

A STUDY ON CONSUMER PERCEPTION TOWARDS SUPERMARKETS IN TIRUNELVELI, SOUTH INDIA

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Abstract Retail is an emerging sector in India. Marketers work hard to influence the customers by offering them in various ways, at various locations, in various forms resulting in emergence of various retail formats throughout the country. 15 years ago, Super Markets were considered a luxury, but now it is very common in almost every city. Supermarkets have turned out to be a huge hit among middle class families. It is no different in Tirunelveli, a well-known city in Southern Tamilnadu. This paper aims to understand supermarket consumers in Tirunelveli. The paper focuses on the shopping habits of supermarket consumers especially with regard to buying in supermarkets. It attempts to achieve a better understanding of the perception of the consumers towards supermarkets on the basis of various service quality dimensions.

Keywords Retail, Customers, Perception, Marketing Strategies, Supermarket.

INTRODUCTION

Food dominates the shopping basket in India. Food and grocery occupies the second place in the retail trade. It constitutes 53 percent of the total private consumption expenditure (US\$154 billion) and 70 percent of the total retail sales (India Retail Report, 2005). The current estimated value of the Indian retail sector is about 500 billion USD and is expected to reach 1.3 trillion USD by 2020 (The Indian Kaleidoscope Emerging trends in retail, 2012). The Indian retail industry is the second largest employer after the farming sector. About 40 million people are employed in Indian retail sector of which about half a million are employed in the organized sector (Kumar et al., 2008). 15 years ago, Super Markets were considered a luxury, but now it is very common in almost every city. Supermarkets have turned out to be a huge hit among middle class families. Such shops are one-stop-shop for working women as well, since they don't have to visit different shops to buy household items. The other reason for a change in the attitude of consumers towards such markets is their exposure to lifestyle outside India.

"We opened our store just two months ago and currently we have a footfall anywhere between 200 to 300 per day on week days and between 800 to 900 on weekends. We hope to start another one towards the heart of the city soon" says the Manager of Aryaas Supermarket in Tirunelveli. The MD says "We have been in the wholesale business for close to 30 years. Though the city has a good share of supermarkets, we don't feel any pressure as such. We too have offers for all our products." However, opening up of these stores have not gone down well with small-scale provision store owners.

But the traditional grocery store chains are facing challenges not only from large discounters and warehouse stores such

as Wal-mart and Costco, but also from natural grocers and super markets. Dison. T, who runs a small provision store at Tirunelveli, says "I have been running this shop for close to 15 years. Even 10 years ago, customers had limited needs. Now they come and ask for products I have not even heard of."

The rapid changing trends in consumer habits with regard to food and eating have contributed greatly to the growth of Western format typologies such as convenience stores, departmental stores, super markets, specialty stores and hypermarkets. Massive demand for consumer goods and the emergence modern retail formats are the result of various obvious reasons namely demand and supply, socio-cultural, demographic, psychographic, economic and technology advancements like a large segment of young population, a rapidly expanding middle class, rising income levels, growing literacy, increasing number of working women and nuclear family structures.

Thus, understanding the consumer behavior becomes essential for designing modern food and grocery retail formats based on the purchase patterns. Further it is important for modern formats and traditional formats to know the determinants of customer satisfaction. A set of characteristics or attributes that consumers consider important will determine their patronage towards a particular store. Consumers use these attributes to determine which stores can cater to their needs.

This paper aims to contribute to the state – of – the – field of research on supermarket consumers and customers in general. It attempts to achieve a better understanding of the perception of the consumers towards supermarkets with special reference to Tirunelveli.

Tirunelveli is a well-known city in Southern Tamilnadu. It has another town known as Palayamkottai. The Palayamkottai, known as the "Oxford of South India (for best education)",

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is a town in the Tirunelveli district in Tamil Nadu. It is part of Tirunelveli City Corporation. It has always been a rather laid-back little city. Among the elite population, it is sometimes called as a *Pensioner's Paradise*. However, in recent years, businesses are rapidly developing. Retailing is also among the growing business sector. Supermarkets have revolutionized shopping in Palayamkottai.

There are four major supermarkets in Palayamkottai. Even though each one has a definite customer base, competition is also high among them. Another major national retailer (Big Bazaar) is opening its supermarket very shortly. At this juncture, a study on consumer perception will help the supermarkets to understand how customers perceive their services. Understanding perception is important for effective marketing. It helps to modify existing strategies and formulate new strategies in order to improve the service quality and increase the satisfaction level of consumers.

SCOPE OF THE STUDY

The research is carried out to understand the shopping habits of supermarket consumers especially with regard to buying in supermarkets and their perception towards the various service quality dimensions of supermarkets. It also includes the expectations of consumers regarding additional facilities to be provided, preferred sales promotion and overall satisfaction level. This study will help the supermarkets to formulate strategies to improve their service quality and increase customer satisfaction level. Ultimately, it will enable them to retain their customer base.

