

A Study On Customer Perception Towards Organised Retailing In Coimbatore City

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Abstract- The study mainly focuses on perception of customers towards organized retail sector and the promotional efforts taken by them. Organised retail sector is an upcoming trend and it started booming in India. It is expected that by 2016 modern retail industry in India will be worth US\$ 175-200 billion. Due to strong income growth, Changing life style, fun and entertainment and favourable demographic patterns create a need for organized retail sector. Coimbatore is the second largest city in Tamilnadu after Chennai, but it is yet to get attention from large number of retailers the way other cities in India have been receiving. With the new opening of Fun Republic and Brookfield Plaza people in Coimbatore will experience organized retail boom and find quality space for shopping and entertainment. But with the city of a population 20 lakhs this two malls are not enough there is a need for 4-5 malls and so that it do enormous business in the city. So study towards customer perception is essential.

Index Terms- Coimbatore gearing up for retail revolution, Customer perception, Customer expectation, organised retail sector, Promotional efforts.

I. INTRODUCTION

The term “retailing” refers to any activity that involves a sale to an individual customer. Retail industry is of late often being hailed as one of the sunrise sectors in the economy. Retailing in India is the second largest untapped market after China. Professional management and strong customer focus characterize organized retailing. India has one of the largest number of the retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. Though the market has been dominated by unorganized players, the entry of domestic & international organized players is set to change the scenario.

ORGANISED RETAIL IN INDIA

Indian Retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, Changing life style and favourable demographic patterns. It is expected that by 2016 modern retail industry in India will be worth US\$ 175-200 billion

COIMBATORE: GEARING UP FOR RETAIL REVOLUTION

Organized retail in Coimbatore so far is a high street story. Although Coimbatore is the second largest city in Tamilnadu after Chennai, but it is yet to get attention from large number of

retailers the way other cities in India have been receiving. With the new opening of Fun Republic and Brookfield Plaza people in Coimbatore will experience organized retail boom and find quality space for shopping and entertainment. But with the city of a population 20 lakhs this two malls are not enough there is a need for 4-5 malls and so that it do enormous business in the city.

JUSTIFICATION FOR THE STUDY

Industry experts believe that the city will soon experience an entire gamut of retail development as people in Coimbatore are capable of enough disposable income due to their entrepreneurial nature of late are equally becoming brand conscious and life style aspirant as well. Expert says there is need for 4-5 malls for the Coimbatore population. So now there is a need to study the perception of customers about the organized retail sector and the promotional efforts taken by them.

OBJECTIVES OF THE STUDY

- To understand the factors influencing the people to buy at the Organised retailing.
- To know the customer expectations about the Organised retailing.
- To understand the promotional efforts taken by organized retailers.
- To give suggestions to improve the services provided by the Organised retailers.

SCOPE OF THE STUDY

The study aims to find out how customers perceive the organized retail stores and the promotional efforts taken by the organized retailers. One mistake can have far-reaching effects on future as well as current customers. So it is very essential to find out the customer satisfaction and their expectation from organized retail sector. If any dissatisfaction exists so that remedial measures can be undertaken to improve their store.

RESEARCH DESIGN

The Research is Descriptive in nature because the study aims to find out the customer perception of the organized retail store.

SELECTION OF SAMPLE

Sample of 200 respondents adequately representing customers who purchase in organized retail stores in Coimbatore city were selected for the study. The samples are taken from the following stores.

NAME	PLACE	NO OF SAMPLES
Big Bazaar	Oppanakara street	40
Shri Kannan Departmental store	Rajaji Road, Gandhipuram	40
Nilgiris	Avinashi Road	40
Spencer's Retail	R.S puram	40
More	Gandhipuram	40

SAMPLE DESIGN

Sample is nothing but the selected representative of total population. The selection of process is called as sampling technique. Here the researcher used convenient sampling method to collect data.

PERCENTAGE ANALYSIS

Simple percentage analysis used to find percentage value for the entire different questions and in making comparison between two or more series.

RESPONDENTS OPINION REGARDING ORGANISED RETAILING

OPINION	NUMBER OF RESPONDENTS	PERCENTAGE
Change (from usual format)	35	17.5%
Covenience	79	39.5%
Competitive Cost	66	33%
Customer Service	20	10%
Total	200	100%

Covenience and competitive cost mainly take them to organised retailing shop

RESPONDENTS OPINION REGARDING THE FACTORS (RELATED TO PRODUCTS) WHICH INFLUENCE TO BUY IN THE ORGANISED RETAIL

FACTORS	H	%	M	%	L	%	N	%	TOTAL	%
Price	81	40.5%	85	42.5%	24	12%	10	5%	200	100%
Quality of the products	116	58%	84	42%	-	-	-	-	200	100%
Assortment of products	102	51%	98	49%	-	-	-	-	200	100%
Product display	123	61.5%	62	31%	15	7.5%	-	-	200	100%
One stop shopping	146	73%	54	27%	-	-	-	-	200	100%
others	-	-	-	-	-	-	-	-	-	-

Mainly one stop shopping, product display, quality and assortment of products highly influence to buy in organised retail store.

