

## New Education Quality Index to Rank States

**Source: *The Times of India*, Wednesday, 2<sup>nd</sup> November, 2016**

New Delhi: - Call it greater synergy between the government departments or pre-eminence of Niti Aayog in policy planing, a joint letter by CEO Amitabh Kant and till recently school education secretary, Subhash Khuntia, has gone out to states to implement school education quality index (SEQI)

The newly devised SEQI has 34 indicators as compared to 174 indicators initially proposed by Niti Aayog. The HRD ministry had found fault with so many indicators and eventually the ministry and Aayog came together to work out a list that is easier to implement.

As for the joint letter, HRD officials say it is not common in government but indicative of shape of things to come “Niti Aayog has the mandate to intervene in all sectors, including edducation. It is a think tank. We do larger consultation with all stakeholders,” a offical of the Niti Aayog said.

The joint letter says SEQI will measure status of education and incremental efforts in the sector.

(Your comments & Views on the above along with your name and email address are welcome on [nafenindia@nafenindia.com](mailto:nafenindia@nafenindia.com))

# A Study on the Impact of Retail Service Quality on Consumer Behaviour

By G. Raghu, Assistant Professor, Department of MBA-VTU, Dayananda Sagar College of Engineering, Bangalore & Dr. Radha. S, Professor & Regional Director, Regional Center IGNOU, New Delhi,

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This study aims to identify the main factors that lead to customer satisfaction in food retail supermarkets. The main factors are extracted from the independent variables using factor analysis. Then regression analysis is done taking the extracted factors as independent variables and customer satisfaction as dependent variable. Likert scale and multiple choice questions are used in the questionnaire. There are 17 independent variables which by factor analysis are reduced to 5 main factors which are found to significantly impact customer satisfaction in food retail supermarkets.

## Retailing Industry

India is the 5th largest retail market in the world. The country ranks fourth among the surveyed 30 countries in terms of global retail development. The current market size of Indian retail industry is about US\$ 500 bn (Source: IBEF) and is expected to grow at the rate of 15- 20% p.a. The retail industry is expected to increase to US\$ 750-850 bn by 2015 (according to a report by Deloitte). Retailing has played a major role the world over in increasing productivity across a wide range of consumer goods and services. In the developed countries, the organised retail industry accounts for almost 80% of the total retail trade. In contrast, in India organized retail trade accounts for merely 8-10% of the total retail trade. This highlights a lot of scope for further penetration of organized retail in India.

The sector can be broadly divided into two segments: Value retailing, which is typically a low margin-high volume business (primarily food and groceries) and Lifestyle retailing, a high margin-low volume business (apparel, footwear, etc). The sector is further divided into various categories, depending on the types of products offered. Food dominates market consumption with 60% share followed by fashion. The relatively low contribution of other categories indicates opportunity for organized retail growth in these segments, especially with India being one of the world's youngest markets.

Transition from traditional retail to organized retail is taking place due to changing consumer expectations, growing middle class, higher disposable income,

preference for luxury goods, and change in the demographic mix, etc. The convenience of shopping with multiplicity of choice under one roof (Shop-in-Shop), and the increase of mall culture etc. are factors appreciated by the new generation. These factors are expected to drive organized retail growth in India over the long run.

After a challenging FY12, the retail sector recorded increase in sales volumes on y-o-y basis in FY13. It also pared some losses through efficient cost and supply management. Despite best efforts, operating margin of the retailers failed to improve during FY13, primarily due to increase in input cost. Also, high interest rates and scarcity of funds proved to be a major constraint to the growth of the sector.

During FY13, the Indian government provided some impetus to the sector by announcing Foreign Direct Investment (FDI) in retail. It allowed 100% FDI in single brands and 51% in multi-brand. However, it continues to face strong opposition from farmers, kirana shop owners and SMEs (small to medium enterprises) as entry of foreign players will increase competition and may impact their businesses. The government has now left the decision to the respective states to decide if and when they would like to allow FDI in the sector.

## Indian food retailing sector

Estimates of the dollar value of India's retail sector vary significantly. A survey of 10 private estimates indicates that the total (food and non-food) retail sector was valued at somewhere between \$ 320 billion and \$ 550 billion in 2011. Retail food sales are estimated at \$270 billion, which equates to 60 percent of total retail sales. Estimates indicate that modern grocery retailers managed to carve out an estimated one percent share of food retail sales in 2005 and that share has increased to two percent in 2011 or \$ 5.4 billion.

