know the factors that influenced to purchase in departmental stores. This study is mainly focused on the satisfaction level of service and the perception level of services rendered by the departmental stores in Coimbatore city.

Objectives of the Study

1. To study the factors that influence to purchase from the departmental stores.
2. To know the perception level of services rendered by the departmental stores.
3. To analyze the satisfaction level of service offered by the departmental stores.

Research Methodology

The study aims to analyze the customer perception of departmental store. Convenient Sampling technique is used to select the respondents for the survey.

I. Area of the Study

The study is undertaken in Coimbatore city.

II. Sample Size

A Sample of 60 respondents, who are the customer of departmental stores have been taken by adopting convenience sampling technique.

III. Data Source

The **Primary data** has been collected directly from the customers by using a pre-structured questionnaire/interview schedule.

The **Secondary data** has been collected from different sources such as technical and trade journals, articles, newspapers, magazines, internet, periodicals, books, reports, publication of associations related to departmental stores.

IV. Statistical Tools used for the Study

The following tools used in the study are

1. Percentage Analysis
2. ANOVA
3. t-Test

V. Hypothesis

A Suitable Null Hypothesis have been framed and tested in the relevant places.

limitations of the Study

- The study is confined only to the departmental stores.
- Since the survey was done only within Coimbatore city, the results obtain may not be taken as universal suggestion.

Review of Literature

Faisal Qureshi, Sadia Humayun and Sheikh Farhan Hummayun(2015) have analyzed on "Influence of retail atmospherics on customer perception in specialized department stores". This paper aims to study the impact of visual merchandizing on customer perception in specialized stores. The objective of this research was to study the impact of store environment on customer perception in specialized department stores. A sample size of 200 respondents was chosen by convenience based technique of sampling in Pakistan. A questionnaire was used as an instrument of data collection for this research and the one sample T-test statistical tool was used to analyze the data. They have concluded that the success of stores depend on customer perception, which was built through their shopping experience. A factor such as ambience, store layout, shelf placement and point of purchase displays, store interior and significance have a positive influence on the customer perception. It was concluded that there was an impact of visual merchandizing on customer perception in specialized department stores.

R.Gomathi, S.Kishore and R.Deepika(2013) have made a study entitled, "customer satisfaction towards departmental stores in Erode city". The objectives of the study is to know the factors influencing the customer to purchase from department store, needs of the customers, opinion and ideas of the consumers about the price, quality and services rendered by the departmental stores and finally to know the sales service provided by it. A total of 500 consumers of departmental stores was surveyed with a structured questionnaire. In this study, simple random sampling method was adopted for selecting the respondents. They have used percentage analysis, chi-square test, correlation and ANOVA. The study has revealed that the respondents was aware of departmental store through word of mouth and pamphlets, effects should be taken to reduce the price of certain products like fancy items, children's toys etc, the respondents want to make the billing procedure more convenient and the customers was expecting parking facilities for their vehicles and to avoid waiting. On a whole the customers were satisfied with the departmental stores and they were interested in recommending it to other customers.

