

CONSUMER PERCEPTION TOWARDS RETAIL INDUSTRY: A STUDY

A. Hariharanath Reddy*, S. Raghunatha Reddy**

Abstract *The retail industry is the largest industry and it is witnessing revolution in India. The retail concept is emerging drastically with new formats like general stores, supermarkets, malls, hyper markets and specialty stores. The industry is at inflexion point, where the growth of organized retailing and rise in consumption levels by the Indian population is turning towards a higher growth trajectory. India's retail market is expected to grow tremendously in next few years. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing lifestyles, and favourable demographic patterns. It is expected that by 2016 retail industry in India will be worth US \$175 - 200 billion. Now the Indian consumer is enjoying world class shopping experience. Shopping in India has witnessed a revolution with the change in the consumer buying behavior and the whole format of shopping also altering. The consumer needs differ widely across the country. Distinct strategies should be adopted for different regions and different products. There is a need to analyze the perceptions of the shoppers towards the organized retail stores for making better strategic decisions. Hence, the study is undertaken with the main objective of analyzing the perception of the shoppers towards the organized retail stores. The essence of the study revolves around the organization variables that have an influence on the minds of consumers, and how they feel about the organized retail activities that are taking place. For this purpose, 300 shoppers have been selected from Hyderabad city and administered questionnaires. In addition to this, as many as informal discussions have also been held with the executives of the retail general stores. The secondary data and information have been collected from various research papers published in several magazines, journals and data made available to the public by general store operators through their websites.*

Keywords: *Customer Perception, Organizational Variables, General Stores, Retail Industry and Demographic Patterns.*

INTRODUCTION

Retailing is one of the biggest industries in India and is also a major source of employment in India. Retailing is the set of business activities, which adds value to products and services sold to the consumer. From a marketer's perspective, retailing is the set of marketing activities designed to provide satisfaction to the end consumer and profitably maintain the customer base by continuous quality improvements across all areas concerned with selling goods and services. It is the final step in the distribution of the merchandise. A retailer plays a key role in connecting the producers to the ultimate consumers. Retailing covers a wide range of products such as food & beverages, apparels, consumer goods, consumer durables and leisure. The retailer provides value to the consumer in terms of availability of the desired product in the desired time.

Retailing business is mostly localised. Consumer behaviour in a particular area, for example Delhi, may not be the same as those of consumers in another city such as Chennai. Thus, the consumer's needs differ widely across the country. Therefore, distinct strategies should be adopted for different regions. What one must keep in mind is that if one is opening

a store such as a grocery store then one has a catchment area. It is a much localised business that has to be built bottom up. It is not a business that can be pushed from top to down.

STATEMENT OF THE PROBLEM

Organised retailing is in a state of flux. It is vindicated from the entry of leading domestic business houses and global retail giants into this growing segment. The buoyancy in consumers' spending power and increasing disposable income makes this segment very lucrative. The conglomerates are investing billions in setting up back-end and front-end operations. The conglomerates are adopting different retail formats suiting to their operations and ensure their access to the customers. The retail organisations are facing many difficulties in finding out the consumer preferences and perceptions towards the organisational variables of the retail outlets.

REVIEW OF LITERATURE

The review of literature has been conducted in-order to study the existing work, identify research gaps and unexplored areas.

* Assistant Professor, Department of Management Studies, KLM College of Engineering, Kadapa, Andhra Pradesh, India.
Email: drsrreddy820@rediffmail.com

** Professor and Head, Department of Commerce, Yogi Vemana University, Kadapa, Andhra Pradesh, India.
Email: raghunathsamanu@gmail.com

Consumers' perception of the breadth of different products and services offered by a retailer under one roof significantly influences store image. The benefits of a wide assortment are clear, first, the greater the breadth of product assortment, the greater the range of different situations in which the retailer is recalled and considered by the consumer, and therefore the stronger its salience (Keller, 2003). Salience is the most essential building block for a brand. Second, the one-stop shopping convenience that a broad product assortment offers is becoming more important than ever for today's time-constrained consumer (Messinger & Narasimhan, 1997) putting pressure on retailers to broaden their assortment. Third, consumers regularly shop at more than one store, and, as noted earlier, they may purchase a category in the store that they are visiting based on in-store assortment and marketing mix activities whereas they would otherwise have purchased it in another store.

