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# Consumer expectations towards service quality of Organised Retailing

**Pardeep**[1]
Research Scholar,
IMSAR, MDU Rohtak,
India.

**Dr. Neelam Gulati**[2]
Associate Professor,
DAVIM College Faridabad,
India.

***Abstract:** In India, organised retailing refers to the commercial operations carried out by certified retailers, i.e., those who are registered for income tax, sales tax, etc. These include publicly listed supermarkets, retail chains and hypermarkets with corporate backing, as well as privately held major retailers. Therefore, it is now necessary to research how consumers see organised retail sectors and the marketing initiatives used by merchants.That is why the topic, "Consumer expectations towards service quality of Organised Retailing is taken for study.  Four significant retail outlets in four major cities conducted surveys of 400 consumers to get the data. Every third customer who visits one of the four selected retail sites will be phoned and asked to take a survey as part of the study, which has employed random sampling..*

***Keywords:** Organised retailing, customer expectations and service quality.*

## I. Introduction

The verb "retailer," which in French means "to cut a portion of" or "to shatter bulkiness," is the origin of the term "retailing." Retailing, then, is simply the act of microcommercial interactions in which things are exchanged directly with end users with the purpose of obtaining a direct benefit. Thus, dealing with retail involves working with the last link in a product's supply chain. Direct delivery of items in the retail sector means that customers pay for the pleasure of consuming those goods. The retail business is a major global industry that contributes significantly to both the domestic and global economies. A country's economic development is disseminated across thanks to the extensive network of retail outlets and shops created by the organised retail sector. In 2022, the quantity of global retail sales is predicted to surpass US$ 26 trillion, up from 24.8 trillion in 2019. (Statista, 2020). The GDP of developed nations like the USA and UK has changed significantly over the past few decades as a result of the expansion of the organised retail sector. Walmart is now acknowledged as the top revenue market leader in organised retail. By 2020, it will generate about $524 billion in sales (Market Watch, 2020). In the United States, there are 4700 Walmart locations, however there are more than 11000 locations worldwide spread over 27 countries. Due to a substantial demographic dividend, the entry of multiple new firms, and the unrealized potential of its expansion in the new market, the retail business in India is now positioned to be one of the most dynamically developing industries in the world. One of the key engines of the Indian economy in 2020 is the retail industry. The Hindu said that by 2021, organised retail's market share might reach 25%. According to the patterns seen in the last several years, there is a high rate of investment and interest in the industry, as well as a growing rate of internet penetration. The current study sheds light on the current state of organised retailing in India from the standpoint of customer views and aspirations for the industry. The study looked at the current expectations and needs of Indian customers in relation to the state of organised retail commerce.

## II. LITERATURE REVIEW

Nojd et al(2020) .'s research focuses on how value is created in a physical retail environment as well as changes in customer behaviour brought on by digital technologies. The study looked into how using digital technologies may improve value creation. The study was based on data collected from 832 Swedish clients. It was discovered that service providers might use the benefits of digital technology to close the gaps in a retail store's physical value area. Large-scale retail commercial companies' hidden spatial patterns have been mathematically analysed by Fang et al. (2020). The study has examined elements such neighbourhood density, retail facility design, and unique concentration. 45 large-scale retail commercial firms in China were the subject of the investigation. The food supply chains are looked at by Yir-Hueih (2020) from the standpoint of contract farming. The study examines the impact of selling agriculturally based products to chain grocery shops. Dholakia et al. (2018) researched customer behaviour and how the retail industry has changed as a result of applying marketing strategies adapted from local practises. The study is based on information received from local shops and organised retail in 4 Indian cities. Supply chains in the retail industry have been looked at by Qing Hua et al. (2016) in connection to issues with fairness and value. This research looks at the well-known worries that merchants have about choosing how much value to offer and how much to charge using the Stackelberg model. Ramesh and Prasad (2011) conducted research on online retail establishments in connection to their physical locations and placement tactics in cities. The study has also highlighted the challenges and drawbacks of selecting a location for a retail business to locate in Mumbai, India. According to the customer's perceived value, Khajvand et al. (2011) looked at the necessity of segmenting consumers. The study makes a distinction between customer lifetime value and customer future value using a retail industry calculation technique. In the context of both small and big size retail super market enterprises, Graciola et al. (2020) have looked at the impact that perceptions of brand awareness, brand value, and brand image play.

