Determinant Affecting the Consumer Satisfaction with regard to Consumer Movement: an Empirical Study

Punkaj Gupta
Ph. D Scholar, Department of Commerce, University of Jammu, Jammu, India

-

Abstract

Customer is both the beginning and end point in the process of retailing. As such, it is customer who determines the type of product, its quantity, quality, price etc. through his purchase action. Today, there has been an increasing public concern over the consumerism all over the world. Though consumerism has touched all walks of life yet in retailing it has been identified with the widespread concern for the quality of products and services. The basic objective of this study is to find out the various determinants affecting consumer satisfaction with regard to consumer movement and also to explore the consumer perception about consumerism issues such as fairness on trade practices.
KEYWORDS: Business Ethics, Consumerism, Consumers, Fairness

Introduction

Consumer protection has its deep roots in the rich soil of Indian civilisation which dates back to 3200 B.C. (Singh 1994). In ancient India, human values were cherished and ethical practices were considered of great importance. In the medieval period, some Muslim rulers developed well organised market mechanism to monitor prices and the supply of goods to the markets (Prasad 2002). During the British period, a sound legal system was introduced in India and many laws were enacted to protect the interest of consumer generally. It is not only a struggle for protecting consumer rights through legal system but a continuous and broad based social (Kotler 2006), environmental (Barksdale and Darden 1972), countervailing, defensive (Bhagwati 1976) and protective force being carried on at all levels for identifying the areas of injustice and its remedy through various forms of organised (Girimaji 1999), collective and consistent efforts. Consumerism is deemed as apparatus, a new social dimension and a protest aiming at unveiling the evil practices of the manufacturers (Fox and Wheatly 1978) and service providers and giving necessary strength to consumers seeking redress, restitute and remedy for the dissatisfaction caused due to the products and services not conforming to their expectations and the price they pay (Sharma and Verma 2000).

In the present highly competitive environment in the retail sector, quality of goods and services has become a key to competitive strength and performance of a retailer, where consumerism plays a vital role in identifying the wants and needs of the customers and responding to the same most effectively (Lings and Roger 1998). In rapidly changing marketing environment and emerging global markets, expectations of consumers for better services, quality goods, availability of choices and value of money have been continuously rising. Over the years, consumer rights have become more comprehensive and are recognised by various regulatory bodies around the world. It is generally believed that the consumer movement in contemporary India is quite strong in comparison to many other developing countries. However, its awareness among the consumers themselves remains low when we look at the overall position.

Literature Review

Numerous studies have been conducted in the United States and other countries to determine consumer attitudes towards marketing, consumerism and government regulations. Most of the studies indicate consumers having negative opinions towards marketing and only a few of them report slightly favorable sentiments towards marketing (Jain and Goel, 2011). A review of these studies assessing consumers' role effectiveness towards marketing and consumerism is as follows.

Barksdale and Darden (1972), Barksdale, Darden, and Perreault (1976) and Barksdale and Perreault (1980) found that the consumers having negative attitude towards marketing and consumerism. Barksdale et al., (1982) performed another study comparing consumer attitudes across six countries (viz., Israel, United States, Canada, England, Australia and Norway) and it was also found that consumers reported negative attitude toward marketing practices. Consumer of United States and Britain were also having negative opinion towards marketing and consumerism (French et al., 1982).

Consumers in India and six other countries, viz., Israel, United States, Canada, England, Australia and Norway in a study were not satisfied with the marketing practices and consumerism (Vardarajan and Thirunarayana 1990, Barksdale and Darden 1972, Greyser and Diamond 1974, Andreasen1977 and Barker 1987). Turkish consumers were also doubtful of business, particularly the honesty of games and contests sponsored by manufacturers (Barksdale and Darden, 1972; Barksdale and Perreault, 1980; Barksdale et al., 1982; Barker, 1987; Vardarajan and Thirunarayana, 1990).

New Zealand consumers had more favorable attitudes towards consumerism and marketing issues that they had before fifteen years (Lysonski and Durvasula, 2003). Chinese consumers were also having more favorable attitudes towards marketing than US and Australian consumers (Chan, Yau and Chan 1990).

