



Acquire Life Time Customer: Importance Of Various Facilities Provided To The Customers By The Organised Retailers

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Abstract:

This paper is based on the study by personal interviews of the customers (respondents), carried out by me in and around the malls housing organised retailers in National Capital Region of Delhi and Gurgaon. This paper establishes that due to changing expectations of Indian customer, what is relative importance of various factors in providing WOW experience to the customers, by the organised retailers of food products, apparels, fast moving consumer goods and consumer durables. The research brings out organised retailers must have premises friendly to the physically challenged /senior citizens as it is most important and important facility perceived by 98.5% of the customers. Organised retailers also should provide adequate and comfortable changing rooms and convenient parking to the customers, as for 91.6% customers both the facilities are very important and important. After sales service, exchange/return policy and customer feedback policy are next three facilities perceived as very important and important by about 70% of the customers. Loans and easy EMIs and free pick and drop service are next in importance for the customers. In view of the very steep competition, it is very important that the retailers deliver more than or equal to what they promise to the customers. Organised retailers must provide facilities to make the shopping more enjoyable and less time consuming.

Keywords: *Physically challenged/senior citizen friendly, changing rooms, convenient parking, customer feedback, loans and easy EMIs*

Introduction

Organised retail is booming in India and there is plenty of room for all. New entrants like Reliance, Bharti, and Tatas along with existing and future foreign retailers are likely to jockey with one another for more space in the organised retail arena. The players already in the field are Future Group, Shoppers Stop, Trent, Spencer's, Landmark Group, India Bulls (Acquired Piramyd) and Vishal Mega Mart. Wall Mart has already made a backdoor entry in cash and carry mode with Bharti. DLF has joined hands with premium foreign brands.

Recession had put brakes on the growth of organised retailing. After green shoots of economic recovery showing up, organised retail growth is accelerating. At the epicenter of the organised retail is "The Customer Satisfaction". "Retailers know that satisfied customers are loyal customers. Consequently, retailers must develop strategies intended to build relationships that results in customers returning to make repeat purchases". All the retailers are well aware that their survival depends on how many footfalls are converted into tickets and how many customers are going to give them the repeat business. Customer is going to be the driver of the growth in the retail sector. Volumes is one of the key factors for the success of organised retail and volumes are derived from the customers.

Survey: Acquire Life Time Customer: Importance of Various Facilities Provided to the Customers by the Organised Retailers

Survey by Accenture

Accenture had carried out survey in 2009 and as per the survey the consumers are becoming more demanding than ever and many retailers have not been able to keep pace with customer expectations resulting into switching due to poor customer experiences. As per Accenture survey maximum number of switching of customers has been noticed in the retail sector. Although retailers are continuously raising the bar for customer satisfaction still customers are asking for more.

Survey by Author of This Paper

A survey has been carried out in NCR by the author of this paper. The total sample size was 393. 183 people interviewed were residents of Delhi, 186 from Gurgaon

and 24 were from other cities. 204 interviewed were male and 189 were female. 240 were married and 153 respondents were unmarried. 21 respondents were PhD, 129 were post graduate, 216 were graduates, 24 were 12th pass and 3 were under 12th class. Annual income of the respondents was 51 earning more than 10 lac, 99 respondents earning 5 lac to 10 lac, 93 respondents earning 3 lac to 5 lac, 81 respondents earning 1.5 to 3 lac and 39 respondents earning 75 thousand to 1.5 lac. Relative importance of various facilities provided to the customers by the organised retailers.

Facilities

Convenient Parking

In metropolitan cities parking is a nightmare for the customers. Various commercial and housing projects have been completed without a corresponding increase in support facilities like parking etc. Ease of parking implies that when a customer visits the store he is directed to a safe and secure parking without any problems. Most of the retailers are located in Malls and provide the parking to the customers visiting the organised retail store. On survey it has been found that for 60.3% of customers parking facilities are very important, important for 31.3%, moderately important for 5.3% and less important for 3.1%. So for 91.6 % customers parkings very important and important for the customers.

