A Study on Customer Preference and Problems on Retailing with Special Reference to Chennai City

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Abstract
India is set for high growth in consumer expenditure. With India's large 'young' population and high domestic consumption, the macro trends for the sector look favorable. Within retail, the emerging sectors would be food and grocery, apparel, electronics, e-commerce, fashion and lifestyle. Incorporation of technology in the organized retail segment has been something to reckon with in the past few years. Use of computers for merchandise planning and management, control of inventory costs and supplies and replenishment of goods done electronically, internal store billing, etc. has changed the face of product retailing.

Key words: Retailing, Satisfaction, reason for selection, analysis and so on

Introduction

Consumer markets in emerging market economies like India are growing rapidly owing to robust economic growth. India's current consumption level is set to double within five years to US$ 1.5 trillion from the present level of US$ 750 billion. The growing middle class is an essential factor contributing to the growth of retail in India. By 2030, it is estimated that 91 million households will be 'middle class', up from 21 million today. Also by 2030, 570 million people are expected to live in cities, nearly twice the population of the United States today. Thus, with tremendous potential and huge population, Online retail business is the next-gen format which has the high potential for growth shortly. After conquering physical stores, retailers are now foraying into the domain of e-retailing.

Key drivers of the Indian Retail Industry

- Emergence of nuclear families
- An increase in the double-income households trend
- Large working population
- Reasonable Real estate prices
- Increase in disposable income and customer aspiration
- Demand as well as increase in expenditure for luxury items
- Growing preference for branded products and higher aspirations
- Growing liberalization of the FDI policy in the past decade
- Increasing urbanization,
- Rising affluence amid consumers

Challenges faced by the Retailing

- A long way to meet international standards
- Lack of efficient supply-chain management
- Lack of required retail space
- No fixed consumption pattern
- Shortage of trained workforce

- Lack of proper infrastructure and distribution channel

Indian retail industry

According to panel members at the seventh Food and Grocery Forum India, the opportunities in food and grocery retail in India are immense, given that it constitutes about 69 percent of India's total retail market. The Indian retail market, currently estimated at $490 billion, is projected to grow at a compounded annual growth rate of 6 per cent to reach $865 billion by 2023. Modern retail with a penetration of only 5% is expected to grow about six times from the current 27 billion USD to 220 billion USD, across all categories and segments. Organized Retail is emerging as the new phenomenon in India, and despite the slump, the market is growing exponentially. As economic growth brings more of India's people into the consuming classes and organized retail lures more and more existing shoppers, by 2015, more than 300 million shoppers are likely to patronize organized retail chains.

Retail industry can be broadly classified into two categories namely- organized and unorganized retail. Retail classification is as follows;
- Organized retail - Organized traders/retailers, who are licensed for trading activities and registered to pay taxes to the government.
- Unorganized retail – It consists of unauthorized small shops - conventional Kirana shops, general stores, corner shops among various other small retail outlets - but remain as the radiating force of Indian retail industry.

Impact of reason for visiting retail stores on service encounter satisfaction

The general field is one which has been broadly contemplated, and the exploration is examined and assessed by Katole (2012) in his paper consumer buy behavior in composed retail outlets. In their investigations, they have presumed that to fulfill their clients, organizations need to recognize each section of users unmistakably, and furthermore, it clarifies the purposes behind going to retail stores. This part was administrated to discover the effect of explanation behind going to retail stores on service encounter satisfaction.

Table 1 Impact of reason for visiting retail stores on service encounter satisfaction

Null hypothesis: There is no significant impact of reason for visiting retail stores on service encounter satisfaction

Reasons	beta	t value	p value	Result
Located Nearby Residence	-0.028	-0.528	0.598	Not a predictor
Availability of Variety of Branded Products	0.144	2.386	0.017*	Predictor
On time Service Delivery	0.288	5.077	0.000	Predictor
Total Retail Environment Visually Appealing	-0.066	-1.383	0.167	Not a predictor
Brand Image of the retail Store	0.080	1.384	0.167	Not a predictor
Continuous Sales Promotional Offers/Discounts	0.117	2.221	0.027*	Predictor
Better Customer Service	0.215	2.827	0.005**	Predictor
Availability of Convenient Parking Space	-0.097	-1.320	0.187	Not a predictor
Quality of Products and Services	0.079	1.023	0.307	Not a predictor
After Sales Service	0.234	3.956	0.000**	Predictor
F value	21.208			
p value	0.000**			
R	0.495			
R square value	0.245			

$**p<.01; *p<.05$

Summary of Regression Analysis was treating reason for visiting retail stores as predictors and service encounter satisfaction as criterion variable was shown below the table. It was observed that the overall regression model was significant (F=21.208, p<0.00). Hence null hypothesis is rejected, and it concludes that reason for visiting retail stores can be used as a significant predictor of service encounter satisfaction.