Though many studies are conducted on the related aspects, significant perceptual differences in terms of the country or the region or different formats that are applicable to the current study have not been duly emphasized in previous research.

Prof.S. L. Gupta and Tripat Kaur have written an article entitled "Exploring the trends of retail formats in India – A study of shopping malls" published in Indian Journal of Marketing, July, 2007. They have studied the malls and established the relationship between the shoppers' behaviour and various attributes/indicators of apparel stores in the malls, which influence them. The relationships between the retailers (dealing in multi-brand retail outlets and exclusive outlets) and indicators, which retailers feel important in selecting target customers have been analysed. The hypothesis tested for differences in different formats revealed that significant difference is found in all the indicators dealing in multi-brand outlets of apparel of exclusive brands of apparel.

Dr. Al-Rasheed's study covered the consumer behaviour in retailing from different social and ethnic backgrounds, to identify some extremely interesting patterns of shopping behaviours and shopping habits. As per the study, a retailer's success is said to be tied to his focus on customers. Therefore, it is necessary to understand which factors influence the customers to purchase in a specific store. They have to give these customers a legitimate reason to shop in one particular store over another, and one of the ways to do this is to look at the customer's needs and wants. Retailers need to examine such basics as what they offer to these customers with the progress of time, service, selection, quality, value and confidence.

The diversity in the pattern of shopping behaviour of consumers and the channel power shift has encouraged researchers to focus more attention on patronage behaviour in an endeavour to understand the consumer better.

NEED FOR THE STUDY

Hyderabad has been a major shopping center of India for centuries right from the Mogul Kings to the British rule. The city offers everything from antiques to handicrafts to jewellery and from dresses to leather goods to pearls and semi-precious stones. The mushrooming of retail shops and shopping malls along with the charm of the old city's markets made the city a shopping paradise. There is a good number of retail stores in Hyderabad city. In spite of the existence of many retailers and unique formats, ever evolving customer aspirations and shifting preferences indeed offer exciting opportunities for the retailers to examine the reasons for ever changing tastes of consumers. Hence, the study is undertaken to identify certain factors influencing the consumer behaviour.

Consumer behaviour is a complex, dynamic process. Understanding why consumers behave in a particular manner is one of the biggest challenges in marketing. A marketer today is keen to know the different influences that drive the consumer in his decision making, thus, combining the gut feeling of the marketer with information that will enable him to formulate better marketing strategy. Hence, the study is conducted with the following objectives

OBJECTIVES OF THE STUDY

1. To examine the perception of customers towards organisational variable like billing arrangements
2. To identify the customers opinion on the role of sales associates towards customers
3. To probe into the sections layout and its influence on customer behavior

METHODOLOGY

A questionnaire has been designed keeping in view the above said objectives. The researchers have chosen to study the general category of retailers in Hyderabad city, out of which three retail general stores viz., Food world, More and Reliance Mart have been selected for the study. For this purpose, 300 shoppers have been surveyed, to collect their opinions, their perceptions about the activities and expectations from these leading organised retailers in Hyderabad city. Informal discussions have also been held with the executives of the malls. The secondary data and information have been collected from various research papers/articles published in various magazines, journals and data made available to the public by various retail store operators through their websites. The quota sampling method was adopted in the study.

ANALYSIS AND INTERPRETATION OF DATA

In order to study the changing consumer behaviour towards retail outlets, data have been tabulated and interpreted. The meaningful inferences and understandings have been arrived at.

Billing Arrangements

In fact, billing is not a serious issue from a unorganised shopper's point of view, as all tasks are done by one person. But from the organised retailer's point of view, this could be very decisive, as some of the stores have lost considerable business, and many stores face pilferages due to ineffective billing operations. In fact, buyers do spend considerable time in selection and picking the products of their choice, but they tend to lose patience when they come to billing counters and wait for long impatiently.

Although excellent product is made available to customers and the prices are attractive, however, stores cannot make an impression in the minds of buyers for some matters which are of less significance in making the sales to happen, of which one such parameter worth considering is lack of timely billing support to conclude the sale. The whole promotional activities and selling efforts go in vain, if the last rung in the store is not properly organised or taken care of.

The billing related bottlenecks may be of many folds in nature. For this purpose of the study, five broad parameters have been identified.