Analysis and Interpretation

Percentage Analysis

Table 1

Personal Factor		No.of.respondents	Percentage
Age	21-30 years	50	83.3
	31-40 years	4	6.7
	41-50 years	3	5.0
	Above 50 years	3	5.0
Gender	Male	20	33.3
	Female	40	66.7
Marital Status	Married	10	16.7
	Single	50	83.3
Education Qualification	School Level	1	1.7
	Graduate	24	40
	Post Graduate	19	31.7
	Professional	12	20
	Others	4	6.7
Occupation	House Wife	4	6.7
	Employed	22	36.7
	Professional	16	26.7
	Business	5	8.3
	Research Scholar	13	21.7
Earning Members	One	11	18.3
	Two	20	33.3
	Three	19	31.7
	Four	9	15
	Above Four	1	1.7
Monthly Income	Below Rs 10000	3	5
	Rs 10000-Rs 20000	29	48.3
	Rs 20001-Rs 30000	9	15
	Above Rs 30000	19	31.7
Source of purchase	Newspaper	3	5
	Advertisement	26	43.3
	Friends	31	51.7
Amount Spend for purchase	Below Rs 1000	10	16.7
	Rs 1000-Rs 2000	18	30
	Rs 2001-Rs 3000	14	23.3
	Above Rs 3000	18	30
Purchase	Monthly purchase	29	48.3
	Only when need arises	23	38.3
	When there is any offer	8	13.3
Frequency of purchase	Frequently	30	50
	Rarely	19	31.7
	Occasionally	11	18.3
Mode	Cash	50	83.3
	Debit card	8	13.3
	Credit card	2	3.3
Years of purchase	Less than 1 year	10	16.7
	1-2 years	16	26.7
	2-3 years	9	15
	Above 3 years	25	41.7
Customer service	Fast service	21	35
	Slow service	25	41.7
	Not sufficient service	14	23.3
Opinion	Excellent	9	15
	Good	40	66.7
	Fair	10	16.7
	Poor	1	1.7

(Source: Computed)

It is inferred from the above table that 83.3 per cent of the respondents are in the age group of 21 to 30 years, 6.7 per cent of the respondents fall under the age group of 31 to 40

years and 5 per cent of the respondents are in the both 41 to 50 years and also above 50 years of age.

It is observed from the above table that 66.7 per cent of the respondents are female and 33.3 per cent of the respondents are male.

It is clear from the above table that 83.3 per cent of the respondents are unmarried and 16.7 per cent of the respondents are married.

It is noted from the percentage analysis table that 40 per cent of the respondents are graduates, 31.7 per cent are post graduates, 20 per cent are qualified professionals, 6.7 per cent of the respondents are diploma and 1.7 per cent of the respondents have completed only school level education.

The table exhibits that 36.7 per cent of the respondents are employees, 26.7 per cent of the respondents are professionals, 21.7 per cent are research scholars, 8.3 per cent of the respondents are doing business and the rest (6.7 per cent) are house wives.

It is known from the above table that 33.3 per cent of the respondents have two earning members in their family, 31.7 per cent have three earners, 18.3 per cent of the respondents have only one earning member, 15.0 per cent of the respondents have four earning members and 1.7 per cent of the respondents have more than four earnings members.

The above table shows that 48.3 per cent of the respondents' family has a monthly income of Rs 10,001 to 20,000, 31.7 per cent have an income of above Rs 30,000 and 15 per cent of the respondents' family earns a monthly income of Rs 20,001 to Rs 30,000 and 5 per cent of the respondents' family has an income of below Rs 10,000.

The source of purchase in departmental stores shows that 51.7 per cent of the respondents are influenced by friends/family, 43.3 per cent of the respondents are influenced by advertisement and newspaper plays a very nominal role with 5 per cent.

An amount spent equally by majority of the respondents are of Rs 1,001 to Rs 2,000 and also for above Rs 3000 per month to buy the products, 23.3 per cent of the respondents spend Rs 2001 to Rs 3000 and 16.7 per cent spend only below Rs 1000.

48.3 per cent of the respondents have made their purchase monthly, 38.3 per cent purchase only when a need arises and remaining 13.3 per cent of them buy when there is any offer.

The table shows that 50 per cent of the respondents make the purchase frequently, 31.7 per cent rarely and 18.3 per cent make their purchases occasionally only

The percentage table shows that 83.3 per cent of the respondents pay by cash and 13.3 per cent of the respondents pay on debit card and 3.3 per cent of the respondents pay on credit card, when they buy the selected products.

The respondents (41.7 per cent) have been purchasing products from departmental stores for above 3 years, 26.7 per cent are found to purchase the products from departmental stores for 1 to 2 years, 16.7 per cent are purchasing from less than 1 year and 15 per cent are purchasing from 2 to 3 years in departmental stores.

41.7 per cent of the respondents states that the customer service in departmental stores are slow, 35 per cent states that service are fast and 23.3 per cent felt that there is no sufficient service in departmental stores.

