



IMPACT OF RETAIL SERVICES ON SALES WITH REFERENCE TO ORGANIZED RETAIL STORES IN RANCHI

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Abstract

Retailing is the collection of actions that promote items or services to end users for personal or household consumption. Retailing conducts business by coordinating the availability of items and services on a big scale and offering them to clients on a local scale. Retail service is a set of activities aimed at increasing customer satisfaction, or the feeling that a product or service has exceeded the client's expectations. Its significance varies depending on the product, industry, and client; for example, damaged or broken items can be swapped. This study was conducted to determine the relationship between retail customer service and retail outlet sales.

The goal is to evaluate the various retail services provided by Ranchi shops. The study also seeks to determine consumer satisfaction levels with regard to retail services, as well as the influence of retail services on sales. Finally, there are suggestions for improving retail value-added services for customers.

Keywords: Retail, Retailing, Retail Service, Customer Satisfaction

Introduction

Retailing is the collection of actions that promote items or services to end users for personal or household consumption. A retailer is a person, agent, agency, company, or organization who assists in getting goods, merchandise, or services to the end user or ultimate consumers. Retailing is the process of making things and services available on a big scale and delivering them to clients on a local scale. The term "Retail" comes from the French-Italian word "Retailer," which means "someone who cuts off or sheds a small piece of something." Retailing is one of India's economic cornerstones, accounting for 35 percent of GDP. The retail business is separated into two categories: organized and unorganized. There are about 12 million outlets in the country, with just 10% of them larger than 500 sq.ft (46 sq. m²). There are two forms of retailing i.e. Organized and Unorganized Retailing. Organized retailers, that is, those who are registered for sales tax, income tax, and so on, engage in organized retailing. Corporate-backed hypermarkets and retail chains, as well as individually held major retail firms, are the major examples of this. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local Kirana shops, owned manned general stores, pan/body shops, convenience stores, hand cart and pavement vendors, etc. Most Indian shopping takes place in open markets and in millions of independent grocery shops called Kirana. Organized retail such as supermarket accounts for just 4 percent of the market. Regulations prevent most foreign investment in retailing. Moreover, over thirty regulations such as "signboard licenses" and "anti-hoarding measures" may have to be complied before a store can open doors. Furthermore, there are taxes for moving goods from one state to another state and even for movement within the state. "Retail service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation". Retail

Service activities mainly includes providing product information, Customer orientation regarding current offers, home delivery service, after sales services like exchange, guaranties and warranties on consumer durables, customer complaints, fast billing, providing suitable parking facility for all vehicles, availability of sales people, availability of all required merchandise, etc.

Need for the Study

Retailing is the most active and attractive sector for the last decade. While the retailing industry itself has been present since ages in our country, it is only in the recent past that it has witnessed so much dynamism. The emergence of retailing in India has more to do with the increasing purchasing power of buyers, especially in the post-liberalization era. An increase in product variety and increase in economies of scale with the aid of modern supply and distribution solution gave way for these new trends. Indian retailing today is at an interesting crossroads. The retail sales are at the highest point in history and new technologies are improving retail productivity. Though there are many opportunities to start a new retail business, retailers are facing numerous challenges. The biggest challenge is how to retain the current customer and how to gain a new one. Retail services can answer many questions by providing the value added services to the core products or services that are there in the outlet. Hence it is proposed to study the impact of retail services on the retail sales.

Objectives of the study

The objective of this study is to review different retail services offered by the organized retailers in Ranchi. This study attempts to find out customer satisfaction levels with respect to organized retail services and also finds out impact of retail services on sales of the retail outlet.

Methodology of the study

The various methodologies were adopted for the study so that an exact result can be obtained, those methodologies include:

Primary Data: The examination is done through the perception and gathering of information through surveys.

Secondary Data: Secondary information is gathered from journals, books and magazines.

Sample Size: The sample size is resolved as 250 respondents

A structured questionnaire has been designed to collect the data from a sample of 250 customers in the capital of Jharkhand which is Ranchi usually referred a growing cities among others which reflects the citizens of all states in India also consisting of all religions, different social castes. The primary data was collected from customers of organized retail outlets in the city. The secondary data was collected from various magazines of organized outlets, retail journals, marketing journals, etc. The Statistical tools like simple average method, percentage method, weighted average method etc. was used to analyze the response.

Profile of the Study Area

Ranchi is the capital of the Indian state of Jharkhand. Ranchi was the center of the Jharkhand movement which calls for a separate state in the tribal region of south Bihar, northern Odissa, western West Bengal and the eastern region presently known as chhattisgarh. The longitude and latitude of Ranchi are 23.3441° N and 85.3096° E.

