

**A STUDY ON CUSTOMER SATISFACTION TOWARDS SELECTED
DEPARTMENT STORES IN ERODE TOWN**

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ABSTRACT

Department stores have become an important part of modern retailing because they offer customers a broad assortment of products, convenient shopping, competitive prices and multiple services under one roof. Customer satisfaction is therefore a critical indicator of retail performance and customer loyalty. This study examines the factors influencing customer satisfaction towards department stores, with particular attention to product quality, product variety, price, store ambience, employee behaviour, billing efficiency, availability of products and after-sales service. The study adopts a descriptive research design and uses a structured questionnaire to understand customer perceptions. For academic illustration, primary responses from 100 customers are analysed using percentage analysis and a weighted satisfaction approach. The findings indicate that product variety, employee behaviour and store convenience are important contributors to satisfaction, while waiting time at billing counters and promotional transparency require improvement. The study concludes that department stores can strengthen customer loyalty by combining efficient service, fair pricing, attractive store environments and consistent product availability.

Keywords: Customer Satisfaction, Department Stores, Retailing, Service Quality, Customer Loyalty, Shopping Experience.

INTRODUCTION

Retailing is one of the most visible links between producers and consumers. Department stores occupy a distinctive position within retailing because customers can purchase several categories of merchandise in a single location. Unlike highly specialised outlets, department stores generally provide a combination of groceries, clothing, household products, personal-care items, consumer goods and other merchandise. This breadth creates convenience, but it also increases the complexity of managing the total customer experience.

Customer satisfaction refers to the customer's evaluation of whether a product or service experience meets or exceeds expectations. In a department store, satisfaction is not determined by one factor alone. Customers evaluate the entire shopping journey, beginning with accessibility and store appearance and continuing through

product search, employee interaction, pricing, payment, packing and post-purchase support. A customer may therefore be dissatisfied even when the product itself is satisfactory if the billing process is slow or staff assistance is poor.

In a competitive retail environment, understanding customer expectations is particularly important. Customers can compare prices, brands and service experiences across physical stores and digital channels. Department stores must consequently maintain a consistent value proposition. Measuring customer satisfaction provides management with evidence about strengths, weaknesses and areas requiring corrective action.

1. REVIEW OF LITERATURE

- ✓ Customer satisfaction has been widely discussed in marketing and service-management research. Oliver (1980) explained satisfaction as a psychological outcome arising from the comparison between expectations and perceived performance. This perspective is useful in retailing because customers enter a store with expectations concerning price, quality, convenience and service.
- ✓ Parasuraman, Zeithaml and Berry (1988) developed the SERVQUAL framework, identifying dimensions such as reliability, responsiveness, assurance, empathy and tangibles. Although department stores sell physical products, these service dimensions remain relevant because customers interact with employees, billing systems and store facilities during the shopping process.
- ✓ Kotler and Keller emphasise that customer satisfaction is closely associated with perceived value and the customer's comparison of expected and experienced performance. In retailing, perceived value can be influenced by product assortment, price, convenience and service quality. A store that offers low prices but poor service may not necessarily create strong long-term satisfaction.
- ✓ Retail studies also suggest that store atmosphere influences consumer responses. Elements such as cleanliness, lighting, layout, music, signage and ease of movement can affect how comfortable customers feel while shopping. A well-organised environment can reduce search effort and improve the perceived quality of the store.
- ✓ The literature therefore indicates that customer satisfaction is multidimensional. For department stores, product-related factors and service-related factors must be considered together. The present study brings these dimensions into a simple customer-oriented framework suitable for undergraduate research.

2. STATEMENT OF THE PROBLEM

Department stores operate in an environment where customers have increasing choices. Even when stores provide a wide range of merchandise, dissatisfaction may arise from stock shortages, high prices, inadequate staff assistance, crowded aisles, slow billing, unclear promotional offers or unsatisfactory complaint handling. Management needs to identify which aspects of the shopping experience have the strongest influence on customer satisfaction.

The problem addressed in this study is therefore to assess the satisfaction level of customers towards department stores and identify the major service and store-related factors that contribute to satisfaction and dissatisfaction.

3. OBJECTIVES OF THE STUDY

- To measure the overall level of customer satisfaction towards department stores.
- To identify the major factors influencing customer satisfaction.
- To study customer perceptions regarding product variety, quality and price.
- To examine satisfaction with employee behaviour, store ambience and billing efficiency.
- To identify areas where department stores can improve the shopping experience.
- To offer practical suggestions for improving customer satisfaction and loyalty.

4. RESEARCH METHODOLOGY

Research Design: The study follows a descriptive research design because it seeks to describe customer opinions and satisfaction levels regarding department-store shopping.

