



A COMPARATIVE STUDY OF CUSTOMER SATISFACTION TOWARDS SERVICE QUALITY OF ORGANIZED & UNORGANIZED RETAIL STORE IN LATUR CITY.

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Abstract

Retail Industry is one of the rapidly growing industries in India in the last decade. It has been witnessed dramatic changes since last four decades. Especially, the organized retail store has increased its exposure throughout the world. But, In India its exposure is limited & it is still infant stage. That to organized retail development is just begun in Marathwada region. So, the researcher had selected Latur city for the survey. The survey had been conducted & results of this survey have been explained in this paper. In this paper the researcher has tried to measure the satisfaction level of the customers about organized & unorganized retail store across the Latur city of Marathwada region using **SERVQUAL** model & results are drawn.

Keywords: - Retail, Organized Retail, Unorganized Retail.

1. Introduction

In 2004, The High Court of Delhi defined the term 'retail' as a sale for final consumption in contrast to a sale for further sale or processing (i.e. wholesale), a sale to the ultimate consumer. Thus, retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers. Retailing is the last link that connects the individual consumer with the manufacturing and distribution chain. A retailer is involved in the act of selling goods to the individual consumer at a margin of profit.

2. Classification of Indian Retail Sector

The Indian retail industry is classified into two categories like organized and unorganized sectors.

Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses stores. These malls have begun their operations in metropolitan cities & slowly focusing two tier & three tier cities for their future business expansion. In such a way they are trying to enlighten Indian customers with an unbelievable shopping experience.

Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retail stores, for example, the local kirana shops; owner managed general stores, paan/beedi shops, convenience stores, etc. These types of retail stores lack innovation due to which their existence is endangered.

3. Review of literature

Landrum, (2007) Service quality has played a vital role in the success of any organization It is become one of the success 'Mantra' to satisfy & retain the customer. In fact service quality is seen as a key driver of customer lifetime value.

Wong and Sohal (2006) It is revealed from the paper that a good understanding of the quality of services will probably motivate the customers to end-up with purchase decision at the respected stores. Different people have different perspective of providing quality of service to customers. The delivery of good quality service always creates faith in the minds of the customer. Therefore, service quality can be considered as one of the parameter to understand the overall psychology of the customer. This enables the company to judge their performance & if any difficulty is observed, sort out it by providing appropriate solution.

Babakus et.al., 2004) The author of the paper is helped to understand customer perceptions of service quality should be a key focus of any firm desiring to differentiate its offerings in the global arena. (Imrie, 2005). Customer perception not only helps us to gauge their psychology but also provides us all important feedback regarding the service quality offered by the organization. Further, it helps us to know strengths & weaknesses of the service quality which facilitates an organization to plan their policies accordingly.



4. Measuring Service Quality

Measuring service quality is essential in service sector. It is becoming extremely essential to know the quality of service which is helpful to assess lacunas if any and accordingly provide measures to improve its efficiency. (Kearney, 1999; Scottish Executive Health Department, 2001a). There are several tools proposed by different researchers to measure service quality. SERVQUAL is the first and the most popular service quality measurement tool proposed by Parasuraman *et al.* (1988). The researcher has selected five service quality dimensions to measure the Customer's perception on organized and unorganized retail store service.

SERVQUAL measures the level of customer perception with the help of following five dimensions,

1. **Tangibles:** This dimension deals with the physical environment. It relates to customer assessments facilities, equipment, communication materials and appearance of those providing the service.
2. **Reliability:** This dimension deals with customer perceptions that service provider is providing the promised service in a reliable and dependable manner.
3. **Responsiveness:** This dimension deals with customer perception about the willingness of the service provider to help customers and provide prompt service.
4. **Assurance:** This dimension deals with customer perceptions that the service provider's behavior instills confidence through the provider's knowledge and courtesy.
5. **Empathy:** This dimension deals with customer perceptions that service provider is caring and giving them individualized attention

5. Objectives of the Study

1. To study the customer satisfaction towards organized retail stores in Latur city
2. To study customer satisfaction towards unorganized retail stores in Latur city.
3. To make a comparative study of customer satisfaction towards organized & unorganized retail stores in Latur city.

6. Research Methodology

The Study

The study was conducted to know the customer satisfaction towards organized & unorganized retail stores in Latur city.

The Sample

The sample size used in the study consists of 100 respondents from various areas of Latur city like Bus Stand, Shivaji Nagar, Moti Nagar, Dayanana Gate, Golai Market etc.