Review of Literature:

Retail Services. The retail environment today is changing more rapidly than ever before (Dabholkar, 1996). There is general agreement that a basic retailing strategy for creating competitive advantage is the delivery of high service quality (e.g., Berry, 1986). Since services are intangible, heterogeneous, and inseparable, it is difficult to measure service quality objectively. Over the years, many researchers have proposed and evaluated alternative service quality models and instruments for measuring service quality. Among these models, SERVQUAL (Parasuraman, Zeithaml and Berry, 1985) is the most prominent and the most widely used. Parasuraman, Zeithaml and Berry, defined Service Quality as “A global judgment or attitude, relating to the overall superiority of the service”. The characteristics of services like Intangibility, Perishable, Inseparability and Heterogeneity make measuring service quality indefinable and abstract. Service quality and customer satisfaction are of high importance to the marketing theory and practice and it is the ultimate goal of all service providers. This is because Service quality is characterized by the ‘Customer perception’ of service (Lewlyn, Gopalakrishna, Varambally, 2009). What counts is the quality as it is perceived by the customers, i.e. the

customers are the sole judge of quality (Berry 1980). Cronin and Taylor (1992, pp. 55-68) measured customer satisfaction as a one-item scale that asks for the customer’s overall feeling towards an organization. Key service elements combine to create the service concept and its value proposition for customers. During service operations failures, employee interactions with customers are a critical service element in restoring customer satisfaction (Anderson, Baggett, Widener, 2007). Salmon (1989) argued that execution in retailing has become more important than other aspects of retail business (e.g., merchandising). Fisher et al. (2000) found that for short lifecycle products, such as fashion apparel, retailers are most successful if they can work with suppliers who can provide initial shipments of the product based on forecasts, but then rapidly increase production to the right style, color, size, etc. based on actual sales. Philip Mitchell (2008) defined Retail Services as the sum of acts and elements that allow consumers to receive what they need or desire from your retail establishment. Retail service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation. Its importance varies by product, industry and customer; defective or broken merchandise can be exchanged, often only with a receipt and within a specified time frame. Retail stores will often have a desk or counter devoted to dealing with returns, exchanges and complaints, or will perform related functions at the point of sale.

Services offered by the Retailers:

Further the retail services can be classified as Pre-purchase services, Post-purchase Services and Ancillary Services as shown in the table 1.

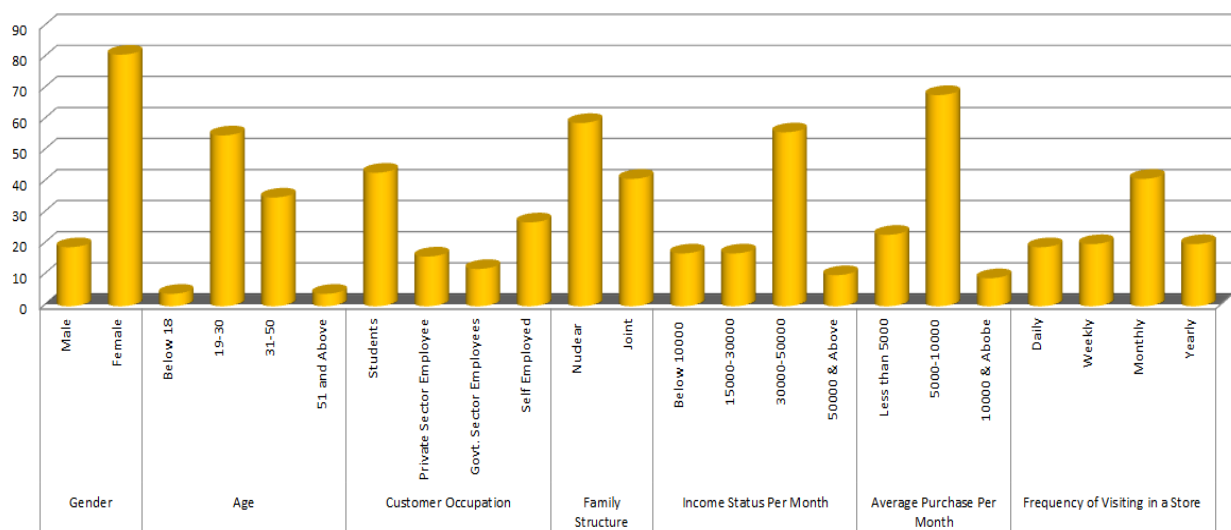
Table 1: Retail Services offered by the Retailers

