

CUSTOMER SERVICE PROVIDED BY ORGANISED RETAIL IN INDIA: CUSTOMERS PERCEPTION

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Abstract

Positive interaction between the customers and frontline staff helps transform skeptical people into strong and committed brand followers. The answer lies in measuring the quality of service at the “moment of truth” ie the exact moment when your staff interacts with a customer. 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 of food products, apparels, fast moving consumer goods and consumer durables in National Capital Region of Delhi and Gurgaon. This survey brings out as to how the customers approach the retailer for obtaining customer service, role of technology in improving customer service, how often retailers actually meet the expectations of the customers, how much time customers are ready to wait for resolution of any issue by the retailer and what contributes to the WOW and the worst shopping experience. 39.3% customers would seek service from the retailer by making a phone call and 22.9% would like to visit the store personally. 76.6% of customers “strongly agree” and “agree” that the technology has improved the quality of service. After a bad shopping experience with a retailer, 36% would send formal complaint and 33% customers would quit shopping at that store. This survey also brings out that 58% customers would like to wait maximum 15 minutes to get their issue resolved. 24.4% have responded that their waiting time would depend on the issue to be resolved. 36.6% customers said that customer service is the most important factor which gives the WOW shopping experience. 32.1% customers say that poor service and 16% say delay in billing is the cause of their worst shopping experience. 32.1% respondents suggested improvement in customer service to the organised retailers. 22% customers say retailers always

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meets their expectations, 35% say retailers meet their expectations frequently. 19 % customers said retailers meet their expectations rarely or never. From above it emerges that organised retailers need to switch over to technology for improving customer service. Time is very important for the customer and retailer must have processes by which customers don't have to wait for response from the organised retailer. Front line staff needs to be trained in interpersonal skills

Key Words: *Role of technology, waiting time customers, customer expectations, customer service.*

INTRODUCTION

- 1.1 In recent years mature companies with far flung network of frontline sales staff: banks, retailers, airlines, healthcare and telecom providers, have devoted great deal of money and effort to retail their current customers. However traditionally loyalty programmes customer relationship management (CRM) technology and in general service quality improvements fall short of expanding the breadth and depth of customer relationships and on translating the resulting loyalty into higher sales as well as healthier bottom line. So how to create a spark between the customer and frontline staff so that helps transform skeptical people into strong and committed brand followers. The answer lies I measuring the quality of service at the “moment of truth” ie the exact moment when your staff interacts with a customer who has lost a credit card, complained about cancelled flight, dissatisfied with your service or product.
- 1.2 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: Factors Influencing Customer Satisfaction in Organised Retail

- 2.1 **Survey by Author of This Paper:** A survey has been carried out in NCR by the author of this paper. 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 39 respondents earning 75 thousand to 1.5 lac. Factors influencing customer satisfaction and their subdivision into sub factors is as follows:

CUSTOMER SERVICE

- 3.1 Customer service is provision of service to the customers before, during and after a purchase. According to Turban “Customer service is series of activities designed to enhance the level of customer satisfaction: that is, the feeling that the product or service has met the customer expectations. Retail stores often have a desk or counter devoted to dealing with returns, exchanges and complaints or will perform related functions at the point of sale; the perceived success of such interactions being dependent on employees, “ who can adjust to the personality of the customer”
- 3.2 From the point of view of an overall sales process engineering effort, customer service plays an important role in an organisation’s ability to generate income and revenue. From that perspective, customer service should be included as part of an overall systematic improvement. A customer service experience can change the entire perception a customer has of an organization.

How Do Customers Seek Customer Service

- 4.1 **How Do Customers Seek Customer Service** In this question customers were asked that when they require the customer service how do they go about acquiring the assistance from the retailer? 39% said they would call the retailer, 22.9% shall personally visit the store, 14.3% said shall browse company/store website, 10% said would write a letter, 5.7% said would send sms and 5.7% would send email. Live chat and tapping blog 0%. 2.1% would search net.