RESPONDENTS OPINION REGARDING THE IMPORTANT SERVICE FACTORS

FACTORS	H	%	M	%	L	%	N	%	TOTAL	%
Sales personal behavior	148	74%	52	26%	-	-	-	-	200	100%
Complaint handling	158	79%	42	21%	-	-	-	-	200	100%
Billing system & card acceptance	148	74%	52	26%	-	-	-	-	200	100%
Sales Personnel response to queries	151	78.5%	43	21.5%	-	-	-	-	200	100%
Home delivery facilities	102	51%	98	49%	-	-	-	-	200	100%
After sales service	123	61.5%	77	38.5%	-	-	-	-	200	100%
Others	-	-	-	-	-	-	-	-	200	100%

- *Complaint handling, Sales Personnel response to queries, billing system & card acceptance are the most highly influenced service factors.*

RESPONDENTS OPINION ABOUT PHYSICAL FACTORS

FACTORS	H	%	M	%	L	%	N	%	TOTAL	%
Cleanliness	168	84%	32	16%	-	-	-	-	200	100%
Ventilation	168	84%	32	16%	-	-	-	-	200	100%
Shopping ease	145	72.5%	55	27.5%	-	-	-	-	200	100%
Location	126	63%	74	37%	-	-	-	-	200	100%
Parking	145	72.5%	47	23.5%	4	2%	4	2%	200	100%
Aircondition	145	72.5%	55	27.5%	-	-	-	-	200	100%

- *Cleanliness, Ventilation, Parking and Aircondition are the most important physical factors.*

RESPONDENTS OPINION ABOUT THE PROMOTIONAL CAMPAIGN THAT IS SUITABLE FOR ORGANISED RETAILING

PROMOTIONAL CAMPAIGN	NUMBER OF RESPONDENTS	PERCENTAGE
Tv ads	110	55%
Posters	-	-
Roadshows	-	-
Newspapers	25	12.5%
Internet	21	10.5%
Movies/tvs	-	-
Theatre ads	8	4%
Magazines	15	7.5%
Mobile	21	11.5%
Bill boards	-	-

Total	200	100%
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- *Tv ads are preferred by most of the respondents to advertise about the Organised retail sector.*

RESPONDENTS OPINION ABOUT THE PROMOTIONAL TOOL THAT APPEALS TO TAKE PURCHASE DECISION

OPINION	NUMBER OF RESPONDENTS	PERCENTAGE
Sales promotion	50	25%
Publicity	15	7.5%
Advertisements	73	36.5%
Word of mouth	62	31%
Total	200	100%

- *Advertisement and word of mouth are the important tool that helps to take purchase decision.*

Chi Square

The $\chi^2 = \sum \frac{(o_i - e_i)^2}{e_i}$ $\chi^2(n-1)d.f$

Test the promotional tool that appeal the respondents to take purchase decision

Introduction

Several promotional activities are there

- The important activities are sales promotion, publicity, advertisement, word of mouth
- To find out which promotional activity taken organized retailing to the customers they were asked to give their opinion on the promotional activities.
- The information obtained from them was analysed by applying χ^2

Null Hypothesis

All the promotional activities considered for the research are equally preferred by the respondents takes the organized retailing to the customers.

Level of Significance

$\alpha = 0.05$ be the level of significance

Test statistics

	OBSERVED N	EXPECTED N
Sales promotion	50	50
Publicity	15	50
Advertisement	73	50
Word of mouth	62	50
Total	200	

$\chi^2_0 = 39.760$
 $\chi^2_e = 7.815$ for 3 d.f at 5% level

Chi- square ^{a,b}	37.960
df	3

Inference

$\chi^2_0 > \chi^2_e$. The null hypothesis is rejected. From the table it is understood that advertisement & word of mouth takes Organised retailing to the customers.

II. FINDINGS

- 39.5% of the respondents feel that organised retailing is convenient.
- 73% of the respondents are highly influenced to purchase in organised retail shop due to one stop shopping. 49% of the respondents are moderately influenced to purchase due to assortment of the products. 12% of the respondents are less influenced due to price factor.
- 79% of the respondents are highly influenced to purchase in organised retail shop by the way of handling complaints. 49% of the respondents are moderately influenced to purchase by the home delivery facilities.
- 84% of the respondents are highly influenced to purchase in organised retail shop due to cleanliness and ventilation.
- 37% of the respondents are moderately influenced to purchase due to location.
- 55% of the respondents think TV ads are more suitable for promotional campaign for the organised retail shop.

III. SUGGESTIONS

- Most of the customers said that TV advertisements are influencing them more towards organised retailing than any other media. Therefore we suggest organised retailers to focus more in TV channels for their promotional activities.
- Locations, Cleanliness, concept of one stop buying are influencing more towards organised retailing shops may focus on these points.

IV. REVIEW OF LITERATURE

- Prof.Anu Singh lather and Tripat Kaur (2006), in his study, "Its' All at the Mall: Exploring present shopping experience", identified nine key indicators that influence the customers to purchase in the mall. The indicators such as product offering physical characteristics of store, store personnel, location,

convenience, general characteristics of the store prices charged by the store, customer services, advertising by the store and popularity of the store.

- Vijay Durga Prasad (2007) observed in his study, "The Spread of Organised retailing in India – with special reference to Vijayawada City", identified that vast group of respondents (78%) opinioned that they would prefer to buy household and items in one stop-shop.
- Zeithmal (1998), Perceived quality is defined as the consumer's judgement about the extent of superiority or excellence of the product.

V. CONCLUSION

The study of customer perception towards organised retail sector and their view about promotional efforts taken by the organised retail sector is an important segment to be known by all organised retailers to attract all the emerging market and to improve the existing market. Promotional efforts should be improved to cover at the special occasions and mainly they prefer TV advertisements and mainly their gender, occupation, marital status and income level influence to choose the retail shop. Organised retailers have to take the steps to cover all category people.

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