## III. RESEARCH METHODOLOGY

The study's goals were reached through the use of a methodical, well-thought-out approach, with the hypothesis being formulated in light of those goals. The CNCR, which has a total of 13 districts, was the subject of the research, although the notion of organised retailing has evolved and formed primarily in four districts, including 1. Gurugram 2. 4. Sonipat, followed by Rohtak. For the goal of gathering data, a total sample of 400 consumers from four large cities were chosen from four major retail locations. In the study, random sampling has been used, and every third client who enters one of four chosen retail locations will be called and asked to complete a survey.

## IV. SURVEY RESULTS

Research tries to quantify the influence of retail consumers' socioeconomic profiles on their expectations for the level of service provided by organised retail businesses. The One-Way ANOVA approach and post-hoc analysis were used to determine the influence of the same. The same results have been described in depth in this section.

***Null Hypothesis 1: Socio-economic factors of customers have no impact on their expected service quality of organized retailers.***

**Table 1:**Customers' Expectations and age group

| Customers' Expectations and age group | N | Mean | Std. Deviation | Std. Error |
|---|---|---|---|---|
| Less than 20 years | 50 | 2.2386 | .26374 | .03730 |
| 20 to 40 years | 171 | 2.8745 | .46440 | .03551 |
| 40 to 60 years | 105 | 2.9440 | .42457 | .04143 |
| Above 60 years | 74 | 2.6792 | .42735 | .04968 |
| Total | 400 | 2.7771 | .47995 | .02400 |
| F-value = 36.150, p-value = 0.000 | | | | |

H1.1: Customers' Age has no impact on their expected service quality of organized retailers.

The consumers from the age group of 40 to 60 years had the highest mean value for customer expectations, 2.94, followed by the customers from the age group of 20 to 40 years. The clients who were under 20 years old had the lowest mean value, 2.23. Customers between the ages of 40 and 60 thus have higher expectations for the level of service provided by organised retail outlets. Younger clients are less critical of organised retail businesses' levels of customer service. The null hypothesis, which claims that customers' age has no effect on their expected service quality from organised shops, is rejected by the f-value of 36.150 and the p-value of 0.000. Hence, it can be said that age group of customers have a significant impact on their expected service quality of organized retailers.

**Table 2: Multiple Comparisons**

Dependent Variable: Customers' expectations

LSD

| (I) Age | (J) Age | Mean Difference (I-J) | Std. Error | Sig. | 95% Confidence Interval Lower Bound | 95% Confidence Interval Upper Bound |
|---|---|---|---|---|---|---|
| Less than 20 years | 20 to 40 years | -.63597* | .06863 | .000 | -.7709 | -.5011 |
| | 40 to 60 years | -.70545* | .07334 | .000 | -.8496 | -.5613 |
| | Above 60 years | -.44062* | .07814 | .000 | -.5942 | -.2870 |
| 20 to 40 years | Less than 20 years | .63597* | .06863 | .000 | .5011 | .7709 |
| | 40 to 60 years | -.06948 | .05292 | .190 | -.1735 | .0346 |
| | Above 60 years | .19535* | .05939 | .001 | .0786 | .3121 |
| 40 to 60 years | Less than 20 years | .70545* | .07334 | .000 | .5613 | .8496 |
| | 20 to 40 years | .06948 | .05292 | .190 | -.0346 | .1735 |
| | Above 60 years | .26483* | .06479 | .000 | .1375 | .3922 |
| Above 60 years | Less than 20 years | .44062* | .07814 | .000 | .2870 | .5942 |
| | 20 to 40 years | -.19535* | .05939 | .001 | -.3121 | -.0786 |
| | 40 to 60 years | -.26483* | .06479 | .000 | -.3922 | -.1375 |

*. The mean difference is significant at the 0.05 level.

The results of a post-hoc analysis test conducted on customer age groups and expectations for the level of service provided by organised retail outlets revealed that, with the exception of the age groups of 20 to 40 and 40 to 60, all four age groups significantly varied from one another. The average difference in consumer expectations for these age groups was determined to be minor.