The last two decades have witnessed an over expanding interest in consumerism. One can see a wave of awakening and an upsurge of enthusiasm for the rights of consumers. The awareness is the key that can ensure not only customer getting a fair deal but the manufacturing as well as the services sector shall become efficient, transparent and accountable. It is in this context the present research purports to determine the various strategies to be taken up through the efforts of consumers promoting and strengthening consumerism.

Research Objectives

1. To find out the consumers' perceptions on the consumerism issues such as fairness on trade practices.
2. To explore the various factors affects the consumerism issues.
3. To suggest strategy for strengthening the consumer movement in retail sector.

Research Methodology

Sample Design

The customers' efforts supporting the consumer movement have been studied on the basis of first-hand information gathered from 344 customers out of total population of 5850, out of which 384 selected through following formula

$$N = \frac{S^2 Z^2}{E^2}$$

(Burns and Donald 2007)

Where
N = sample size
Z = level of confidence
S = estimated standard deviation
E = sample error

A systematic random sampling technique was used to select the customers. The respondents were selected from the list of voters obtained from Municipal Corporation Jammu. A total of 384 schedules were distributed to customers, out of which 344 were responded properly thus with the response rate of 90%.

Profile of the Respondents

The demographic profile of the respondents (Annexure 2), indicating sample design, shows 57% male (197 respondents) & 43% female (147 respondents). About 66% & 34% respondents are found to be married and unmarried respectively. Further, majority of the respondents 91% fall in income between Rs. 10,000- Rs. 20,000 and least number of respondents 1% fall in income below Rs 10,000. Similarly, majority of respondents 52% fall in higher education group and the least number of respondents 7% fall in secondary level education group. Lastly, 32% respondents (109), 34% respondents (118), 31% respondents (107) and 3% respondents (10) are found to be falling under age group I (20-30 years), AG-II (30-40), AG-III (40-50) & AG-IV (above 50 years) respectively.

Instrument

The data collection schedule developed after reviewing a lot of literature (Barker, 1987; Vardarajan and Thirunarayana, 1990; Hui and Bateson 1991) and through discussion with knowledgeable people, which provides inbuilt consistency, stability, reliability and validity of data (Mishra 1998). All the statements other than the statements relating to general information were based on 5 points Likert scale ranging from 5 = Strongly Agree and 1 = Strongly Disagree.

Factor Analysis

The technique of factor analysis was used for data reduction and data purification. Factor analysis was carried out through Statistical Package for Social Sciences (SPSS, 17.0 versions). It was carried with Principle Component Analysis along with varimax rotation for summarisation the total data into minimum factors. The statements having factor loading less than 0.5 and Eigen value less than 1were ignored for the subsequent analysis.

Reliability

To check the reliability Cronbach's Alpha and split half value have been worked out. The test has been applied twice i.e. before and after factor analysis by dividing the respondents into two equal halves. The data were found as reliable before the Factor analysis as mean values of both groups (Group I=3.89 and Group II =3.84) are almost similar. Similarly, after Factor analysis, the data have proved quite satisfactory in terms of split half reliability as mean obtained from both halves of respondents are satisfactory (Group I 3.87 and Group II 3.78. Moreover, Cronbach's Alpha Value also proved reliable before and after factor analysis as it came to be 0.921 and 0.892 respectively. (Annexure 1).

Findings

The perceptions of the ultimate consumers about present strategies for strengthening the consumer movement in retailing practices as under:-

Product Quality

This dimension comprised of five factors viz., 'quality and safety', 'interaction', 'respect and recognition', 'effective communication' and 'legal provisions' (Annexure 3). Factor 'quality and safety' is highly associated with this dimension (FL= 0.893), reflecting proper consideration by the retail customers to get better quality of goods and services and as well as hazard free goods from the retailers. Another important factor 'legal provisions' (FL= 0.824) contributing highest factor loading indicates that the retail customers are very much aware of the rules and regulations made by Government for regulating marketing practices. About 84% of respondents opined that the retailers provide accurate information to them and different other marketing stakeholders make necessary changes/improvement in product quality from time to time. On the other hand, about two-third respondents of the study opined that the retailers are not planned and organized for meeting demand of quality products.