The Tools

For Data Collection: Data was collected using self designing questionnaire.

Tool of Data Analysis: Percentage is used to show the difference in customer satisfaction of organized & unorganized retail stores.

7. Demographic profile of the Respondents (Latur)

Gender	Male		Female			Total
	76		24			100
Age	Below 30	31-40	41-50	51 Onwards		
	44	48	08	00		100
Occupation	Private Employee	Businessmen	Govt. Employee	Retired	Housewife	
	44	26	28	00	02	100
Qualification	S.S.C	H.S.C.	Graduate	P.G		
	10	06	38	46		100
Monthly Income	Less than 20000	20001-40000	40001-60000	60001-80000	80001 Onwards	
	18	44	24	04	10	100
Marital Status	Married		Unmarried			
	58		42			100

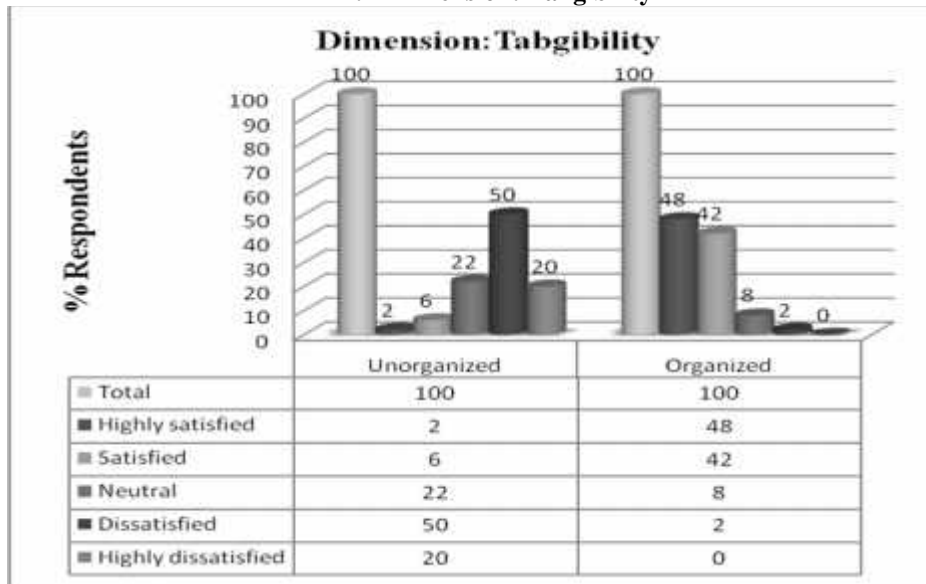


8. Results of the Survey

The following questions were asked to the respondents to know their satisfaction towards organized & unorganized retail store .The researcher had found following results.

Customer satisfaction towards service quality of organized and unorganized retail store