**Table 3:**Customers' Expectations and age group

| | | N | Mean | Std. Deviation | f-value | p-value |
|---|---|---|---|---|---|---|
| Products' variety and quality | Less than 20 years | 50 | 2.6367 | .52993 | 44.850 | .000 |
| | 20 to 40 years | 171 | 3.8860 | 1.09805 | | |
| | 40 to 60 years | 105 | 4.1413 | .97943 | | |
| | Above 60 years | 74 | 2.8446 | 1.00695 | | |
| | Total | 400 | 3.6042 | 1.14804 | | |
| Prices | Less than 20 years | 50 | 2.3933 | .44001 | 8.622 | .000 |
| | 20 to 40 years | 171 | 2.8967 | 1.05365 | | |
| | 40 to 60 years | 105 | 2.9270 | .95852 | | |
| | Above 60 years | 74 | 2.3964 | .84341 | | |
| | Total | 400 | 2.7492 | .96073 | | |
| Return and exchange | Less than 20 years | 50 | 2.4440 | .73877 | 1.591 | .191 |
| | 20 to 40 years | 171 | 2.5673 | .68658 | | |
| | 40 to 60 years | 105 | 2.4476 | .69144 | | |
| | Above 60 years | 74 | 2.6432 | .65146 | | |
| | Total | 400 | 2.5345 | .68978 | | |
| Customer Information System | Less than 20 years | 50 | 1.9433 | .65605 | 26.526 | .000 |
| | 20 to 40 years | 171 | 2.8255 | .98133 | | |
| | 40 to 60 years | 105 | 3.2270 | .82565 | | |
| | Above 60 years | 74 | 2.4347 | .95477 | | |
| | Total | 400 | 2.7483 | .98485 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Discounts and Offers | Less than 20 years | 50 | 1.5767 | .19110 | .445 | .721 |
| | 20 to 40 years | 171 | 1.6043 | .18702 | | |
| | 40 to 60 years | 105 | 1.5952 | .15306 | | |
| | Above 60 years | 74 | 1.5811 | .21412 | | |
| | Total | 400 | 1.5942 | .18438 | | |
| Billing and Payments | Less than 20 years | 50 | 2.2067 | .84687 | 16.672 | .000 |
| | 20 to 40 years | 171 | 3.2037 | 1.35253 | | |
| | 40 to 60 years | 105 | 2.9984 | 1.26982 | | |
| | Above 60 years | 74 | 3.7703 | 1.08283 | | |
| | Total | 400 | 3.1300 | 1.30079 | | |
| Tangible conditions of Retail stores | Less than 20 years | 50 | 2.0511 | .70745 | 17.977 | .000 |
| | 20 to 40 years | 171 | 3.1728 | 1.21603 | | |
| | 40 to 60 years | 105 | 3.3587 | 1.17662 | | |
| | Above 60 years | 74 | 2.7628 | 1.03291 | | |
| | Total | 400 | 3.0056 | 1.19057 | | |
| Employees of Retail stores | Less than 20 years | 50 | 2.6567 | .52100 | 4.416 | .005 |
| | 20 to 40 years | 171 | 2.8392 | .51668 | | |
| | 40 to 60 years | 105 | 2.8540 | .53892 | | |
| | Above 60 years | 74 | 2.9977 | .46694 | | |
| | Total | 400 | 2.8496 | .52101 | | |

It was discovered that the f-value for returns, exchanges, discounts, and offers was negligible. Therefore, it can be concluded that customers' age has a significant impact on the service quality they expect from organised retailers with regard to the variety and quality of the products, the price, the Customer Information System, the actual physical conditions of retail stores, the employees of retail stores, and billing and payments.

**Table 4:** Customers' Expectations and gender

| | N | Mean | Std. Deviation | Std. Error |
|---|---|---|---|---|
| Male | 185 | 2.7816 | .45654 | .03357 |
| Female | 215 | 2.7733 | .50024 | .03412 |
| Total | 400 | 2.7771 | .47995 | .02400 |
| f-value = 0.029, p-value 0.864 | | | | |

H1.2: Customers' Gender has no impact on their expected service quality of organized retailers.