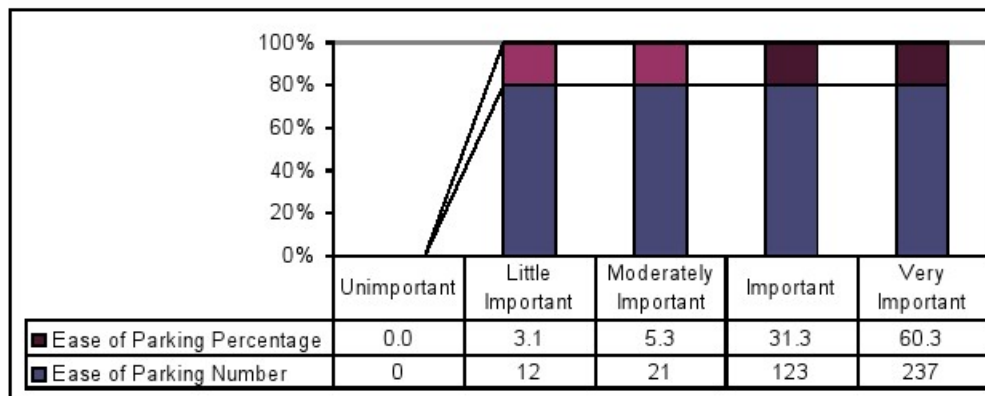


Figure 1: Parking facilities

Trial Room and Alteration Facilities for Apparels in Organised Retail Store

In a major shift from getting the apparels stitched most of the male and female customers are now purchasing ready to wear apparels for the organised retail stores. Before purchasing ready to wear apparels, customers need to carry out trial for right fitting of

the apparel. Customers do require privacy of the exclusive trial rooms for trying the apparels. The trial rooms have to be comfortable, and adequate in number to avoid long queues outside the trial rooms Trial room facilities are very important for 62.8% customers, important for 28.8% customers, moderately important for 6.1% customers and little important for 2.3% of customers. None of the respondents said trial room facilities are unimportant for them.

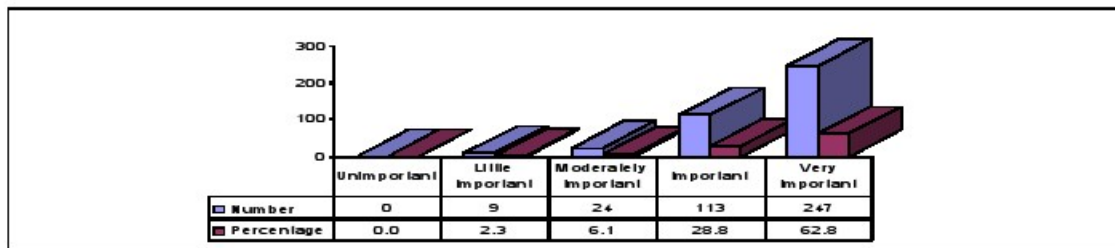


Figure 2: Importance of trial rooms for customers.

Facility of Loans on Easy EMIs for Customers in Organised Retail

With the increase in the consumerism, customers want to acquire expensive cars, bigger refrigerators, bigger televisions, air conditioners, technologically superior cameras, latest technology lap tops, I pads, furniture and furnishings etc. Above mentioned items can put a customer behind by few thousand rupees to few lac rupees. Customer may or may not purchase if asked to make the 100% down payment of complete price of the product. However given the option of purchase now and pay later the customer tends to make the purchase decision. Furthermore customer is looking for hassle free availability of loan at the retail store itself. Facilities like conversion of payment by credit card into easy EMIs at nominal cost is preferred by the customers. Easy EMI facility is perceived as very important by 22.9% of the customers, important for 31.3% of the customers, moderately important for 25.2% of the customers, little important for 17.6% of the customers and unimportant or 3.1% of the customers.

