

## **Problems of Consumers at Departmental Stores**

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**Abstract**

In olden days, the consumer used to search from shop to shop to search the products what they are in need of. But, nowadays, the trend has got changed. All the things are available in a single place and that is technically a departmental store. The total concept and idea of shopping has undergone an attention drawing change in terms of format and consumer buying behavior, ushering in a revolution in shopping in India. Modern retailing has entered into the Retail market in India as is observed in the form of bustling shopping centers, multi-storied malls and the huge complexes that offer shopping, entertainment and food all under one roof. The consumers, from time to time, exposed to certain issues of modern retailing concept when it is expected to modernization and development. Thus the present study analyses the problems faced by consumers while making purchases at departmental stores.

**Keywords:** Retail Market, Departmental Store, Modernization and Development.

**Introduction**

Retailing is the most prominent element of marketing where the marketer meets the ultimate consumer who exchanges value for the product and thus sanctions the very existence of business. Retailer is the last link in the distribution chain and his efforts to create demand and satisfy needs pave the way for the economic activity. Retailing is a business, easy to enter, with comparatively low capital and infrastructural requirements. The Indian retail industry is the fifth largest in the world comprising organized and unorganized sectors. Retail industry is one of the fastest growing industries in India, especially over the last few years. Retailing is a labor - intensive industry which serves to be the second largest source of employment and the job market is hugely receptive to retailing expertise as more and more B schools are now focusing on this sector and large retailers are setting up retail academies. In India, initially, most of the retail industries were unorganized; however, with the change of tastes and preferences of the consumers, these industries have gained momentum and are getting more popular and organized now-a-days. With growing market demand, the industry is expected to grow at a pace of 25-30 percent annually.

Since global competition had become acute, there was an entry of many multinational retail giants and there was a favorable climate for allowing foreign direct investment in the retail sector too. The changing profile of Indian customers due to variation in pattern of life style, way of living and standard of living, demography, level of income, expenditure pattern and the influence of foreign culture demands dramatic changes in the strategies being adopted by retail stores. Even if there is no entry threat or flow of foreign direct investment, the foregoing reasons necessitate that unless retail stores whether the organized or the unorganized change their strategies, their survival will be doubtful in the long run. Further the corporate houses like Reliance has made a foray into retail sector besides others. Even such corporate houses have to evolve strategies, which would help them to earn a competitive edge among local as well as global competitors.

**Indian Retail Scenario**

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. Total consumption expenditure is expected to reach nearly US\$ 3,600 billion by 2020 from US\$ 1,824 billion in 2017. It accounts for over 10 per cent of the country's gross domestic product (GDP) and around eight per cent of the employment. India is the world's fifth-largest global destination in the retail space. India

ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India is the world's fifth largest global destination in the retail space and ranked 63 in World Bank's Doing Business 2019. India is the world's fifth largest global destination in the retail space. In FDI Confidence Index, India ranked 16 (after US, Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy).

### **Market Size**

Retail industry reached US\$ 950 billion in 2018 at CAGR of 13 per cent and is expected to reach US\$ 1.1 trillion by 2020. Online retail sales were forecast to grow 31 per cent y-o-y to reach US\$ 32.70 billion in 2018. Revenue generated from online retail is projected to reach US\$ 60 billion by 2020. Revenue of India's offline retailers, also known as brick and mortar (B&M) retailers, is expected to increase by Rs 10,000-12,000 crore (US\$ 1.39-2.77 billion) in FY20. India is expected to become the world's fastest growing E-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of India's E-commerce market.

### **Statement of the problem**

India is the preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth with retail development taking place not just in major cities and metros, but also in tier II and III cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanization, changing consumer tastes and preferences are some of the factors driving growth in the organized retail market in India. Indian online grocery market is estimated to exceed sales of about Rs 22,500 crore (US\$ 3.19 billion) in 2020, witnessing a significant jump of 76 per cent over the previous year.

India has sometimes been called a nation of shopkeepers. This epithet has its roots in the huge number of retail enterprises in India. The arrival of Departmental stores in India was a bit late but they are fast becoming the rage amongst the retail enthusiasts. The numbers of Departmental stores are growing day by day in India. Sales through supermarkets and departmental stores are small compared with overall retail sales. However their sales grew much more rapidly, this high acceleration in sales through modern retail formats is expected to continue during the next few years with the rapid growth in number of such outlets in response to the consumer demand and business potential. Industry leaders say that over the next decade, about 500 million Square feet of new retail space will develop in major cities in India. Stiff competition is expected among departmental stores.

This one Stop Shopping concept offers consumers the convenience of shopping for all their needs under one roof. The departmental stores are improving the services offered to the customers. Success of departmental stores depends upon customer satisfaction. Location, store layout, merchandising, services, sales promotion, personal attention and value retailing are the important factors for a departmental store to make the consumers buy a product from a departmental store. Customers who are satisfied with the purchase experience are likely to become repeat consumers. Since the country is witnessing huge growth in favor of departmental stores due to rapidly changing customers' needs and demographic patterns, it is necessary to analyze the customer's satisfaction and various aspects towards departmental store through their perception and preference. Keeping the above points in view, the present study is intended to identify the solution for the following research questions.