Price Sensitivity

The dimension has three factors viz., 'rules and regulations', 'honesty' and 'fairness' (Annexure 3). All the factors have accorded above average factor loadings. Fairness factor (FL= 0.923) obtaining the highest factor loading among the three indicates that most of the respondents take proper rate of discount and observe the retailers maintaining the proper record for their purchases made on credit. About 68% respondents of the study did not pay the actual rate of VAT due to lack of information and also blame the government machinery for such type of lapses. Another important factor viz. honesty (FL=0.656) attaining the least factor loading reveals customers' observation about retailers charging different prices from different customers for the same product. The result of the study also indicates that majority of the customers (78.5%) find retailers having the practice of price discrimination (3.92) and not serving customers (4.54) properly.

Effective Communication

Third dimension comprised three factors viz., 'openness and committed', 'trust worthy' and 'information'. Out of these three factors, 'information' is found to be a significant contributor (FL= 0.983) and the respondents found the retailers providing valuable information about the price and durability of the products (Annexure 3). The next highest contributing item, 'openness and committed' (FL= 0.867) indicates majority of the customers having sound suggestions for taking the final buying decision. The result of the 'trust worthy" factor reveals about 86% respondents not finding manufacturers' advertisement as reliable source of information regarding the quality and performance of the product.

Satisfaction

The dimension satisfaction comprises three factors viz., 'service quality and satisfaction', comfort' and 'consumer oriented' (Annexure 3). Consumer oriented (FL= 0.631), being less associated with the dimension, reveals majority of the retail customers finding Indian marketing system not operating efficiently as compared to other countries. At the same time, majority of the customers find it comfortable to

purchase goods from the Indian retail marketers. About 92% respondents observe that retailers always welcome their needs even during odd hours. The service quality and satisfaction is found to be a significant factor (FL= 0.892), indicating that retailers try to maintain the better relationship with customers by providing door to door services and also help them in buying decision. The result of the study also reflects that customers take full value for money by taking warranty and guarantee services of the products as per the terms and conditions provided by the manufacturers. At the same time, about half of the respondents found the retailers having not enough sitting arrangements and parking space.

Responsibility

The dimension gets two factors viz., 'responsibility' and procedures and practices' out of which procedures and practices (FL= 0.628) attain above average factor loading (Annexure 3), reflecting that the retailers do not operate on the philosophy 'Let the buyer beware'. About 78% respondents find the retailers charging high price for goods that cause less environmental pollution. About half of the respondents observe retailers not taking the responsibility regarding the MRP of the products especially in case of Chinese products. The results of the study also indicate that retailers do not make sincere efforts to handle consumer complaints fairly and also not co-operating with the customers for replacing the defective products with new ones as and when asked for. However, only one third of customers observe that their problems are more serious now than in the past.

Government Regulations

This dimension having two factor viz., 'responsiveness', 'better facilities' and 'effectiveness' obtains mean value of 3.64 (Annexure 3), reflecting just above average level of role that government plays for supporting consumer movement. About 56% respondents do find Government examining competing brands of products for the sake of customers' convenience, safety and satisfaction. At the same time, they observe that government has not set the minimum standard and criterion of quality for all products. More than half of the respondents observe government agencies not supporting the promotion of the consumer movement at retail level. Hence, majority of the respondents' find the government playing ineffective role for regulating the overall marketing practices which create frustration and dissatisfaction among the customers and also promotes the cause of consumerism.

Fair Trade Practices

This dimension comprised of two factors viz., 'loyalty' and 'consumer sovereignty'. Consumer sovereignty (FL= 0.836) obtains the highest factor loading (Annexure 3) as compared to loyalty (FL= 0.735). Retail customers observe that consumerism is an important issue today but the role of consumer organisations is ineffective for promoting the effective strategy of consumer movement at retail level. About one third of respondents find the manufacturers to be less sensitive to handle consumers' complaints now as compared to the past. Majority of the respondents also find that the marketing inspection of the government is not purposeful and also role of mobile court serves no desired purpose.

Strategic Action Plan

The above discussion reveals that customer play an important role for strengthening the consumer movement at retail level. On the other side of the coin, the retailers put less

effort for strengthening the consumerism in retaining practices. However, the responsibility doesn't lie upon the state and administrative agencies only, but it is the people, who have to step forward to strengthen the consumerism and maintain it in right spirit. It's time to do something more, it's time to act! There are several strategy action plans for strengthening consumer movement at retail level.