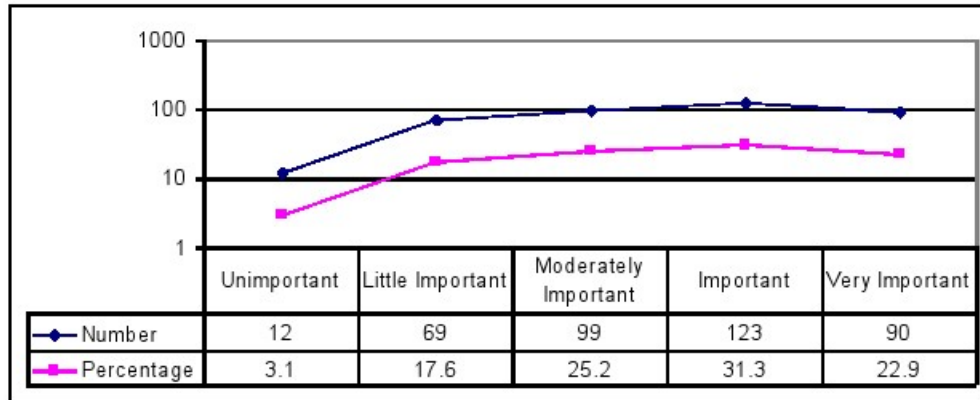


Figure 3: Facility of loans on easy EMI

After Sale Service

After purchase of a consumer durables, etc customers look for prompt, economical and reliable after sale service. Many of the retailers overpromise and under deliver. For 36.6% of respondents after sale service is very important, for 34.4% it is important, for 15.3% it is moderately important, for 12.2% it is little important and unimportant for 0.8%.

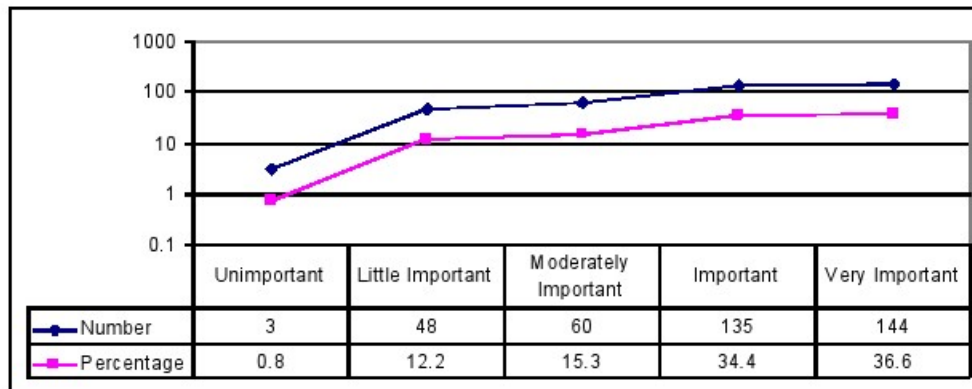


Figure 4 :After sales service

Free Transportation and Installation of Consumer Durables

After a consumer durable has been purchased, the consumer expects the free transportation and installation of the equipment. Free transportation and installation saves time and money for the consumer. For 29% of consumers it is very important, important for 40.5%, moderately important for 22.1%, less important for 8.4% and none of the respondents graded it as unimportant.

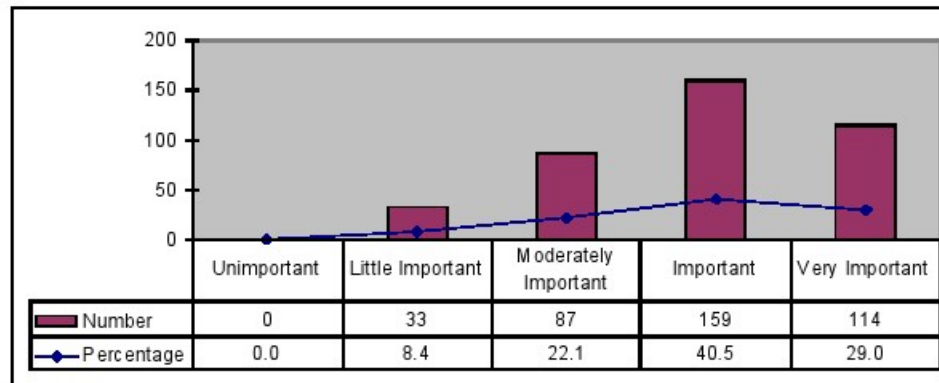


Figure 5: Free transportation and installation

Free Pick and Drop Service for Customers from Residence

Travelling from one place to another place in a metropolitan is a nightmare which everyone and especially housewives would like to avoid. Public transport is not efficient and always overcrowded. Further more travelling by own transport is stressful, has parking problems and more expensive. For 10.7 % of respondents it is very important, for 37.4% important, for 35.1% moderately important, little important for 13% and unimportant for 3.8%.