Area of Study: The study is framed around customers visiting department stores in erode town. The approach can be adapted to a specific city or store after field verification.

Population: The population consists of customers who have purchased products from department stores.

Sample Size: For the academic analysis presented in this paper, 100 customer responses are considered.

Sampling Technique: Convenience sampling is used because respondents are selected based on accessibility and willingness to participate.

Primary Data: Primary information is assumed to be collected through a structured questionnaire containing questions on demographic profile, shopping behaviour and satisfaction factors.

Secondary Data: Secondary information is drawn from standard marketing and service-quality literature, textbooks and academic references.

Tools Used: Percentage analysis is used to summarise customer responses. A five-point satisfaction scale is used to interpret perceptions, where 5 represents highly satisfied and 1 represents highly dissatisfied. The data shown below are an academic sample dataset for demonstrating the research method and should be replaced with actual field responses before claiming field findings.

5. DEMOGRAPHIC PROFILE OF RESPONDENTS

Variable	Category	No. of Respondents	Percentage
Gender	Male	48	48%
Gender	Female	52	52%
Age	Below 25	32	32%
Age	25–35	36	36%
Age	36–45	19	19%
Age	Above 45	13	13%
Monthly Income	Below ₹20,000	29	29%
Monthly Income	₹20,000–₹40,000	38	38%
Monthly Income	₹40,001–₹60,000	21	21%
Monthly Income	Above ₹60,000	12	12%

Interpretation: The illustrative sample contains a relatively balanced gender distribution. The largest age group is 25–35 years, while the largest income category is ₹20,000–₹40,000 per month. These characteristics indicate that

the sample includes customers from different stages of adult life and different spending capacities.

6. CUSTOMER SHOPPING PROFILE

Shopping Behaviour	Category	Respondents	Percentage
Visit Frequency	Weekly	21	21%
Visit Frequency	2–3 times a month	35	35%
Visit Frequency	Once a month	27	27%
Visit Frequency	Occasionally	17	17%
Main Purpose	Groceries/Essentials	39	39%
Main Purpose	Clothing & Personal Items	23	23%
Main Purpose	Household Items	22	22%
Main Purpose	Multiple categories	16	16%
Preferred Mode	Mostly planned	42	42%
Preferred Mode	Mostly unplanned	18	18%
Preferred Mode	Both	40	40%

Interpretation: The illustrative results show that 56% of respondents visit department stores at least two or three times a month. Essentials are the most common purchase purpose. The presence of both planned and unplanned shopping indicates that store layout, displays and promotions can influence customer purchase behaviour.

7. FACTORS INFLUENCING CUSTOMER SATISFACTION

Satisfaction Factor	Satisfied/Highly Satisfied	Neutral	Dissatisfied/Highly Dissatisfied
Product variety	78%	14%	8%
Product quality	74%	17%	9%
Price/value for money	63%	21%	16%
Store cleanliness	76%	15%	9%
Store ambience	72%	19%	9%
Employee behaviour	80%	12%	8%
Product availability	68%	19%	13%
Billing speed	59%	20%	21%
Promotional clarity	61%	22%	17%
Complaint handling	57%	25%	18%

Interpretation: Employee behaviour receives the strongest positive response in the illustrative dataset, followed by product variety and store cleanliness. Billing speed and complaint handling receive comparatively weaker satisfaction levels. This suggests that department stores may need to focus not only on merchandise but also on process efficiency and service recovery.

8. OVERALL CUSTOMER SATISFACTION

Overall Satisfaction	Respondents	Percentage
Highly satisfied	18	18%
Satisfied	46	46%
Neutral	22	22%
Dissatisfied	11	11%
Highly dissatisfied	3	3%

Interpretation: The illustrative findings show that 64% of respondents are satisfied or highly satisfied with their overall department-store experience. Twenty-two percent remain neutral, while 14% report dissatisfaction. The neutral group is important because improvements in service quality, convenience and value may potentially convert neutral shoppers into more loyal customers.

9. WEIGHTED SATISFACTION INDEX

Factor	Mean Score (5-point scale)	Rank
Employee behaviour	4.02	1
Product variety	3.94	2
Store cleanliness	3.91	3
Product quality	3.86	4
Store ambience	3.78	5
Product availability	3.66	6
Price/value for money	3.61	7
Promotional clarity	3.54	8
Billing speed	3.43	9
Complaint handling	3.38	10

Interpretation: Employee behaviour has the highest illustrative mean score, showing the importance of courteous and helpful staff. Complaint handling has the lowest score, followed by billing speed. Management should therefore consider service recovery procedures and queue management as priority areas.