- (a) Improper guidance on prices, may be on account of missing of price tag, insertion of wrong tags to a product, or bar code mentioned about the product or price is not clear to the billing counter person
- (b) The most common aspect observed with many Indian retailers is lengthy queues at the exit billing counters, making the buyers frustrated, and leave the items at the exit points and ultimately leave without purchasing the items. This may be due to less number of billing counters, or insufficient billing counters, and also the shortage of operating personnel, makes some counters redundant.
- (c) It is not uncommon to observe that some buyers want to buy only two or three items, on seeing the lengthy queues at the billing counters with huge trolleys prefer to buy them next time or from a road side store.
- (d) In stores, where loose items like groceries/provisions, vegetables and fruits are offered, and they are not pre packed may be due to the reasons these goods are in irregular order lots, uneven sizes calls for instant

weighing and the weigh slip along with product code is to be inserted into the package. This process require considerable amount of time in weighing them at the counter, and checking the product codes, and price related clarifications are sought. Especially, vegetables and fruits cannot be pre-packed in precisely predetermined weights due to odd size and irregular weights in case of each unit offered.

- (e) During festive occasions, off season discount sale periods, it can be observed that sudden increase in the flow of onlookers, visitors and purchasers occur, making the mall organisers job tough.

Reasons could be many, but the ultimate result is loss of business, or loss of customers, which has significant impact on the mall operations. Considering the gravity of the problem, the researcher has made an attempt to study the views of the respondents. Table 1 explains that non-provision of special counters to smoothly disperse the buyers and clear the rush during peak hours, felt by as many as 34 percent of the respondents. The second important variable is non-weighing of items offered on loose basis, which needs to be weighed at the time of selection so that the buyers need not wait for long time in queues felt by 20 percent of the total respondents.

Table 1: Billing Arrangements

Billing arrangement	Total No. of Respondents	% of Respondents
Improper guidance on prices	38	13
Long queues	42	14
Special counters for less than 5 items	58	19
Loose items weighted and weight slips are kept inside pack	60	20
Special counters in peak hours	102	34
Total	300	100

Source: Field Survey

The third factor in billing related issues is providing counters to clear the buyers with limited number of items on hand, which do not require considerable efforts in clearing them say less than 5 items bought or billed constitute 19 percent of the respondents. The fourth and fifth factor in billing related matters are measures required to clear the lengthy queues represent 14 percent, and the non-provision of right price and other product related or servicing related information at the product display, and guidance on the prices and products is vital to make the sales to happen and keep the buyers happy represent as much as 13 percent of the total respondents.

Sales Assistants and Their Role

The significant role of the sales assistants can be better understood by store operators and the functional role of sales assistants is as follows:

- (a) Providing proper guidance on the products to the prospective customers or potential buyers.
- (b) Customers when they visit a shop expect a minimum courtesy of greeting and leading them to the goods of interest to them
- (c) Shoppers pose several queries about the product especially this is more in the case of technical products and of high value items.

This has a significant impact on the buyer's mind and might influence the buyers to come or not come to the same shop next time.

Considering the above issues, it is sometimes necessary to understand the behavioural patterns of a sales assistants and the number of sales assistants provided by the outlets. An enquiry has been made into these aspects and the views of the respondents are mentioned here under. Table 2 reveals that 26 percent of the respondents have stated that most of the operators have not employed sufficient number of sales assistants in important sections to provide guidance on products. The next important factor, expressed by 18 percent of the respondents that the sales assistants are ought to be well mannered.

Table2: Role of Sales Assistants

Sales Assistants	Total No. of Respondents	% of Respondents
Overall inadequate	21	7
Always involved in replenishment	33	11
inadequate in important sections	78	26
Well mannered	54	18
Provide good guidance	30	10
New products/brands guidance	42	14
Knows more than one language	21	7
Always around bins	9	3
Inattentive and pretends busy	12	4
Total	300	100

Source: Field Survey

14 percent of the respondents sated that majority of the buyers normally seek more information about the newly launched products or services. The sales assistants are required to

fill in the exhausted items in the bins, but this activity is required not at the cost of not being inattentive to customer's queries constituted 11 percent of views of the respondents. As many as 10 percent of the respondents stated that sales associate has to provide guidance about the products which is considered as fifth most important variable. The other factors associated with sales assistants are knowing more than one language and making sufficient number of sales assistants available in each section constitute 7 percent each. The last two expectations from a sales associate is that, they are required to be around the bins is the opinion of 3 percent of the respondents and the sales associates need to be more attentive and should take genuine interest in assisting the visitors is the view felt by 4 percent of respondents.