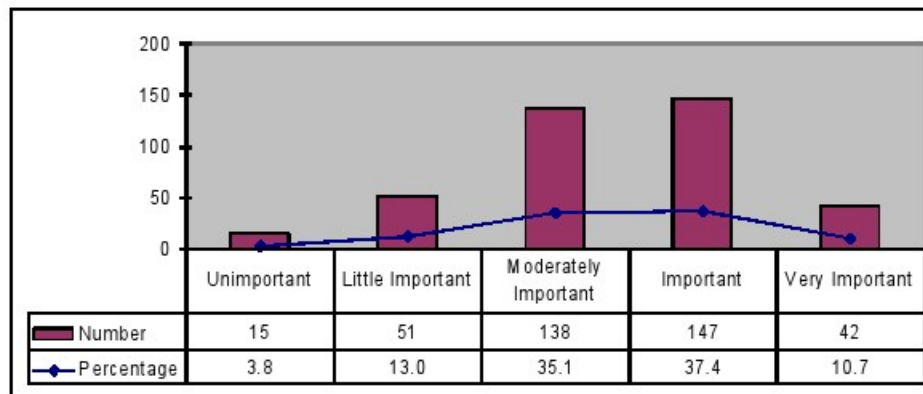


Figure 6: Free pick and drop service for customers from the residence

Exchange Policy

At times the items purchased need to be exchanged or returned. Most of the retailers discourage return of goods once sold to the customer. Most of the retailers do have the exchange policy. Many of the retailers although have exchange policy but they put in conditions which cause inconvenience to the customers. For 29% customers it is very important, important for 54.2%, moderately important for 15.3%, little important for 1.5%. None of the respondents perceive exchange policy to be unimportant.

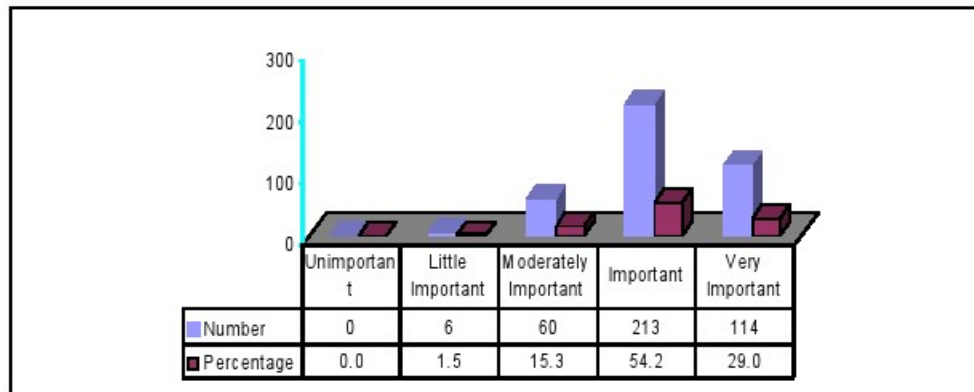


Figure 7: Exchange and Return Policy

Physically Challenged/Senior Citizen Friendly Environment

Almost all of the malls where organised retailers are located are huge in terms of area and also multistory. Most of the organised retailers are also spread out on more than one level. It becomes difficult for senior citizens and differently abled persons to move around if design is not senior citizen friendly. Overwhelming 90.1% said it is very important, 8.4% say important and 1.5% say it as moderately important. None of the respondents perceived it to be little important or unimportant.