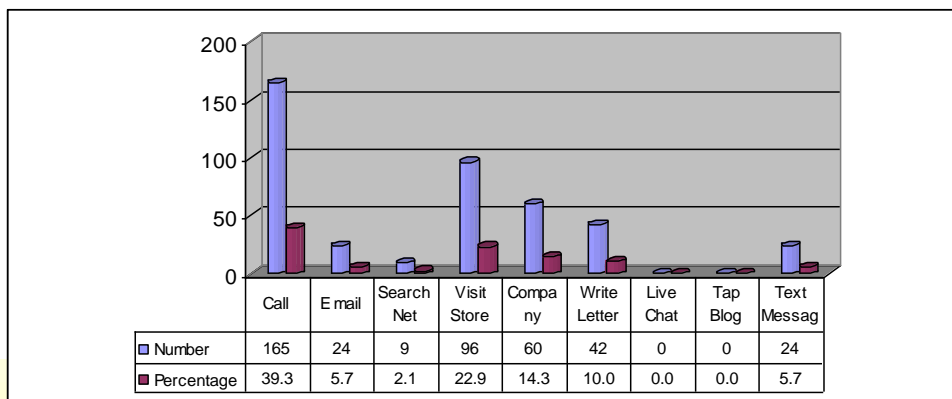


Figure 4.1: How does customer seek service.

4.2 Increase Use of Technology Has Increased the Customer Service Significantly Customers were asked if the increased use of technology has improved the customer service significantly like emails, on line help desks. 24.4 % strongly agree, 51.1% agree, 7.6% undecided, 14.5% disagree and 2.3% strongly disagree that the technology as improved the quality and response time of the service provider. Overwhelming 75.6% strongly agree and agree that technology has improved customer service significantly.

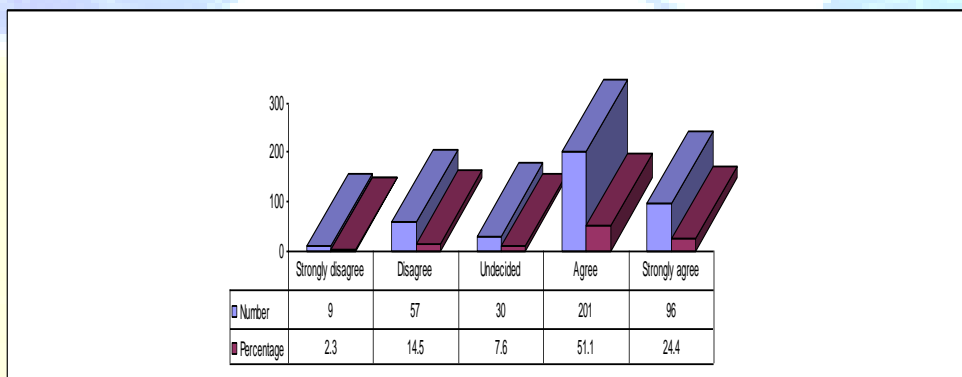


Figure 4.2: Technology has improved customer service

4.3 How Often Do Retailers Meet Your Expectations Customers were asked how often do retailers meet their expectations. 22% said always, 35% said frequently, 24% sometimes, 13 % rarely and 6% said never.

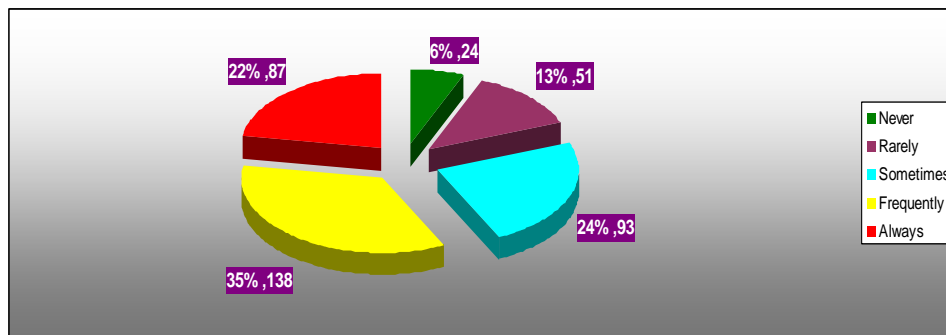
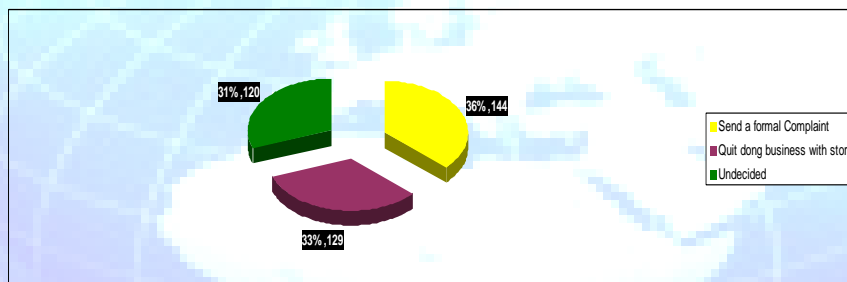