R value shows the strength between independent variables and dependent variables. From the above table, we can conclude that reason for visiting retail stores have the moderate level relationship (50 percent) with service encounter satisfaction. R square value concludes that 25 percent of the service encounter satisfaction can be significantly predicted by the reason for visiting retail stores.

The standardized coefficient table used to identify the most significant predictors among the independent variables based on t statistics. From the above table, it can be concluded that availability of variety of branded products (beta=0.144), on time service delivery (beta=0.288), continuous sales promotional offers/discounts (beta=0.117), better customer service (beta=215) and after sales service (beta=0.234) are the significant reasons that influence service encounter satisfaction with p value of less than 0.05. Reason for visiting retail stores have the positive and significant impact on service encounter satisfaction. On time service delivery and after sales service reasons are most significant predictors compared with other reasons for visiting retail stores with lowest p value and highest beta value.

Impact of problem faced by the customers while availing services from retail stores on service encounter satisfaction

Seeing retail support is a fundamental issue for retailers with a specific end goal to target suitable clients and direct retail showcasing projects to those well on the way to buy (Gutierrez &Jegasothy, 2010; Pan & Zinkhan, 2006). Many years of research on retail support has both calculated and viable advantages. The significance of retail support to store proprietors has developed like never before given a few improvements in the retail business and the bigger society. Sangter (2009) brought up that the initial step of any customer promoting procedure is to see how individuals shop in the class, especially if there are issues and the underlying drivers of such matters. This segment was planned to discover the effect of problem confronted by the clients while profiting services from retail stores on service encounter satisfaction.

Table 2 Impact of problem faced by the customers while availing services from retail stores on service encounter satisfaction

Null hypothesis: There is no significant impact of problem faced by the customers while availing services from retail stores on service encounter satisfaction

Problems	Beta	t value	p value	Result
Insufficient information about products / services / offers	-0.129	-2.245	0.025*	Predictor
Non-availability of employee	-0.113	-2.069	0.039*	Predictor
Indifferent employees	-0.227	-4.195	0.000**	Predictor
Rude employees	-0.201	-3.990	0.000**	Predictor
Billing problems	0.031	0.571	0.568	Not a predictor
Insufficient check-out (billing) counters	0.016	0.297	0.767	Not a predictor
Problems with exchange of items	-0.153	-2.835	0.005**	Predictor
Problems with product quality	-0.090	-1.312	0.190	Not a predictor
Problems of Card processing (separate bank only allowed)	-0.029	-0.506	0.613	Not a predictor
High price	-0.080	-1.277	0.202	Not a predictor
F value	25.974			
p value	0.000**			
R	0.534			
R square value	0.285			

**p<.01; *p<.05

Summary of Regression Analysis was treating problem faced by the customers while availing services from retail stores as predictors and service encounter satisfaction as criterion variable was shown below the table. It was observed that the overall regression model was significant (F=25.974, p<0.00). Hence null hypothesis is rejected, and it concludes that problem faced by the customers while availing services from retail stores can be used as a significant predictor of service encounter satisfaction.

R value shows the strength between independent variables and dependent variables. From the above table, we can conclude that problem faced by the customers while availing services from retail stores have the moderate level relationship (53 percent) with service encounter satisfaction. R square value concludes that 29 percent of the service encounter satisfaction can be significantly predicted by the problem faced by the customers while availing services from retail stores.

The standardized coefficient table used to identify the most significant predictors among the independent variables based on t statistics. From the above table, it can be concluded that insufficient information about products/services/offers (beta=-0.129), non-availability of employee (beta=-0.113), indifferent employees (beta=-0.227) rude employees (beta=-0.201) and problems with exchange of items (beta=-0.153) are the significant reasons that influence service encounter satisfaction with p value of less than 0.05. The problem faced by the customers while availing services from retail stores have the significant and adverse impact on service encounter satisfaction. Indifferent employees and rude employees are most significant predictors compared with other problem faced by the customers while availing services from retail stores with lowest p value and highest beta value.

Conclusion
The retail industry is all set to test waters over the online medium, by selling products through websites. Food and grocery stores comprise the most substantial chunk of the Indian retail market. An emerging trend in this segment is the virtual formats where customer orders are taken online through web portals which are delivered at the doorstep the very same day or the following day. This trend has been catching up with most of the large-sized retail chains that have their websites. detailed analysis of the collected data has been attempted as per the objectives stated earlier. Hypotheses were also tested based on the findings of the study, interpretations and conclusions were drawn. In this chapter the following statistical techniques for the analysis of the data gathered for the present study viz., Descriptive analysis and hypothesis testing, etc.

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