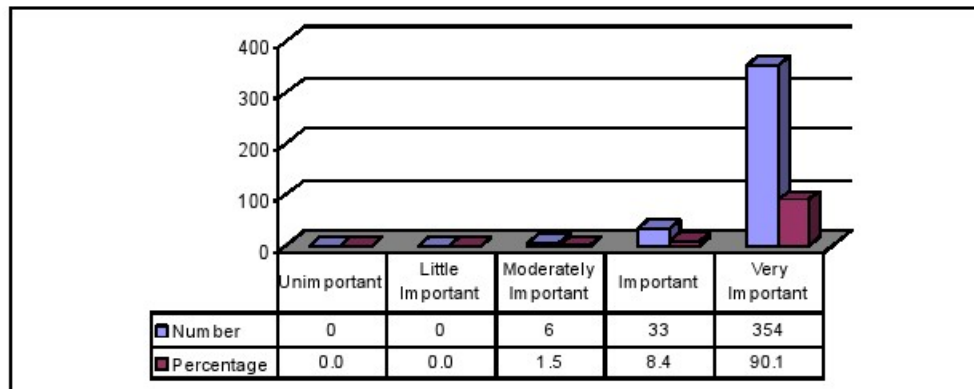


Figure 8: Physically challenged/senior citizen friendly.

Customer Feedback Mechanism

Feedback of customers is very important for the management to know how the customers perceive their store in terms of price, service and product quality. Feedback mechanism has to be customer friendly so that customers can provide useful feedback. 20.6% of customers feel feedback mechanism to be very important, 57.3% say it is important, 16% say it is moderately important, 3.1% say it is little important and 0.8% say it is unimportant.

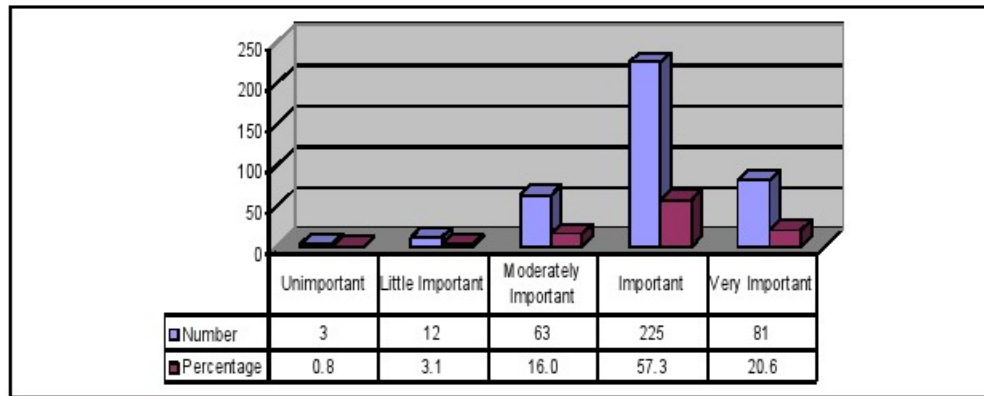


Figure 9

<u>PERCENTAGE</u>					
Facility	Unimportant	Little Important	Moderately Important	Important	Very Important
Convenient Parking	0	3.1	5.3	31.3	60.3
Trail Rooms & Alteration Facilities	0	0	2.3	28.8	62.8
Loans on Easy EMI	3.1	17.6	25.2	31.3	22.9
After Sales Service	0.8	12.2	15.3	34.4	36.6
Free Pick & Drop	3.8	13.0	35.1	37.4	10.7
Return/Exchange Policy	0	1.5	15.3	54.2	29.0
Physically Challenged/ Senior Citizen	0	0	1.5	8.4	90.1
<u>PERCENTAGE</u>					
Facility	Unimportant	Little Important	Unimportant	Little Important	Very Important
Customer Feedback Mechanism	0.8	3.1	16.0	57.3	20.6
Average	1.06	6.31	14.5	35.38	41.62

Table 1: Summary of findings

Recommendations

- 0 Organised retailers must have Physically challenged/senior citizen friendly premises is the most important facility perceived by the customers.
- 0 Organised retailers also should provide adequate and comfortable changing rooms and convenient parking to the customers as for 91.6% customers both the facilities are very important and important.
- 0 After sales service, exchange/return policy and customer feedback policy are next three facilities perceived as very important and important by about 70% of the customers.
- 0 Loans and easy EMIs and free pick and drop service are next in importance for the customers.
- 0 In view of the very steep competition, it is very important that the customers deliver more than or equal to what they promise to the customers. Organised retailers must provide facilities to make the shopping more enjoyable and less time consuming.

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