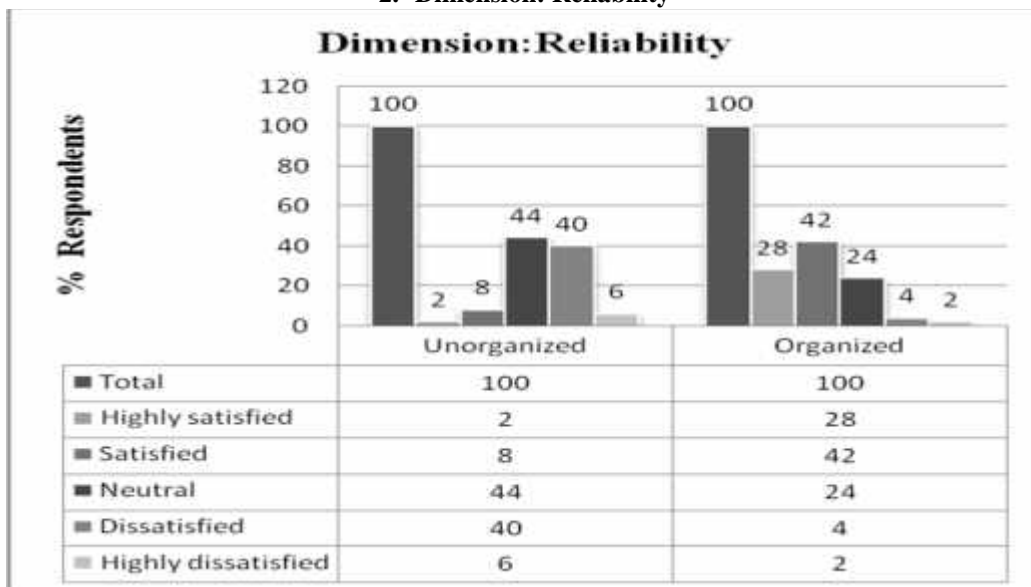
1. Dimension: Tangibility



Graph No.8.1

From the above graph 8.1 it is clear that (48%) majority of respondents are highly satisfied in case of organized retail store whereas the percentage with highly satisfied respondents is mere (2%) in unorganized retail store .The percentage of dissatisfaction was found 50% in case of unorganized retail store which is only 8% in case of organized retail store. Furthermore, the percentage of highly dissatisfied respondents was 20% in case of unorganized retail store whereas it was 0% in case of organized retail store.

2. Dimension: Reliability



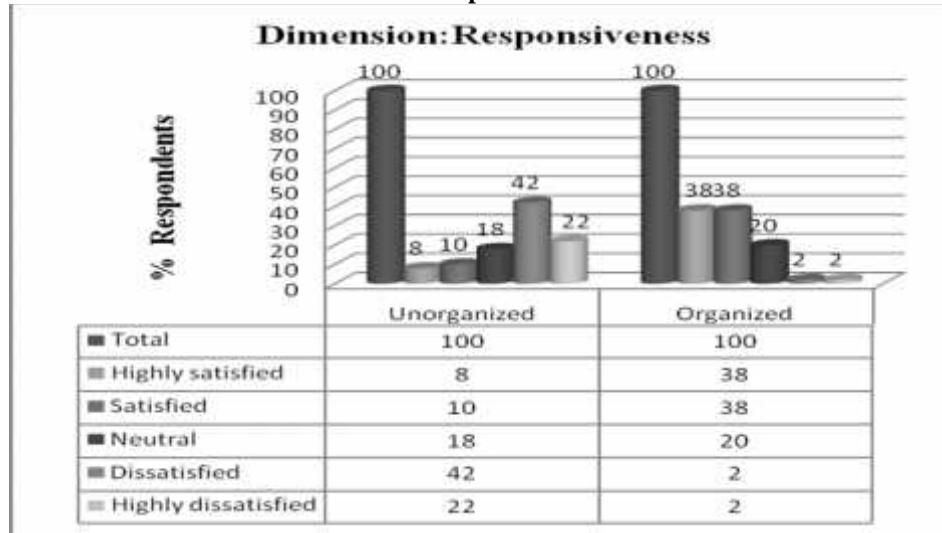
Graph No.8.2

From the above graph 8.2 it is clear that (28%) majority of respondents are highly satisfied in case of organized retail store whereas the percentage with highly satisfied respondents is mere (2%) in unorganized retail store .The percentage of



dissatisfaction was 40% in case of unorganized retail store which was found 4% in case of organized retail store. It is observed that the percentage of highly dissatisfied respondents was 6% in case of unorganized retail store whereas it was mere 2% in case of organized retail store.