The mean value for customers' expectations was found highest i.e. 2.78 for the male customers, while the least mean value was 2.77 for the female customers. Hence, the both the male and female customers have equal level of expectations towards the service quality of the organized retail stores. The f-value was 0.029, at p-value of 0.864, which leads to acceptance of null hypothesis which states that Customers' gender has no impact on their expected service quality of organized retailers. Hence, it can be said that gender of customers has no significant impact on their expected service quality of organized retailers.

**Table 5:** Customers' Expectations and gender

| | | N | Mean | Std. Deviation | f-value | p-value |
|---|---|---|---|---|---|---|
| Products' variety and quality | Male | 185 | 3.4162 | 1.17699 | 9.420 | .002 |
| | Female | 215 | 3.7659 | 1.09976 | | |
| | Total | 400 | 3.6042 | 1.14804 | | |
| Prices | Male | 185 | 2.6883 | .92706 | 1.383 | .240 |
| | Female | 215 | 2.8016 | .98793 | | |
| | Total | 400 | 2.7492 | .96073 | | |
| Return and exchange | Male | 185 | 2.5351 | .71575 | .000 | .986 |
| | Female | 215 | 2.5340 | .66832 | | |
| | Total | 400 | 2.5345 | .68978 | | |
| Customer Information System | Male | 185 | 2.7523 | .98542 | .005 | .941 |
| | Female | 215 | 2.7450 | .98664 | | |
| | Total | 400 | 2.7483 | .98485 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Discounts and Offers | Male | 185 | 1.5784 | .20782 | 2.533 | .112 |
| | Female | 215 | 1.6078 | .16077 | | |
| | Total | 400 | 1.5942 | .18438 | | |
| Billing and Payments | Male | 185 | 3.4108 | 1.16537 | 16.670 | .000 |
| | Female | 215 | 2.8884 | 1.36392 | | |
| | Total | 400 | 3.1300 | 1.30079 | | |
| Tangible conditions of Retail stores | Male | 185 | 2.9387 | 1.16505 | 1.084 | .298 |
| | Female | 215 | 3.0630 | 1.21186 | | |
| | Total | 400 | 3.0056 | 1.19057 | | |
| Employees of Retail stores | Male | 185 | 2.9315 | .49587 | 8.679 | .003 |
| | Female | 215 | 2.7791 | .53283 | | |
| | Total | 400 | 2.8496 | .52101 | | |

Price, Return and Exchange, Customer Information System, Tangible Conditions of Retail Stores, and Discounts and Offers were all determined to have negligible f-values. Thus, it can be concluded that customers' gender significantly affects the level of service they demand from organised merchants in terms of product variety and quality, pricing, retail shop employees, and billing and payments.

**Table 6:** Customers' Expectations and marital status

| | N | Mean | Std. Deviation | Std. Error |
|---|---|---|---|---|
| Married | 169 | 2.8490 | .44447 | .03419 |
| Single | 216 | 2.6918 | .49717 | .03383 |
| Others | 15 | 3.1959 | .18902 | .04881 |
| Total | 400 | 2.7771 | .47995 | .02400 |
| F-value = 11.607, p -value = 0.000 | | | | |

H1.3: Customers' Marital status has no impact on their expected service quality of organized retailers.

The customers who were divorced, widowed, or separated had the highest mean value for expectations, 3.19, followed by the customers who were married. While the consumers who were single or unmarried had a mean value that was the lowest at 2.69. Therefore, single clients have lesser expectations for the level of service provided by organised retail establishments. The null hypothesis, which claims that customers' marital status has no effect on their expected service quality from organised shops, is rejected by the f-value of 11.607 and the p-value of 0.000. Thus, it may be concluded that customers' marital status significantly affects the level of service they anticipate from organised shops.