Figure 4.3 How often retailers meet your expectations

4.4 **What Do You Do When You Have a Bad Shopping Experience:** Shoppers were asked how do they respond to a bad shopping experience or when retailer fails to meet their expectations. 36% responded that they would send formal complaint, 33% percent would quit doing business with that store and 31% were undecided.



4.4: What do you do when you have bad shopping experience

4.5 **How Much Time You Are Ready to Wait to Get Service Issue Resolved:** Respondents were asked to how much time they are ready to wait to get service issue resolved. 58% said were ready to wait maximum for 15 minutes, 13.7% are ready to wait up to 30 minutes, 2.3% are ready to wait up to 45 minutes, 1.5% ready to wait for more than 45 minutes and 24.4% said waiting time depends on the issue involved.

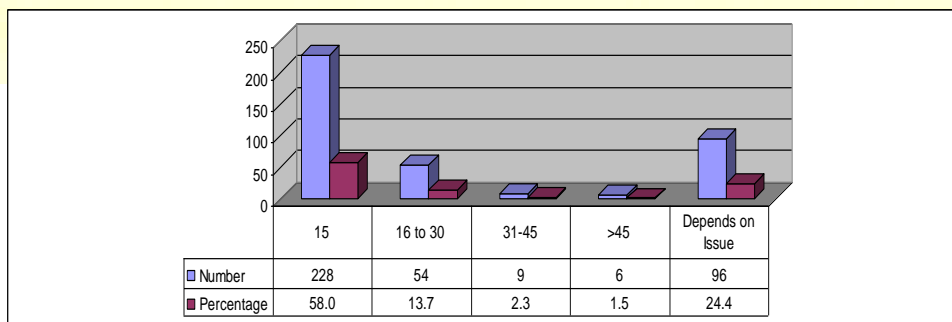


Figure 4.5: Time Customers are Ready to Wait for Customer Service.

4.6 **One Reason for WOW Shopping Experience** Respondents were asked which is one of the most important factors which give them WOW shopping experience. 36.6% shoppers said customer service, 9.9% said price discounts, 6.9% said store ambience and environment, 9.2% said gift vouchers, 14.5% said availability of the merchandise, 9. said quality of the merchandise and 13% did not respond to the question.

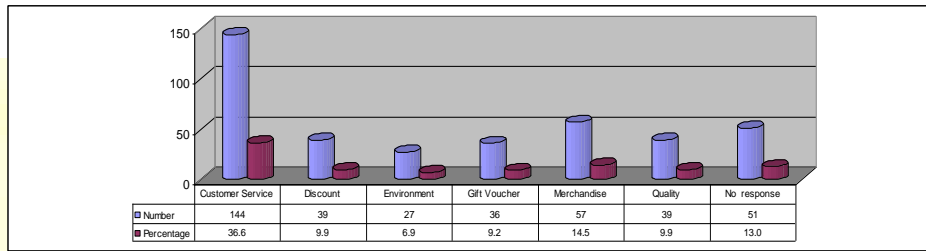


Figure 4.6 : One Reason for the Best Shopping Experience.

4.7 **One Reason for the Worst Shopping Experience** Respondents were asked which is one factor which makes the shopping experience as the worst. 32.1% respondents said poor customer service, 16% said delay in billing, 9.2% said ambience and environment, 11.5% said non-availability of merchandise, 1.5% company policies not friendly to the customer, 15.5% said high prices and 11.5% did not respond.