1. The interest of the retail customers will be further safe guarded and strengthened if the strategies are taken seriously and adopted coherently by the government, retailers, public policy makers and consumer themselves.
2. Retailers should pay attention to the ethics of their retailing practices, care about adverse publicity and disapproval consumers.
3. The activities of consumer agencies are required to be further geared up re-engineered, monitored and maintained so that it could lead to active consumer movement.
4. Organisations, NGO's, institutions and agencies allied to consumer movement should hearten administrative advocacy in setting consumer disputes.
5. It may be recommended that mass and educational institutions need play and effective role in consumer awakening and imparting information regarding organisations' working for the consumers' interests in their areas.
6. Consumer should form voluntary associations. These associations can educate and awaken consumers. They can take organised action and put pressure on businessman to adopt fair trade practices.
7. The state can ensure consumer protection through legislative, executive and judicial actions. The laws enacted by the government must be strictly enforced by the executive.
8. Trade associations and chambers of commerce can check unfair trade practices used by some businessmen.

Future Research

The present study may not be complete remain incomplete with regards to some of the fast emerging ethical and legal issues in retail practices. Hence future research needs to focus on the following considerations:

1. The present study is based on the perceptions of one of the stakeholders in retailing i.e. consumers. Further research thus needs to take the perceptions of other constituencies of retail sector like retailers, suppliers, consumer associations and regulatory bodies etc.

2. The data were taken from Jammu city. Hence, future research needs to take adequately large

Reference:-

- **Andreasen, Alan R (1977)**, "Taxonomy of Consumer Satisfaction/ Dissatisfaction Measures''. *Journal of Consumer Affairs*, (winter), pp.1124.
- **Barker, A. Tansel (1987)**, "Consumerism in New Zealand". *International Marketing Review,* 4(3), pp. 63-74.
- **Barks Dale, Hiram C. and Darden, William R (1972)**, "Consumer Attitudes towards Marketing and Consumerism''. Journal of Marketing, 36, (Oct), pp. 28-35.
- _____**and Pcrrcault, Jr William D (1980)**, "Can Consumers be satisfied?" *MSU Business Topics*, 28 (spring), pp. 19-30.
- --- **and Pcrrcault, Jr, William D (1976)**,"Changes in Consumer Attitudes towards Marketing, Consumerism and Government Regulation: 1971-75".*Journal of Consumer Affairs*, 10 (winter), pp. 117-139.
- _____ **et al (1982)**, "A Cross-National Surveyof Consumer Attitudes towards Marketing Practices, Consumerism and Government Regulations". *Columbia Journal of World Business*, 17 (summer), pp. 71-86.

- **Bhagwati P. N. (1976)**, "Consumer Protection in India". *Research Paper*, Surat, p.2.
- **Chan, Eleanor; Oliver H.M. Yau and Robert Chan (1990)**, "Consumer sentiments in Australia: A replication and cross-national comparison". *European Journal of Marketing*, 24(10), pp. 44-58
- **Fox, Edward J. and Edward W. Wheatley (1978)**, "Modern Marketing: Principles and Practices, Scott, Foresman and Co. Glenview". *Illinois,* pp. 10-32.
- **French, Warren A et al (1982)**, "Consumer Attitudes toward Marketing in England and the United States". *European Journal of Marketing,* 16 (6), pp. 20-30.
- **Girimaji, Pushpa (1999)**, "Consumer Rights for Everyone". *Penguin Books*, New York, pp. 18.
- **Greyser, Stephen A. and Diamond Steven L (1974)**, "Business is Adapting to Consumerism''. *Harvard Business Review*, 52 (Sep-Oct), pp.38-58.
- **Hui, Michael K. and John E. G. Bateson (1991)**, "Perceived Control and the Effects of Crowding and Consumer Choice on the Service Experience". *Journal of Consumer Research*, Vol. 18, (Sept), pp. 174-184.
- **Jain S K and Goel S C (2011)**, "Discussion on Pre stress Force Effect of Vibration Frequency of Concrete Bridges". *Journal of Structural Engineering*, ASCE, April 1996.
- **Kotler, Philip (2006)**, "Marketing Management, Analysis, Planning, Implementation and Control". *Prentice Hall of India,* New Delhi, p.167.
- **Lings, Lan N. and Roger F. Brooks (1998)**, "Implementing and measuring the effectiveness of Internal Marketing". *Journal of Marketing Management*, Vol. 14, pp. 325-351.
- **Lysonski S, Durvasula S (2003)**, "Should Marketing Managers be concerned about Attitudes towards Marketing and Consumerism in New Zealand? A Longitudinal View". *European of Journal Marketing*, 37(3/4): 385-406.

