

Consumer Preference Towards Organised Retail Sector Of Tiruchirappalli – A Study

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Abstract

Retailing is one of the prime sectors in the global economy. Retail is currently a flourishing sector of the Indian economy. Innovative technologies and practices combined with the globalization of products and services have driven retailers to leverage every part of the business in strategic response. Consumers have become, to large extent, more sophisticated and demanding with their expectations of products, services and business. This research attempt to identify the key factors that define the customers expected the service quality in the organized retail sector. To analyse the significant difference among the genders, age groups and income group's t-test and One way ANOVA 'f' test and Karl Pearson Coefficient correlation test was used.

Keywords: Consumer Preference, Organised Retail Sector and Customer Satisfaction

Introduction

The retail sector in India is witnessing unparallel growth. Unmatched demographics, rising income levels, shifting life styles and changing aspiration of the burgeoning middle class has unleashed a retail revolution in the country. Fresh retail geographies are emerging, innovative formats are being introduced and retailers are tapping new customer segments with prolific product offerings. The range of activities carried out by a modern retailer encompasses sourcing a wide range of products at huge volumes and through intelligent use of systems and processes, getting them across to consumers at attractive prices. Today retailing is one of the largest institutions in India and is estimated to be the largest employment provider-both direct and indirect. Retailing consists of the sale of goods or merchandise, from a

fixed location such as a departmental store, in small or individual lots for direct consumption by the purchaser. Retailing is a well recognized business function which compromises making available desired product in the desired quantity at the desired time. This creates a time, place and form utility for the consumer. Carrie Heilman (2002) has examined the impact of in-store free samples on shortened long-term purchasing behavior. They suggest that the population of in-store samplers can be divided into three segments based on their motives for sampling: "Information Seekers", "Party Goers," and "Opportunists," and propose that short and long-term shopping behavior differs across these three segments post-sample. They had conduct an in-store experiment and find support for their theory and hypotheses. Douglas D. Davis and Edward L. Millner (2004) studies have concluded that series of purchase decisions for chocolate bars given (a) "rebates" from the listed price, (b) "matching" quantities of chocolates for each bar purchased, and (c) simple price reductions, participants purchase significantly more chocolate bars under a "matching" sales format than under a comparable "rebate" format. In attention to the net consequences of decisions, as well as some "rebate aversion", explain the preference for matching discounts. According to National Skill Development corporation in organized retail sector (2002), Decisions about where to locate a store are critical to any retailer's success. Location decisions are particularly important because of their high cost, long-term commitment and impact on customer patronage. Choosing a particular location type involves evaluating a series of trade-offs. These trade-offs generally include the occupancy cost of location, the pedestrian and vehicle customer traffic associated with the location, the restrictions placed on the store operations.

Statement of the problem

Organized retail refers to a form of retailing whereby customers can buy goods in a similar purchase environment across more than one physical location for verticals from food, grocery, apparel, consumer durables, jewellery, footwear, beauty care, home décor, and books to music. This research investigate the influencing factors of service quality in organized retail stores and its dominance pattern in purchasing decisions of different products. The study is conducted to know the factors of service quality that influence in the decision making on various products at Organized retail store. It is conducted to know how age, educational Qualification and Income influence the decision making.

Objectives of the study

- o To study the socio-economic profile of the customer in the study area.
- o To analyse customer preference against the organised retail sector.

Methods and materials

The present study has been conducted in Tiruchirappalli town, the capital of Tamil Nadu state. Data was collected from customers of different kinds of retailers like departmental stores, supermarkets and provisional stores. 50 customers are requested to fill up the questionnaire and data was analyzed as per the responses given by the respondents. Convenience sampling is used for this survey. A structured questionnaire was used to conduct the study. Likert five-point scale was employed for the study and respondents were asked to evaluate the parameters on overall service quality in a five point scale anchored at “strongly disagree” and strongly agree”. The main purpose of the study is to identify the factors representing the consumer preference towards the organized retail sector and how it differs from one another with respect to gender, age and income status of the consumers. Data analysis was carried out with the help of SPSS22 Version.