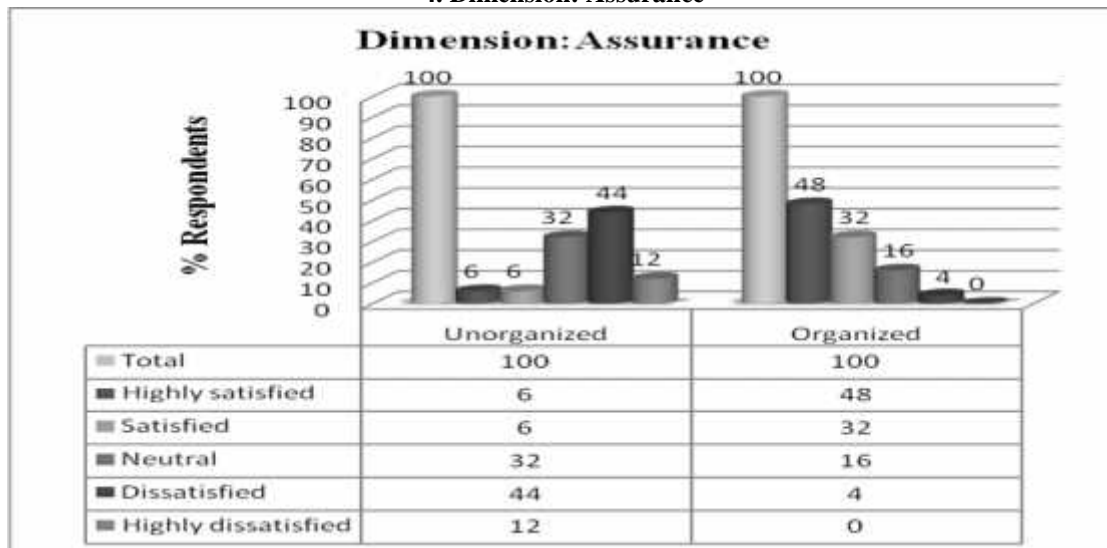
3. Dimension: Responsiveness



Graph No.8.3

From the above graph 8.3 it is clear that (38%) majority of respondents are highly satisfied in case of organized retail store whereas the percentage with highly satisfied respondents was mere (8%) in unorganized retail store .Further, the percentage of dissatisfaction was 42% in case of unorganized retail store which is only 2% in case of organized retail store. Furthermore, it is noted that the percentage of highly dissatisfied respondents was 22% in case of unorganized retail store whereas it was mere 2% in case of organized retail store.

4. Dimension: Assurance

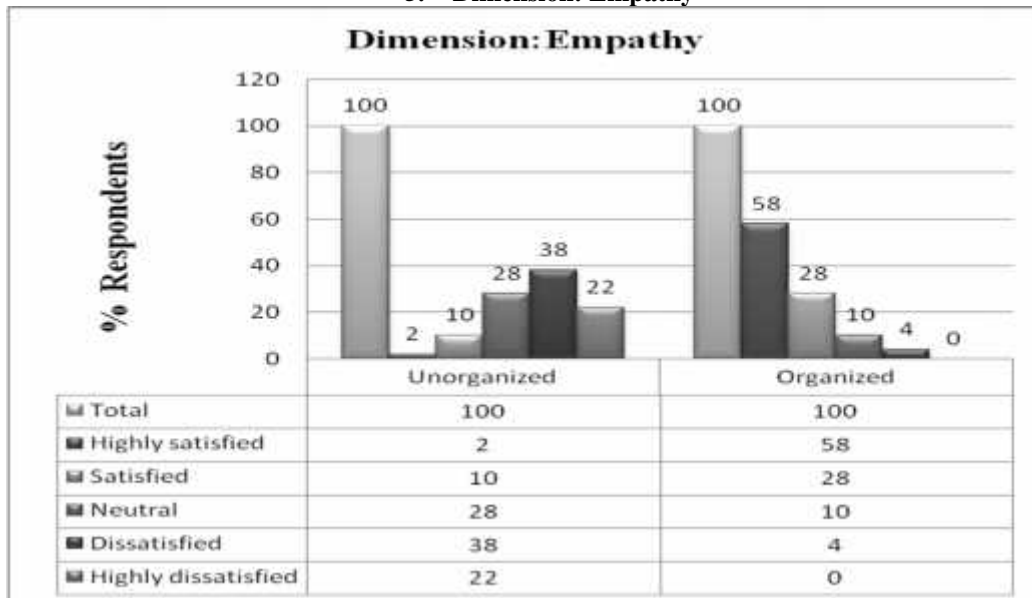


Graph 8.4

From the above graph 8.4 it is clear that (48%) majority of respondents are highly satisfied in case of organized retail store whereas the percentage with highly satisfied respondents is mere (6%) in unorganized retail store .The percentage of dissatisfaction was 44% in case of unorganized retail store which was only 4% in case of organized retail store. The percentage of highly dissatisfied respondents was 12% in case of unorganized retail store whereas it was 0% in case of organized retail store.



5. Dimension: Empathy



Graph No.8.5

From the above graph 8.5 it is clear that (58%) majority of respondents are highly satisfied in case of organized retail store whereas the percentage with highly satisfied respondents is mere (2%) in unorganized retail store .The percentage of dissatisfaction was 38% in case of unorganized retail store which is only 4% in case of organized retail store. Further, it is observed that the percentage of highly dissatisfied respondents was 22% in case of unorganized retail store whereas it was 0% in case of organized retail store.

9. Conclusion

The service quality of both the type of retail stores has compared using five service quality dimensions i.e. tangibility, reliability, responsiveness, assurance & empathy (**SERVQUAL** model). The Researcher has observed that majority of the customers were satisfied with the service quality offered by the organized retail store as compared to unorganized retail stores in Latur city.

10. References

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