10. MAJOR FINDINGS

1. Most respondents show a positive overall attitude towards department stores.
2. Product variety is an important reason for choosing department stores because customers can compare and purchase different categories in one place.
3. Employee behaviour receives a high satisfaction response, indicating that courteous assistance contributes substantially to the shopping experience.
4. Store cleanliness and product quality are also positively perceived and support customer confidence.
5. Price and value for money show comparatively moderate satisfaction, indicating sensitivity to competitive pricing.
6. Product availability is satisfactory for many customers, but stock-outs can reduce the perceived reliability of the store.

7. Billing speed is a relatively weaker area. Long queues can negatively affect the final stage of an otherwise satisfactory shopping experience.
8. Promotional clarity requires attention because customers may become dissatisfied when discount conditions or offer terms are not sufficiently clear.
9. Complaint handling records a comparatively lower satisfaction level, suggesting a need for faster and more transparent service recovery.
10. The findings support the view that customer satisfaction is multidimensional and depends on the combined performance of merchandise, price, physical environment and service processes.

11.SUGGESTIONS

- Improve billing efficiency by increasing the number of active counters during peak hours and adopting queue-monitoring practices.
- Train employees regularly in product knowledge, communication, courtesy and complaint handling.
- Use clear shelf labels, directional signs and category-based store layouts to reduce customer search time.
- Maintain adequate inventory of fast-moving products and monitor frequent stock-out items.
- Communicate promotional conditions clearly through shelf labels, billing information and digital channels.
- Review pricing regularly against competitors while protecting product quality and customer value.
- Maintain high standards of cleanliness, lighting, ventilation and aisle accessibility.
- Introduce a simple and responsive complaint-resolution mechanism with defined response times.
- Use customer feedback surveys periodically to identify changes in expectations.
- Recognise repeat customers through suitable loyalty programmes, personalised offers and service benefits.
- Integrate physical-store and digital information so customers can check product availability and offers before visiting.
- Use customer satisfaction measures as a regular management indicator rather than conducting research only when problems occur.

12. MANAGERIAL IMPLICATIONS

The study has several implications for department-store management. First, management should view satisfaction as a combination of functional and emotional outcomes. Customers expect products to be available at a reasonable price, but they also expect a comfortable environment and respectful treatment. Second, management should prioritise the points in the customer journey where dissatisfaction is most likely to occur, particularly billing and complaint resolution.

Third, customer feedback should be converted into measurable service standards. For example, management can monitor average billing time, complaint closure time, stock-out frequency and employee-service ratings. These indicators can be reviewed periodically and linked to corrective action. Fourth, employee training should not be treated as a one-time activity. Regular coaching and feedback can help maintain consistent service quality.

Finally, department stores should recognise that customer loyalty is influenced by cumulative experiences.

A single promotional campaign may attract customers, but consistent value, convenience and service are more likely to encourage repeat visits. A customer-centric approach can therefore provide a sustainable competitive advantage.

13. CONCLUSION

Customer satisfaction is a central element of successful department-store management. Customers judge the store through a combination of product assortment, product quality, price, convenience, physical environment and service interaction. The study shows, through an illustrative academic dataset, that customers generally have a positive perception of department stores, while important improvement opportunities remain in billing speed, promotional clarity and complaint handling.

The study also indicates that employee behaviour can play a significant role in shaping customer experience. A courteous and knowledgeable employee can influence satisfaction even when the customer is primarily visiting to purchase a product. Similarly, a clean and well-organised store can reduce shopping effort and improve the perceived value of the visit.

Department stores should therefore adopt a continuous customer-feedback system and use measurable service indicators to improve operations. By maintaining product availability, offering fair value, improving checkout efficiency, strengthening complaint resolution and developing employee capabilities, department stores can enhance customer satisfaction and encourage repeat purchases.

In conclusion, customer satisfaction should be treated as an ongoing strategic objective rather than a one-time outcome. Retailers that consistently understand and respond to customer expectations are better positioned to build trust, loyalty and long-term customer relationships.

14. LIMITATIONS OF THE STUDY

1. The illustrative sample size is limited to 100 respondents.
2. Convenience sampling may introduce respondent-selection bias.
3. Customer satisfaction can vary between different department stores and geographical locations.
4. Responses represent customer perceptions at a particular point in time.
5. The study uses selected satisfaction factors and does not cover every possible retail-service dimension.
6. The numerical dataset is an academic illustration and should not be represented as an actual field survey without verification.

15. SCOPE FOR FUTURE RESEARCH

Future research can compare customer satisfaction across multiple department stores and locations. Researchers may also examine the relationship between customer satisfaction and loyalty using statistical techniques such as chi-square analysis, correlation, regression or ANOVA. A larger probability-based sample would improve generalisability. Future studies can further compare physical department-store shopping with online retailing and investigate how digital payment, mobile applications, loyalty programmes and omnichannel services affect customer expectations.

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