<u>Pre-Purchase Services</u>	<u>Post-Purchase Services</u>	<u>Ancillary Services</u>
➤ Telemarketing Services	➤ Exchange	➤ Free Parking/Wi-Fi Zone
➤ Window Display	➤ Warranties and Guarantees	➤ Plastic Money
➤ Trail Rooms	➤ Home Delivery Services	➤ Rest Rooms
➤ Events/Fashions Shows	➤ Gift Wrapping	➤ Credit Facilities
➤ Advertisement of Offers	➤ Return Policy	➤ Food Court
➤ Attractive Interior Display	➤ Adjustments	➤ Customer Orientation

Source: Secondary Data

Data Analysis and Discussions

After collection of all the data from the source, the data were systematically arranged and tabulated for analysis and interpretation in a spread sheet. The respondents for the study is taken from various backgrounds so that actual report and facts can be developed.

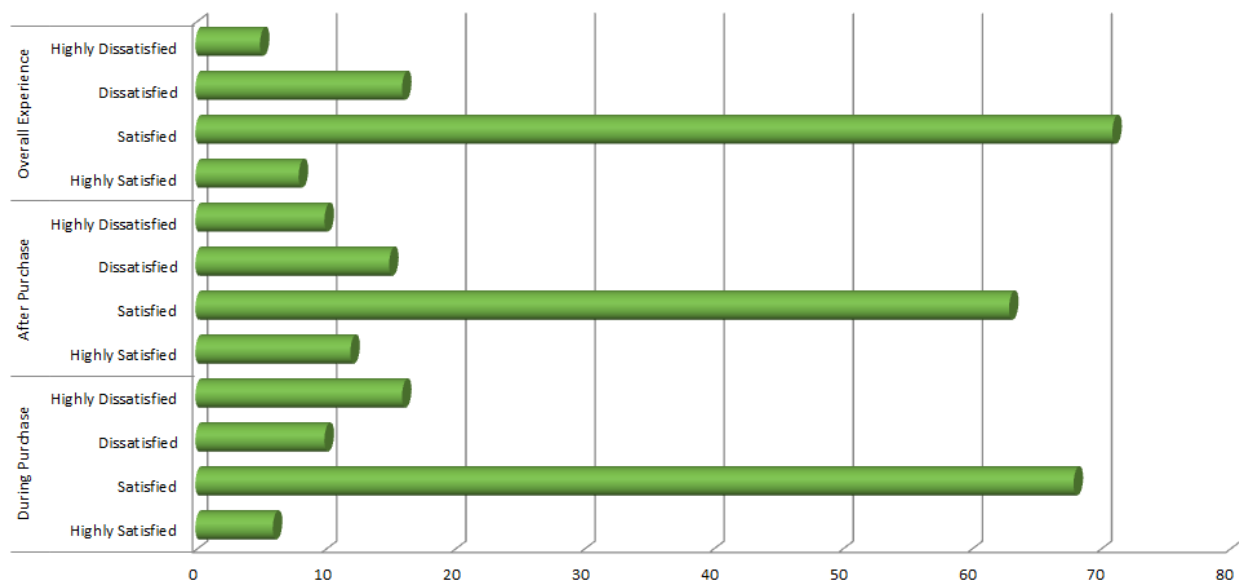


Interpretation

Out of the total sample, 81 percent of respondents are female and remaining 19 percent are male, in the city like Ranchi, most of customers visiting retail outlets are females. Talking about the age group of given respondents, 4% are below 18 years of age, 55% are in between 18 to 30 years of age, 35% are about 30 to 50 years of age

group and 6% of respondents are above 50 years of age. So the retailers have to focus more on the age group of 18 years to 30 years of age. Similarly, when comes to a customer's occupation 43% respondents are students, 16% are Private Sector, 12 percent are government employees and remaining 27 percent are self employed. The majority of customers visiting retail outlets in the study area are students who are studying and along with that working somewhere as a part time job and maintaining their life and corporate balance. Talking about family structure of the respondents, 59% of respondents belong to the nuclear family and rest 41% are in joint family. The income levels of the respondents are 17% of respondents are with below Rs. 10000 per month, 17% are income in-between Rs. 15000 to 30000 per month, 56% are income in-between Rs. 30000 to 50000 and 10 percent are earning more than Rs. 50000 in a month. It can be inferred that most of the customers visiting retail outlets in the study area are those people who spend for their livelihood. The average purchase in a month is 23% of respondents are purchasing goods which is less than Rs. 5000, 68% of respondents purchasing in-between Rs. 5000 to 10000 and 9% of respondents purchase more than Rs. 10000. It can be inferred that most of the customers' average purchase per month is in-between Rs. 5000 to Rs. 10000. The frequency of customer visiting the store from the study is 19% of respondents are daily, 20% are visiting in a week, 41% are visiting once in a month and 20% are visiting once in a year.