## Consumer food preferences

An estimated 20-30 percent of the Indian population is strictly vegetarian in accordance with the tenets of Hinduism. Those Hindus who eat meat tend to do so sparingly and beef consumption is taboo among Hindus, Jains and Sikhs who comprise over 80 percent of India's

population. Furthermore, non-vegetarian food is not consumed during special days or religious observances. India's large Muslim population (estimated at 160 million) does not consume pork and eats Halal animal products that are sourced from livestock that were slaughtered according to the tenets of Islam.

Indians tend to take pride in the many regional and varied foods that comprise Indian cuisine. In general, Indians have a strong preference for fresh products, traditional spices and ingredients, which has generally slowed the penetration of American and other foreign foods. However, the acceptance of packaged, convenience and ready-to-eat food products is increasing, especially among younger consumers and the urban middle class. Many Indians are quite willing to try new foods while eating out, but often return to traditional fare at home. Italian, Thai and Mexican foods are reportedly the fastest growing new cuisines in India and consumers are slowly diversifying their consumption patterns. Typical imported food items that can be spotted in retail stores in major cities include dry fruits and nuts, cakes and cake mixes, pastries, chocolates and chocolate syrups, seasonings, biscuits, canned fruit juices, canned soups, pastas, noodles, popcorn, potato chips, canned fish and vegetables, ketchup, breakfast cereals, and fresh fruits such as apples, pears, grapes and kiwis.

**Supply:** players are now moving to tier-2 and tier-3 cities to increase penetration and explore untapped markets as tier-1 cities have been explored enough and have reached a saturation level.

**Demand:** healthy economic growth, changing demographic profile, increasing disposable incomes, changing consumer tastes and preferences are some of the key factors driving the organized retail sector in India.

**Future prospects of the industry:**

Retail industry has been on a growth trajectory over the past few years. The industry is expected to be worth US\$ 1.3 bn by 2020. Of this, organized retail is expected to grow at a rate of 25% p.a. A significant new trend emerging in retail sector is the increase in sales during discount seasons. It has been observed over the past few months, that sales numbers in discount seasons are significantly higher than at other times. This is prompting retailers to start discounts earlier and have longer than usual sale season. Also, concepts such as online retailing and direct selling are becoming increasingly popular in India thereby boosting growth of retail sector.

Another crucial structural change is expected to come in the form of implementation of FDI in multi-brand retail. The industry players are strongly in favor of entry of foreign retailers into the country. This will help them in funding their operations and expansion plans. The expertise brought in by the foreign retailers will also improve the way the Indian retailers operate. It is expected to bring in more efficiency in the supply chain functions of retailers. However, fear of loss of business for kirana-walas is still a cause of concern and is posing hurdles in FDI implementation across country. Ironically, it has been more than a year since the government opened the door for FDI in multi-brand retail. But no international retailer has shown interest in coming to India yet. Hurdles such as requirement of clearance from individual states, mandate of 30% local outsourcing of materials from micro and small enterprises are keeping the investors away from India.

Retail is mainly a volume game, (especially value retailing). Going forward, with the competition intensifying and the costs scaling up, the players who are able to cater to the needs of the consumers and grow volumes by ensuring footfalls will have a competitive advantage. At the same time competition, high real estate cost, scarcity of skilled manpower and lack of infrastructure are some of the hurdles yet to be tackled fully by retailers.

Rural retailing is another area of prime focus for many retailers. Rural India accounts for 2/5th of the total consumption in India. Thus, the industry players do not want to be left out and are devising strategies especially for the rural consumer. However, players should be ready to face some imminent challenges in rural area. For instance, competition from local mom and pop stores as they sell on credit, logistics hurdles due to bad infrastructure in rural areas, higher inventory expenses and different buying preferences amongst rural population.

Service quality is determined by the differences between customers' expectations of service provider's performance and their evaluation of the services they received.

SERVQUAL is a multi-item scale developed to assess customer perceptions of service quality in service and retail businesses (Parasuraman et. al., 1988). There is an impact of the basic dimensions of the (SERVQUAL model) on the level of customer satisfaction at different levels.