Organisation of Sections

Sometimes, perceptions of buyers may vary based on arrangements of goods and sections within a store. The outlets which arrange the sections in a catchy and trendy way might attract and fascinate shoppers to visit the outlets. In order to understand the views on these lines, the researchers have elicited views of the respondents on the above parameters. It is clear from Table 3, as manyas 26 percent of the respondents felt that maps at entrance of the malls are required for better guidance to visitors, 34 percent of the respondents stated that direction sign boards should be fixed at each and every section to make the flow and movement of visitors easy. Regarding this aspect, 23 percent of the respondents felt that arrangement of the sections are made in such a way that section wise and product wise movement made easy, and 17 percent of the respondents stated that product assortments are well arranged.

Table3: Arrangement of Goods and Section Layout

Section layout	Total No. of Respondents	% of Respondents
Maps at entrance	78	26
Direction sign boards	102	34
Section wise and product wise movement made easy	69	23
Product assortments well arranged	51	17
Total	300	100

Source: Field Survey

Cleanliness in Stores

Providing clean environs has become one of the primary concerns to a store. One of the factors to judge the ambiance

of the malls is its cleanliness. Many customers wish to go to a store, which is cleanly maintained. This is more critical to all categories of stores. It is clear from Table 4 that views of the respondents about the cleanliness.

Table 4: Cleanliness

Cleanliness	Total No. of Respondents	% of Respondents
Always maintained cleanly	111	37
Adequately maintained	93	31
Need more attention	96	32
Total	300	100

Source : Field Survey

Majority of the respondents, constituting 37 percent, stated that these are usually maintained cleanly, and 31 percent of the respondents are of the opinion that they are adequately maintained, and 32 percent of the respondents stated that it needs to pay more attention in maintaining the clean.

SUGGESTIONS

Based on the above analysis and findings, the following suggestions have been developed:

- Shoppers who are hard pressed for time go to other stores in case of billing bottle necks. Hence, it is suggested to have adequate number of billing counters to cope with the rush hour and peak demand. It is also suggested to have at least one billing counter for less than five items purchased.
- The survival and growth of a store ultimately depends on the behavior of sales assistants. There must be adequate number of sales assistants to convert the curiosity of shoppers into sales. The sales assistants may be trained in handling new product information, speaking more than one language and behaving in a well-mannered way.

- Adequate care needs to be taken by the organisers in making buyers aware of the types of products available in stores by providing brands and goods of established names. This is possible by providing maps at the entrance and also providing the direction or sign boards at vantage points.
- Smooth movement of shoppers requires appropriate route maps for quick and smooth flow of the shoppers.
- It is also suggested to have proper organisation of sections such as organising product-wise assortments to facilitate the customers for easy understanding of products.

REFERENCES

- AT Kearney Report. (The 2004).pp.10-14
- Balasubramanian, V., & Padmapriyua, J. (2004). Jewellery retail polishes up for festivities. *Economics Times*.
- Banerjee, R. (2004). Shop therapy. *The Economic Times, Brand Equity*.
- Biyani, K., Singhal, A., & Mehra, V. (2004). Yielding to FDI. *Retail Biz*, 43 – 45.
- Business India. (July 19, 2004). pp.58-93
- Gilbert, D. (2003). *Retail marketing management*, Pearson Education, Indian Reprint.
- Gupta, S. L., & Kaur, T. (2007). Exploring the trends of retail formats in India- A study of shopping malls. *Indian Journal of Marketing*, 37(7), 30-36
- Levy, M., & Weitz, B. A. (2003). *Retailing Management*, 5th Edn. Tata Mc. Graw Hill Publishing Company Ltd., New Delhi.
- Trent to Foray into Grocery Retailing.(2001).The Hindu Business Line.
- Vedamani, G. G. (2003). *Retail management*, Jaico Publishing House.
- Westside's 'Festival of Delights' for Diwali. (2001). Retrieved from www.tata.com,