### Review of Literature

**Chandrakala & Sudhahar (2018)** attempted to find out the determinants of consumer satisfaction in departmental stores, with a sample from Tirupur district. As satisfied customer is a valuable asset to any organization, especially, for the ones dealing with ultimate consumers. The results reveal that customer satisfaction is influenced by the six factors resulted from factor analysis test and further, socio-economic variables have a good voice-over the customer satisfaction while buying in the departmental stores in Tirupur district. The study reveals that, if not all the factors, at least the factors derived out of factors analysis are to be enhanced immediately to satisfy the customers shopping in the stores. **Das, Musunuru & Dash (2017)** contributed to study the impact of socioeconomic profile of respondents' influence variables like store image, customer loyalty & satisfaction in terms of price, quality, loyalty, customer care, payment preference and factors which influence the purchasing power of consumers at departmental stores through confirmatory factor analysis (CFA) which is done by R language, where factor structure is assessed through chi-square statistics. The study found that certain relationships for consumer profile, price, and image appears to be significant in terms of purchasing behaviour at departmental stores. **Kumar (2015)** investigated the feedback about consumer perception, attitude and satisfaction at the departmental stores. The study was restricted only to erode district, where the data collected through the survey. The results may help the management of Retail stores to understand about the factors that influence the consumer perception, attitude and satisfaction towards organized retail stores.

### Methodology

The study is based on primary data and focuses on the 100 customers of departmental stores in the Coimbatore. The structured questionnaires have been used to collect the primary data. The sampling technique adopted is convenience sampling, because the population is infinite.

### Analysis and Discussion

| <b>Table 1: Problems in Shopping with Departmental Stores</b> |                  |                  |                       |
|---|------------------|------------------|-----------------------|
|   | <b>N</b>         | <b>Mean</b>      | <b>Std. Deviation</b> |
|   | <b>Statistic</b> | <b>Statistic</b> | <b>Statistic</b>      |
| Expenses and worthiness makes brand positioning weaker        | 100              | 3.02             | .702                  |
| Very high competition and low promotional initiatives         | 100              | 2.87             | .898                  |
| Lack of Government assistance in financial matters            | 100              | 2.80             | .931                  |
| Poor in clarity towards after purchase benefits               | 100              | 2.78             | .870                  |
| Delays in delivery  | 100              | 2.65             | .902                  |
| Damaged furniture   | 100              | 2.41             | .911                  |

|   |     |      |      |
|---|-----|------|------|
| Delivered furniture is different than what was agreed during the contract of sale | 100 | 2.10 | .915 |
| Too far away from residence.  | 100 | 2.98 | .888 |
| Lack of parking   | 100 | 2.41 | .783 |
| Store hours inconvenient  | 100 | 2.00 | .907 |
| Items / Size often out of stock   | 100 | 2.03 | .784 |
| Limited number of sales associates and lack of knowledge or ability to assist     | 100 | 2.11 | .842 |
| Valid N (listwise)  | 100 |      |      |

**Source:** Primary data

The above table depicts the descriptive statistics of the Problems in shopping with departmental stores among the respondents. It can be concluded from the table that the statement Expenses and worthiness makes brand positioning weaker has the better mean at 3.02 and the statement Lack of Government assistance in financial matters has the better standard deviation at .931.

#### Association between problems at departmental stores and demographic profile

**H<sub>01</sub>:** Association between the problems at departmental stores and the demographic profile of customers is insignificant.

**Table – 3: Chi-Square Analysis**

| S. No | Dependent Variable | Independent Variable        | $\chi^2$ | Sig. value | Hypothesis |
|-------|--------------------|-----------------------------|----------|------------|------------|
| 1     | Problems           | Gender                      | 6.329    | 0.02*      | Rejected   |
| 2     | Problems           | Age                         | 4.877    | 0.00**     | Rejected   |
| 3     | Problems           | Marital status              | 2.562    | 0.05*      | Rejected   |
| 4     | Problems           | Education                   | 8.987    | 0.00**     | Rejected   |
| 5     | Problems           | Place of distance education | 3.010    | 0.01**     | Rejected   |

**Source:** Primary data \* Significant at 5%. \*\* Significant at 1%

The above table depicts the chi-square analysis between problems of departmental stores and the demographic profile of respondents. It is clear from the table that the hypothesis is rejected for all the variables and hence concluded that the association between the problems of departmental stores and the demographic profile of respondents is significant.

## Conclusion

Now a day, the departmental stores in Coimbatore region was evolved a lot by providing better quality service to the customers by introducing and promoting new schemes. The dimensions of service quality such as tangibility, reliability, responsiveness, assurance and empathy were used to understand the various factors which are influencing the level of customer satisfaction. The current study has included the general profile of the respondents, shopping habits of the respondents and the dimensions of the service quality. The customers have given much priority to responsiveness i.e., the respondents feel secure to shop in that particular store. The customers prefer a particular store for the facilities provided by the store, reasonable price fixed by the store, one-stop shopping, quick response, answering properly to the customers, solving the problems of the customers, exchanging the defected goods and so on. Thus, the retailers have to concentrate much on tangibility and reliability. By the way of collecting the feedback, the retailers may expand and develop their business also can meet the requirements of the customers.

The retail industry consists of diverse business needs and service requirements. In traditional retail model, forces of globalization, customization and consolidation has changed significantly. To increase sales and achieve profit targets, these multiple challenges has to be analysed seriously by the retailers and effective stop has to be taken accordingly. The departmental stores have to increase the space, layout of the store. The quality can be improved and large variety of products has to be provided and much personal care and attention to taken to attract and satisfy the customers.

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