- **M C Burney, H. Ronald (2001)**, "Research Methods Thomson Learning". *Albert Complex*, Singapore, pp.126-129.
- **Mishra, Pulak and Ramakanta Prusty (1998)**, "Indian Industry in a Liberalized Policy Regime",.*Yojana, 45*(2), pp. 9-11.
- **Prasad, Rajendra (2002)**, Historical Evolution of Consumer Protection and Law in India. *Journal of Texas Consumer Law, 5*(1), pp. 134-135.
- **Sharma, R. D. and EktaVerma (2000)**, "Consumerism in Indian Consumer Banking". *Delhi Business Review*, Vol. 1 No. 2 (July-Dec), pp. 103-117.
- **Singh, Gurjeet (1994)**, "The problem of Consumer Protection in India: A Historical Perspective". *Consumer Protection Reporter, 2*(6), pp. 704-705.
- **Varadarajan, P. Rajan and P.N. Thirunarayana (1990)**, "Consumers Attitudes towards Marketing Practices, Consumerism and Government Regulations: cross-national perspectives". *European Journal of Marketing*, 24(6); pp. 6-23.

Annexure 1: Split half Reliability and Cronbach'sAlpha

	Before Factor Analysis	**After Factor Analysis**
Group I	3.89	3.87
Group II	3.84	3.78
Cronbach's Alpha	0.921	0.892

Annexure 2: Demographic Profile of the Customers

Demographic Characteristics	**Groups**	**Number**	**Percentage %**
Gender	Male	197	57
	Female	147	43
Total		**344**	**100**
Education	Middle	35	10
	Secondary	22	7
	Higher Secondary	108	32
	Higher Education	179	52
Total		**344**	**100**
Age	20-30	109	32
	30-40	118	34
	40-50	107	31
	Above 50	10	3
Total		**344**	**100**
Marital Status	Married	227	66
	Unmarried	117	34
Total		**344**	**100**
Income	Up toRs. 10,000	3	1
	10,000-20,000	312	91
	20,000-30,000	24	7
	Above Rs. 30,000	5	1
Total		**344**	**100**

Annexure 3: Dimension/Determinant wise Analysis

S. No	Dimension	Factors	Factor Loading	Mean Score	Std. Deviation
1.	Product Quality (FL= 0.798) MS= 3.320)	Quality and Safety	0.893	3.287	0.698
		Interaction	0.756	3.352	0.858
		Respect and Recognition	0.783	3.635	0.544
		Effective Communication	0.695	3.166	0.572
		Legal Provision	0.824	3.117	0.601
2.	Pricing Issues (FL= 0.713) (MS= 3.782)	Rules and Regulations	0.783	3.7660	0.564
		Honesty	0656	3.877	0.353
		Fairness	0.923	3.9917	0.696
3.	Information and Communication (FL= 0.813) (MS= 3.353)	Openness and Committed	0.867	3.925	0.713
		Trust Worthy	0.769	2.962	0.680
		Information	0.983	3.262	0.716
4.	Satisfaction (FL= 0.798) (MS= 3.452)	Service quality and Satisfaction	0.892	3.722	0.681
		Comfort	0.862	3.424	0.749
		Consumer Oriented	0.631	3.379	0.482
5.	Consumer Problem and Responsibility (FL= 0.618) (MS= 3.561)	Responsibility	0.613	3.926	0.610
		Procedures and Practices	0.628	3.417	0.755
6.	Government Regulation (FL= 0.715) (MS= 3.64)	Responsiveness	0.891	3.725	0.713
		Better Facilities	0.689	3.414	0.544
		Effectiveness	0.739	3.891	0.484

7.	**Fair Trade Practices (FL= 0.782) (MS= 3.66)**	Loyalty	0.735	3.752	0.728
		Consumer Movement	0.836	3.645	0.608