Data analysis and interpretation**Socio-economic profile and their overall consumer preference**

Particulars	No.of respondents (n=50)	Percentage (100%)
Age		
Below 20yrs	06	12
21 to 30yrs	21	42
31 to 40yrs	16	32
41yrs & above	07	14
Gender		
Male	29	58
Female	21	42
Martial status		
Married	37	74
Unmarried	13	26
Family monthly Income		
Below Rs.25000	19	38
Above Rs.25000	31	62
overall consumer preference		
Low	19	38
High	31	62

Source: Primary data

Percentage analysis indicates that more than one third (42 per cent) of customers age group between 21 to 30yrs, 32 per cent were 31 to 40yrs, 14 per cent were 41yrs & above and remaining 12 per cent were below 20yrs. More than half (58 per cent) of the respondents were male and remaining 42 per cent were female. Majority (74 per cent) of the respondents were married and remaining 26 per cent were unmarried. Majority (62 per cent) of customers family monthly income above Rs.25000 and remaining 38 per cent were below Rs.25000. Majority (62 per cent) of customers were preferred high level and remaining 38 per cent were low level.

Socio-economic factors influence on consumer preferences in retail outlets of Tiruchirappalli

Particulars	N	Level of satisfaction		t/f value
		Mean	S.D	
Age				
Below 20yrs	06	32.41	0.792	11.971 Significant
21 to 30yrs	21	29.26	0.893	
31 to 40yrs	16	27.18	1.137	
41yrs & above	07	28.94	0.981	
Gender				
Male	29	22.37	1.043	9.734 Significant
Female	21	28.46	0.894	
Martial status				
Married	37	29.01	0.694	9.428 Significant
Unmarried	13	27.98	0.973	
Family monthly Income				
Below Rs.25000	19	22.96	1.278	10.271 Significant
Above Rs.25000	31	28.61	0.946	

From the table found that below 20yrs (n=6) of age group customers mean and S.D value are 32.41 ± 0.792 , 21 to 30yrs (n=21) 29.26 ± 0.893 , 31 to 40yrs (n=16) 27.18 ± 1.137 , 41yrs above (n=07) 28.94 ± 0.981 . The 'f' value found 11.971. Male (n=29) of mean and S.D value are 22.37 ± 1.043 and remaining female (n=21) 28.46 ± 0.894 . The 't' value is 9.734. Married (n=37) mean and S.D value are 29.01 ± 0.694 and remaining unmarried (n=13) 27.98 ± 0.973 . The t value is 9.428. Below Rs.25000 (n=19) mean and S.D value are 22.96 ± 1.278 and remaining above Rs.25000 (n=31) 28.61 ± 0.946 . The t value is 10.271. Therefore, socio-economic factors influence on consumer preferences in retail outlets of Tiruchirappalli. So the research hypothesis is accepted.

Karl Pearson Coefficient correlation relationship between level of satisfaction and service quality provided by the retail outlets of Tiruchirappalli

Level of satisfaction	Correlation value	Statistical inference
Service quality	.219	0.001**

Karl Pearson Coefficient correlation test inferred that therefore, there is significant relationship between service qualities with regards to satisfaction. The research hypothesis is accepted.

Conclusion and Suggestions

This study analyzed the consumer preferences and the services actually provided to them by the retail stores of Tiruchirappalli. Modern equipment, ambience, physical facilities, the store layout and materials associated with the store service are liked by the customers. When the store promises to do something by a certain time, it does the same. The employees are quite efficient in handling the customer complaints. The most striking factor of these stores is quality products and availability of all categories of products at one place. The employees of these stores are providing prompt service to the customers. The salesperson should do a thorough job in discovering the customer's preferences and wants; they should know exactly what they must do in order to give the customer the purchasing experience the customer wants. Customer sales experience can leave a kind of good or bad taste. This after taste contributes to customer retention or attrition. The Retail business units should try to identify the expectation of genders, all age groups as well as all income groups. Through the sales person the retailers can be factual about the key areas which can lead to customer expectations contradiction. The organized retailers should provide necessary arrangements for home delivery of goods. Organized retailers have been adding value to their products through prices, services and offers to attract and retain customers. Organized retailers should organize efficient and effective loyalty programs. This could help in providing recognition to the customers.

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