The overall opinion of the respondents about the service offered in departmental stores are good (66.7 per cent), 16.7 per cent felt it as fair, 15 per cent are opined as excellent and rest as poor.

Table 2
Problems

Problems	Yes		No	
	No.of.respondents	Per cent	No.of.respondents	Per cent
Long queues at billing	49	81.7	11	18.3
Difficulty in parking	30	50	30	50
Misplacing of products	27	45	33	55
Time consuming	37	61.7	22	36.7
Inefficiency of sales representative	17	28.3	43	71.7
Difficulty in navigating large store	18	30	42	70
Unavailability of stock	24	40	36	60
Debit and credit card payment	12	20	48	80

(Source: Computed)

While analyzing the problems faced by the respondents, it has been noted that long queues at billing is the most severe one (81.7 per cent), 61.7 per cent of the respondents have indicated that time consuming as the next problem, 50 per cent has difficulty in parking followed by Misplacing of products, Unavailability of stock, Difficulty in navigating large store, Inefficiency of sales representative and Debit and credit card payment has stated as least problem.

ANOVA**Table 3**
Factors and Level of Satisfaction

Factors		Satisfaction level			F	Sig.	
		Mean	S.D	N			
Earning Members	One	3.71	0.369	11	2.306	0.070	*
	Two	3.61	0.324	20			
	Three	3.91	0.245	19			
	Four	3.69	0.329	9			
	Above four	3.69		1			
	Total	3.74	0.324	60			
Amount Spend	Below Rs 1000	3.52	0.204	10	5.461	0.002	*
	Rs 1001-Rs 2000	3.86	0.157	18			
	Rs 2001-Rs 3000	3.90	0.324	14			
	Above 3000	3.61	0.393	18			
	Total	3.74	0.324	60			
Purchase	Monthly purchase	3.75	0.343	29	0.319	0.728	NS
	Only when need arises	3.70	0.296	23			
	When there is any offer	3.80	0.361	8			
	Total	3.74	0.324	60			
Frequency of purchase	Frequently	3.73	0.359	30	0.195	0.823	NS
	Rarely	3.77	0.249	19			
	Occasionally	3.69	0.361	11			
	Total	3.74	0.324	60			
Years of purchase	Less than 1 year	3.85	0.270	10	1.898	0.140	*
	1-2 years	3.84	0.368	16			
	2-3 years	3.59	0.293	9			
	Above 3 years	3.68	0.306	25			
	Total	3.74	0.324	60			

(Source: Computed) (*-Significance at 5% level)

It is cleared from the above table that there is no significant difference among purchase, frequency of purchase and their satisfaction level. Hence, the hypothesis is accepted. The table shows that the calculated p value, which is greater than the table value at 5% level of significance in case of earning members, amount spent and years of purchase of the respondents. So there is a significant difference among earning members, amount spent, years of purchase of the respondents and their level of satisfaction. Hence, the hypothesis is rejected.

Table 4
Service Quality Factors and level of perception

Factors	Age	perception level			F	Sig.	
		Mean	S.D	N			
Assurance	21-30 years	3.815	0.439	50	2.803	0.048	*
	31-40 years	4.438	0.125	4			
	41-50 years	3.917	0.144	3			
	Above 50 years	3.667	0.629	3			
	Total	3.854	0.449	60			
Empathy	21-30 years	4.007	0.581	50	1.176	0.327	*
	31-40 years	4.167	0.192	4			
	41-50 years	3.444	0.192	3			
	Above 50 years	3.889	0.192	3			
Responsiveness	Total	3.983	0.550	60	3.195	0.030	*
	21-30 years	3.610	0.629	50			
	31-40 years	4.562	0.375	4			
	41-50 years	3.833	0.577	3			
	Above 50 years	3.500	0.250	3			
Reliability	Total	3.679	0.639	60	3.759	0.016	*
	21-30 years	3.256	0.466	50			
	31-40 years	3.550	0.412	4			
	41-50 years	3.733	0.306	3			
	Above 50 years	4.000	0.200	3			
Tangibility	Total	3.336	0.482	60	1.695	.178	*
	21-30 years	4.225	0.417	50			
	31-40 years	3.937	0.800	4			
	41-50 years	3.750	0.000	3			
	Above 50 years	4.000	0.433	3			
	Total	4.170	0.447	60			