**Table 7: Multiple Comparisons**

Dependent Variable: Customers' expectations

LSD

| (I) Marital Status | (J) Marital Status | Mean Difference (I-J) | Std. Error | Sig. | 95% Confidence Interval Lower Bound | 95% Confidence Interval Upper Bound |
|---|---|---|---|---|---|---|
| Married | Single | .15724* | .04803 | .001 | .0628 | .2517 |
| | Others | -.34689* | .12600 | .006 | -.5946 | -.0992 |
| Single | Married | -.15724* | .04803 | .001 | -.2517 | -.0628 |
| | Others | -.50413* | .12488 | .000 | -.7496 | -.2586 |
| Others | Married | .34689* | .12600 | .006 | .0992 | .5946 |
| | Single | .50413* | .12488 | .000 | .2586 | .7496 |

*. The mean difference is significant at the 0.05 level.

According to a post-hoc analysis test conducted on customer marital status and expectations regarding the quality of the services provided by organised retail outlets, married, single, and divorced/widow/separated consumers differ significantly from one another. The mean difference in the consumers' expectations for the level of service provided by organised retail outlets was found to be substantial for three groups of customers depending on marital status.

**Table 8:** Customers' Expectations and marital status

| | | N | Mean | Std. Deviation | f-value | p-value |
|---|---|---|---|---|---|---|
| Products' variety and quality | Married | 169 | 3.9448 | 1.07870 | 26.770 | .000 |
| | Single | 216 | 3.2623 | 1.11397 | | |
| | Others | 15 | 4.6889 | .28078 | | |
| | Total | 400 | 3.6042 | 1.14804 | | |
| Prices | Married | 169 | 2.9310 | .99859 | 12.171 | .000 |
| | Single | 216 | 2.5571 | .87091 | | |
| | Others | 15 | 3.4667 | 1.08233 | | |
| | Total | 400 | 2.7492 | .96073 | | |
| Return and exchange | Married | 169 | 2.5680 | .67094 | .399 | .671 |
| | Single | 216 | 2.5139 | .69963 | | |
| | Others | 15 | 2.4533 | .78364 | | |
| | Total | 400 | 2.5345 | .68978 | | |
| Customer Information System | Married | 169 | 2.9073 | .91484 | 12.210 | .000 |
| | Single | 216 | 2.5648 | 1.01776 | | |
| | Others | 15 | 3.6000 | .30079 | | |
| | Total | 400 | 2.7483 | .98485 | | |
| Discounts and Offers | Married | 169 | 1.5769 | .18545 | 1.665 | .191 |
| | Single | 216 | 1.6096 | .18561 | | |
| | Others | 15 | 1.5667 | .13801 | | |
| | Total | 400 | 1.5942 | .18438 | | |
| Billing and Payments | Married | 169 | 2.9103 | 1.25567 | 4.254 | .015 |
| | Single | 216 | 3.2940 | 1.29823 | | |
| | Others | 15 | 3.2444 | 1.55184 | | |
| | Total | 400 | 3.1300 | 1.30079 | | |
| Tangible conditions of Retail stores | Married | 169 | 3.1131 | 1.22789 | 4.762 | .009 |
| | Single | 216 | 2.8724 | 1.13780 | | |
| | Others | 15 | 3.7111 | 1.21557 | | |
| | Total | 400 | 3.0056 | 1.19057 | | |
| Employees of Retail stores | Married | 169 | 2.8393 | .54339 | .074 | .929 |
| | Single | 216 | 2.8588 | .49935 | | |
| | Others | 15 | 2.8333 | .60093 | | |
| | Total | 400 | 2.8496 | .52101 | | |

Employees of retail stores, Discounts and Offers, and Return and Exchange were all shown to have minimal f-values. Thus, it can be concluded that customers' marital status significantly affects the service quality they expect from organised retailers with regard to the variety and quality of the products, the price, the Customer Information System, the tangible conditions of retail stores, and billing and payments.

## V. Conclusion

In terms of the retail industry, India is at a turning point. In India, traditional and contemporary shops will coexist for some time to come since each has its unique competitive advantages. While contemporary retail offers product breadth and depth as well as a better shopping experience, the kirana has a low-cost structure, an accessible location, and a close-knit relationship with its customers. Finding customer perceptions of organised and disorganised stores across demographic profiles was one of the study's main goals. Because of the variety and quality of the products, the prices, the billing and payment methods, and the tangible circumstances of retail establishments, among other factors, organised retail has a stronger advantage. From this study it was observed that customers have a significant impact on their expected service quality of organized retailers.

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