As service industry is growing very quickly, they have to give careful attention regarding discussed service quality

dimensions in order to minimize the expectation-perception gap as well as to ensure better and quality service.

This model can be guideline for the top level managers to understand the different aspects of service quality dimensions so that they can be able to choose the right dimensions and instruments to offer competitive service for the sake of holding sustainable growth and profitability of the organizations.

In order to fulfill the objectives, a survey was conducted to collect information to relevant to the study. For the purpose of conducting the survey, a questionnaire was prepared and handed out to employees creating a sample size of 191 respondents.

On the basis of the information provided by the respondents the following presented tables, charts and graph were prepared and the analysis was arrived at.

#### Findings

Most of the respondents belong to female category. They prefer coming to Cuppa more than males. The customers of Cuppa mostly belong to the age group of 20-30yrs. The appearance of the employee is the most important factor among the tangible factors following by the visual appearance of the service materials. The problem solving tendency of the employees is the most important among their liability factors. The prompt services given by the employees to the customers show the good responsiveness at the café. The employees are never too busy to respond to customer's request. The employees at the café are consistently courteous to the customers and their requests. The customers feel safe & secure in their credit card or debit card transactions. The café empathize the customers by operating at convenient hours. The services at the café are better than the customers' expectation. All SERVQUAL dimensions contribute almost equally to the customer satisfaction level. Among the SERVQUAL dimensions the responsiveness dimension contributes maximum to the overall satisfaction of the customer with assurance dimension following it.

#### Conclusion

This research paper has provided results regarding the impact of the retail service quality on the customers' satisfaction of CUPPA. The customers are highly satisfied with the cafes' responsiveness to them. This acts as a major factor in the satisfaction of the customers.

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**"Methodology for Case Studies  
Discussion--3 Steps case Study  
Methodology Learning"  
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The case study method of teaching used in management education is quite different from most of the methods of teaching used at the school & UG course levels. Unlike traditional lecture- based teaching where student participation in the class room is minimal. The case method is an active learning method, which requires participation & involvement from the student in the class room.

For students/learners who have been exposed only to the traditional teaching methods, this calls for a major change in their approach to learning.

What is a Case Study?

There is no universally accepted definition for a case study, & the case method means different things to



different people. Consequently all case studies are not structured & variations abound in terms of style, structure & approach. Case material ranges from small case-lets (a few paragraphs to one-two pages) to short cases (four to six cases) & also there are some case which are quite longer i.e.- approx 10-18 pages to 25 or more.

A case is usually a "description of an actual situation, commonly involving a decision, a challenge, an opportunity, a problem or an issue faced by a person or persons in an organization". In learning with case studies, the learner must deal with the situation described in the case, in the role of manager or decision maker facing the situation.

An important point to be emphasized here is that a case is not a problem. A problem is usually a unique, probably having fix solution. On the other hand, a decision maker faced with the situation in a case can choose between several alternative courses of action. Each of these alternatives may plausibly be supported by logical arguments. To put it simply, there is no unique correct answer in the case study method.

The case study method usually involves three stages: individual preparation, small group discussion & large group/ class room discussion. While both the instructor & the student start with the same information, their roles are clearly different in each of these stages as shown in table-1.

Table -1- Instructor & Learners Role In Regular case classes

When	Instructor	Student/ Learner/Participant
Before Session	Assign case & often readings	Receives case & assignment
	Prepare for session	Prepare individually
	Consult with colleagues(if required)	Discuss case in small groups
During Session	Deals with readings	Raises questions with respect to understanding through reading
	Leads case discussion	Participate in discussion
After Session	Evaluates & record the statements/points of participants	Compare with personal analysis & others involved.
	Evaluate materials & Updates discussion notes	Review session discussion for major concepts learned

Source: Michiel R. Leenders, Louise A. Mauffette-Lauders & James Erskine, Writing case, 4th Edition

#### Preparing for a case Discussion:

Unlike lecture based teaching, the case method requires intensive preparation by the students, before each class. Is a case has been assigned for a discussion in the class,

the participants must prepare carefully & thoroughly for the case discussion.

The first step in this preparation is to read the case thoroughly & calmly only. To grasp the situation described in case study, the participants need to read it several times. The first reading of the case can be light one to get a broad idea of the story. The subsequent readings must be more focused. To help the student become familiar with the facts of the case, & the issues that are important in the situation being described in the case i.e.- who, what , where, why, how in the case.