(Source: Computed) (*-Significance at 5% level)

The table shows that the calculated p value, which is greater than the table value at 5% level of significance in case of assurance, empathy, responsiveness, reliability, tangibility and their level of perception of the respondents. So there is a significant difference among assurance, empathy, responsiveness, reliability, tangibility and their level of perception of the respondents. Hence, the hypothesis is rejected.

t-Test

Table 5
Gender and Reason for Purchase

Gender	Reason for Purchase			T	Df	Sig.
	Mean	S.D	No			
Male	1.406	0.192	20	-0.495	58	0.208
Female	1.439	0.269	40			

(Source: Computed)

The mean value ranges between 0.269 and 0.192. The highest mean value of 0.269 has been found for the female, which implies that the female respondents has many reason for purchase in departmental stores when compared to male.

H₀: "There is no significant difference between gender and reason for purchase in departmental stores".

It is clear from above table that the calculated value of t-test is -0.495 and significant p value is 0.208, which is less than the table value at 5% level of significance. It is inferred that there is a significant difference between gender and reasons for purchase in departmental stores. Hence, the hypothesis is rejected.

Findings

Percentage Analysis

- 83.3 per cent of the respondents are in the age group of 21 to 30 years.
- 66.7 per cent of the respondents are female.

- 83.3 per cent of the respondents are unmarried.
- 40 per cent of the respondents are graduates.
- 36.7 per cent of the respondents are employees.
- 33.3 per cent of the respondents have two earning members in their family.
- 48.3 per cent of the respondents' family has a monthly income of Rs 10001 to 20000.
- 51.7 per cent of the respondents are influenced by friends/family.
- An amount spent equally by majority of the respondents is of Rs 1001 to Rs 2000 in departmental stores.
- 48.3 per cent of the respondents have made their purchase monthly.
- 50 per cent of the respondents make the purchase frequently.
- The percentage table shows that 83.3 per cent of the respondents pay by cash.
- The respondents (41.7 per cent) have been purchasing products from departmental stores for above 3 years.
- 41.7 per cent of the respondents states that the customer service in departmental stores are slow
- Overall opinion of the respondents about the service offered in departmental stores is good (66.7 per cent).
- 81.7 per cent of the respondents have been noted that Long queues at billing are the primary problem.

ANOVA

Factors and Level of Satisfaction

- There is no significant difference among purchase, frequency of purchase and their satisfaction level.
- There is a significant difference among earning members, amount spent, years of purchase of the respondents and their level of satisfaction.

Service Quality Factors and level of perception

- There is a significant difference among assurance, empathy, responsiveness, reliability, tangibility and their level of perception of the respondents.

t-Test

Gender and Reason for Purchase

- There is a significant difference between gender and reasons for purchase in departmental stores.

Suggestions

- The departmental stores have to motivate the customers who are in the age above 40 years in order to make purchase in departmental stores for increasing the sale.
- House wives are not preferred buying in the departmental stores may be due to less awareness, so necessary steps has to be taken in promotional activities.
- Customer services play an important role in retaining customers. Therefore, customer services should be improved by collecting feedback from customers so that necessary steps can be taken in this direction.
- Long queues at billing are the problem faced by the customers while purchasing in the departmental stores. So that the departmental stores can make fast cashiering by appointing more sales persons along with increasing the cash counter.

Conclusion

The Indian retailing sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics. A large young working population, nuclear families in urban areas, along with increasing workingwomen population and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in India. It is concluded that the departmental stores has to rectify the problem faced by the customers and has to improve the service quality in order to attract and retain the customers on purchasing in departmental stores.

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