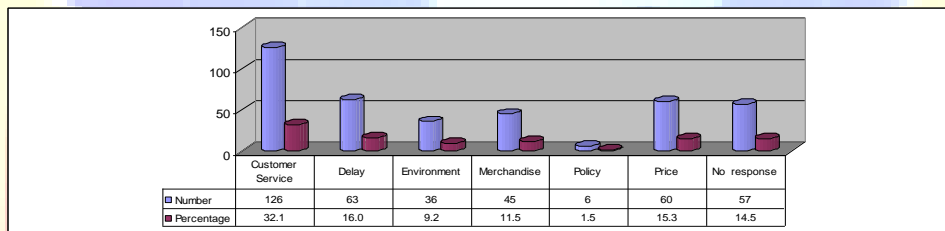
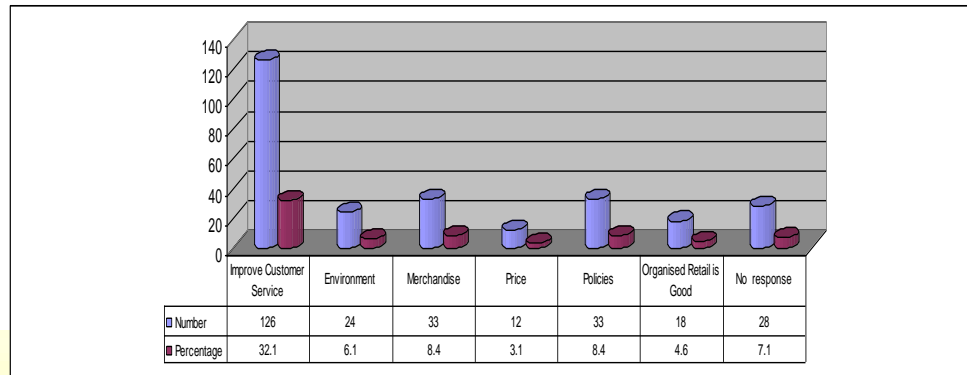


Figure 4.7: Reason for Worst Shopping Experience

4.8 **Suggestion of Customers to Retailers:** Respondents were asked to give any specific suggestions which they would like to give to the retailers for better shopping experience. 32.1% customers suggested improvement in the customer service, 6.15 % suggested improvement in the ambience and environment of the store, 8.4% suggested improvements in the availability of the merchandise, 8.4% suggested more customer friendly policies, 3.1% suggested right pricing and 7.1% did not respond.



4.8: Suggestion of customers to retailers

Summary

- 5.1 39% customers prefer telephone as means of communication for seeking customer service from the retailer. It implies an organised retailer must have sufficient number of telephone lines and ensure that telephones are answered. Furthermore service associates manning the phones must have adequate knowledge and be able to resolve the issue or satisfy the customer.
- 5.2 22.9% would like to visit the store personally implying that a separate customer service desk (As being done by many organised retailers in India) with knowledgeable customer service associates having please pleasing personality and good communication skills to manage customer service desk.
- 5.3 75.5% of customers strongly agree and agree that increased use of technology has improved the customer service significantly. So organised retailers who are still shy of using technology should opt for technology to stay competitive.
- 5.4 22%, 35%, 24%, 13% and 6% respondents said the retailers meet their expectations always, frequently, sometimes, rarely and never respectively. Response of 43% respondents is sometimes, rarely and never. This segment of respondents is the opportunity for the organised retailers to gain competitive edge by winning over loyalty of these customers.
- 5.5 What Does Customer Do After Bad Shopping Experience: 36% respondents said they would send formal complaint, 33% would stop doing business with the store and 31% did not respond or were undecided. So a retailer stands to lose 33% customers if not able to meet expectations. Furthermore that some percentage of 36% customers who send formal complaint

are also likely to change their loyalty. And some of 31% customers who are undecided or did not respond are also likely to switch over their loyalty.

- 5.6 Time Customer is Ready to Wait for Resolving the Issue 58% of customers said they are ready to wait for maximum 15 minutes to get the issue resolved. 24.4 respondents said waiting time depends on the issue involved.
- 5.7 One Reason for WOW Shopping Experience 36.6 % responded that customer service, 14.5% said availability of the merchandise. So almost 50% customers get WOW shopping experience by good customer service and merchandise. Other factors are price discount 9.9%, store ambience 6.9% and gift vouchers 9.2%.
- 5.8 One Reason for Worst Shopping Experience 32.1% said poor customer service, 16 % said delay in billing. So customer service stands out as the most important factor. For WOW as well as worst shopping experience

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