However, familiarity with the facts described in the case is not enough. The participant must also acquire a thorough understanding of the case situation, through a detailed analysis of case. During the case analysis process he must attempt to identify the main protagonists in the case study (organizations, groups or individual described in the case) & the relationship among them.

The participant must also keep in mind that different kinds of information are presented in the case study. These are facts which are verifiable from several sources. There are inferences,, which represent an individual's judgment in a given situation. There is a speculation, which is information which cannot be verified. There are also assumptions, which cannot be verified & generated during case analysis or discussion. Clearly all these different types of information are not equally valuable for managerial decision making. Usually, the greater your reliance on facts (rather than speculations), the better logic & persuasiveness of your arguments results to better the quality of your decisions.

#### Classroom Session for Case Discussion:

A classroom case discussion is usually guided by instructor & the participants are expected to participate in the discussion & present their point of views. In some cases, the instructor may adopt a particular view & challenge the students to respond. During the discussion, while a participant has presented his point of view, the others may question or challenge him for vibrant discussion. Case instructors usually encourage innovative ways of looking at & analyzing problems & reaching at possible alternatives.

The interaction among the participants & instructor must take place in a constructive & positive manner. Such interactions help to improve the analytical, communication & interpersonal skills of participants.

Participants must be careful that the contributions they make to the discussion are relevant & based on a sound analysis of the information presented in the case. Participants can also refer to the notes they have prepared during the course of their preparation for the case discussion.

The instructor may ask questions to the class at random about the case study itself or about the views put forward by an individual student. If a participant has some new insights about the issues at hand & he is usually encouraged to share them with class.

Students must respond when the instructor asks some pertinent questions. The importance of preparing beforehand cannot be emphasized enough- a student will be able to participate meaningfully in the case discussion only if knowledgeable about the facts of the case, & has done a systematic case analysis. A case discussion may end with the instructor/ participant summarizing the key learning points of the session.

Participants' performance in case discussion is usually evaluated & is a significant factor in assessing overall performance in the course. The extent of participation is never sole criterion in the evaluation- the quality of participation is an equally (or more) important criterion.

#### Preparing a Written Case Analysis:

Quite often a written analysis of the case may be a part of the internal evaluation process. When a written analysis is properly structured.

An instructor may provide specific guidelines about how the analysis is to be structured. However, when submitting an analysis, the participant must ensure that it is neat & free from any factual, language & grammatical errors. In fact, this is a requirement for any report that a participant may submit- not just a case analysis.

#### Making a Case Presentation:

The instructor may ask a group of participants to present their analysis & recommendations to the class. Alternatively, an individual student can also be asked to make a presentation.

The key to a good presentation is good preparation. If the case has been studied & analyzed thoroughly, so that the content of the presentation should not raise any issues in a negative manner.

However, a presentation is more than the content written, some of the points that are needed to be kept in mind when making a case presentations are:

- As far as possible, divide the content uniformly so that each team member gets an opportunity to speak.
- Use visual aids such as OHP slides, power-point presentations, supporting advertisements/ clippings etc. as much as possible.
- Be brief & be specific to the points. Stick to the time limits set by instructor.
- Be well prepared for presentation & queries session.
- Evaluation

The evaluation of participants' performance in a case-driven course can be based on some or all of the following factors:

- Written case analysis (logical flow & structuring of the content, language & presentation, quality of analysis & recommendations etc.).
- Case presentation (communication skills, logical flow & structuring of the content, quality of analysis & recommendations etc.).
- Participation in classroom case discussions (quality & extent of participation).
- Case writing assignments or similar projects.
- Case based examinations
- Cases allow Participants/Students to learn by doing/ action/implementation of the present concepts in their memory. They allow them to step into the shoes of decision-makers having the empathy feeling of real organizations. & deal with the issues managers face, with no risk to themselves or the organizations involved.
- Case improve the students ability to ask the right questions, in a given problem situation. Their ability to identify & understand the underlying problems rather than the symptoms of the problems is also enhanced.
- Case studies provide the exposure to the learner a wide range of industries, organizations, functions & responsibility levels. This provides learners/ participants the flexibility & confidence to deal with a variety of tasks & responsibilities in their careers. It also helps learners/ participants to make more informed decisions about their career choices.

(Continued in Next Issue)

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