Customer Satisfaction

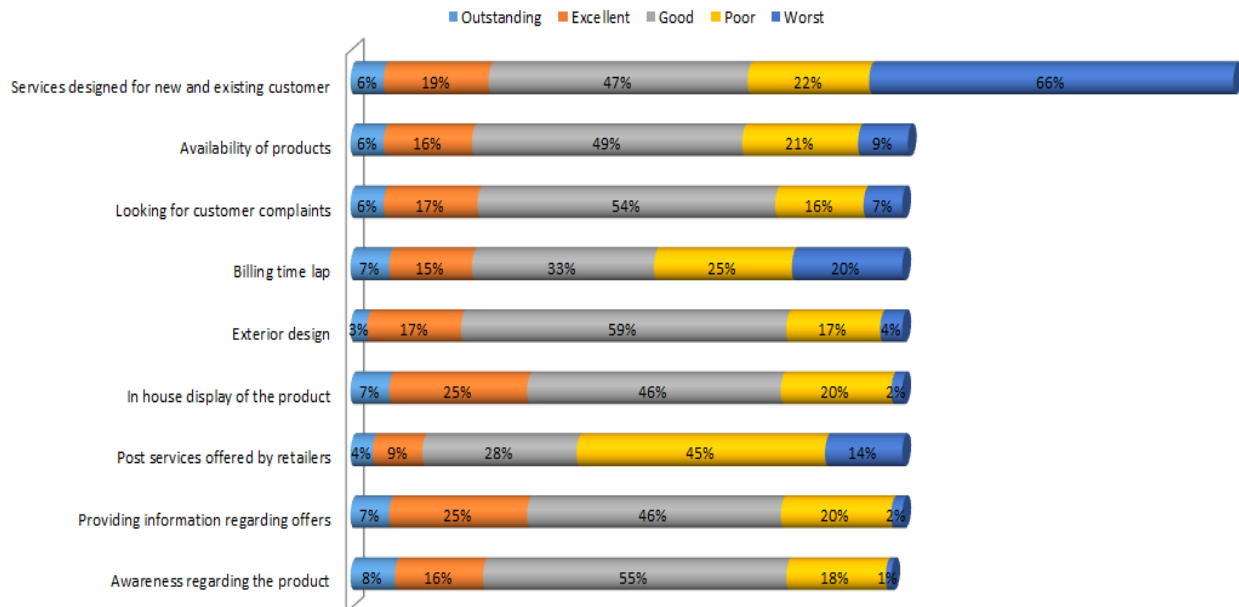


Interpretation

Customer Satisfaction Levels During Purchasing 6% of respondents are highly satisfied during purchase followed by 68% satisfied, 10% dissatisfied and 16% highly dissatisfied. Customer Satisfaction Levels After Purchasing i.e. post purchase 12% of respondents are highly satisfied, followed by 63% satisfied, 15% dissatisfied and 10% highly dissatisfied. Customer Satisfaction Levels of overall experience 8% of respondents are highly satisfied with services followed by 71% satisfied, 16% dissatisfied and 5% highly dissatisfied.

The below chart shows Customer Satisfaction levels with respect to various organized retail stores providing services to their customers.

Customer Satisfaction ratio with reference to organized retail stores.



Source: Primary Data

Conclusion

Retail shops are part of the service business, which provides a hybrid of commodities and services; hence, retail product management combines the common characteristics of excellent quality with the unique characteristics of service quality. The services provided by the shop are inadequate, but the implementation of plans and processes must be improved. The services provided by a retail store in order to increase sales and make clients loyal to the store so that it can compete with global standards. The business should attract young clients who buy for themselves as well as their families. Aside from that, the shop must focus on attracting all sorts of clients. The majority of the store's clients are from the upper middle class, and they are the primary contributors to the store's revenue. The services provided are not reaching clients in a timely manner. Most clients want the retailer to provide processing guarantees and warranties. The business can provide a diverse product line to its clients, but if the items must be sold, retail services are critical to the store's success as a leading retailer.

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