THEORETICAL BACKGROUND AND PREVIOUS RESEARCH PERCEPTION

Perception is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world. It can be described as "how we see the world around us". It is a highly individual process based on each person's own needs, values and expectations. Therefore, two individuals may be exposed to the same stimuli under the same apparent conditions, but each person recognizes, selects, organizes, and interprets these stimuli differently. We use all five of our senses to gather information. But our perceptual field (the world around us) includes so many stimuli that it is impossible for our brains to process and make sense of it all. So, various factors influence what information actually continues on through the perception process.

Salience is the degree to which something attracts our attention in a particular context. Abstract, like a concept, or concrete, like an object can attracting our attention. For example, a person's identity as a Native American may

become salient when they are protesting at the Columbus Day parade in Denver, Colorado. During camping at night, A bright flashlight shining in your face is sure to be salient. The degree of salience depends on three features. (Fiske and Taylor, 1991). Visually or aurally stimulating and things that meet our needs or interests tend to be more salient in our eyes. Lastly, expectations affect what we find salient.

ORGANIZING INFORMATION

Organizing is the second part of the perception process, in which we sort and categorize information that we perceive based on innate and learned cognitive patterns. Three ways we sort things into patterns are by using proximity, similarity, and difference. In terms of proximity, we tend to think that things that are close together go together.

PUNCTUATION

Punctuation refers to the structuring of information into a timeline to determine the cause (stimulus) and effect (response) of our communication interactions. Allan L. Sillars, "Attributions and Communication in Roommate Conflicts," *Communication Monographs* 47, no. 3 (1980): 180–200. This concept can be applied to interpersonal conflict. It will help us see how the perception process extends beyond the individual to the interpersonal level. This concept also helps illustrate how organization and interpretation can happen together and how interpretation can influence how we organize information and vice versa.

SUPER MARKETS

A supermarket, a form of grocery store, is a self-service store offering a wide variety of food and household merchandise, organized into departments. It is larger in size and has a wider selection than a traditional grocery store, also selling items typically found in a convenience store.

STORE IMAGE AND VARIOUS STORE ATTRIBUTES

According to Engel, Blackwell and Miniard (1995) store image is determined by environmental dimensions such as air quality, lighting, layout, carpeting and aisle width and placement are physical store attributes. They influence store choice. Understanding the image become important based on the assumption that the store possessing the most congruent attributes with the image desired by consumer will have better chance of being selected and patronized (Martineau, 1958, Doyle and Fenwick, 1974-1975, Amirani and Gates, 1993).

According to different authors, as part of the overall image toward the store, different store attributes have been identified. Lindquist (1974) came up with nine different elements by combining models from 19 studies: merchandise, service, clientele, physical facilities, comfort, promotion, store atmosphere, institutional and post transaction satisfaction. Doyle and Fenwick (1974) distinguished only five elements: product, price, assortment, styling and location. According to Bloemer and Shroeder (2002) store image is the sum of all the store's attributes, in the way perceived by the consumer, through his or her experience with the store.

A study by Seiders and Tigert (2000) compared supercenter shoppers with traditional supermarket shoppers. According to the Supercenter shoppers, low prices and range of product assortment are the primary reasons for their format choice. In contrast, traditional supermarket shoppers placed more importance on location and product quality. Fox et al. (2004) identified frequency of store promotion efforts and product assortment-related factors to be highly influential on format choice in the grocery sector. Interestingly, price was shown to be less influential.

The ultimate objective will not be achieved by just bringing the customer to the store. Their evaluation criterion refers to tangible and/ or intangible benefits that consumers use to compare product classes, brand, and vendors and so on. Persuading them to buy again needs due emphasis on in-store promotions, ambience, design and social cues, thus, enabling them to choose the brand and product from the store. Their consumption and post purchase experience accompanied by various loyalty building initiatives can play a major role in convincing them to make impulse buying, repeat purchases ultimately creating store loyal customers.

Consumer behavior is defined as the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. According to various researches, consumer behavior is difficult to predict, even for experts in the field.

Charles Dennis (2005) investigated 'Why do People Shop Where They do? The attributes of Shopping Centres that Determine Where Consumers Choose to Shop' and found that people are attracted to different centres for different reasons as shoppers have different expectations. The attributes, though, which were significantly different between centres, did not appear to be significantly influenced by income or socio-economic group. Shoppers spend more time at centres which more closely match their requirements. Further research is needed to carry out studies consumers' choices of more shopping centres and more respondents.

Rajaguru and Matanda (2006) examined 'Consumer Perception of Store and Product Attributes and its Effect

on Customer Loyalty within the Indian Retail Sector' and observed that except product price, other store and product attributes have positive effects on customer loyalty.

Mittal and Mittal (2008) in their study 'Store Choice in the Emerging Indian Apparel Retail Market: An Empirical Analysis' suggested retailers to consider underlying perceptions and demographic correlates of local consumers. According to them, retailers could use Loyalty Drivers and Shopping Experience Enhancers to be integrated into the retail format to create sustainable store choice and hence, store loyalty. Further research is needed to carry out research for other retail sectors such as food and grocery, consumer electronics, gifts and so on and also to investigate the influence of demographics and psychographics on store choice and shopping orientations.

RESEARCH AIMS AND METHOD

Following the review of past research works, this study aims to focus on the following: (i) To understand the profile of consumers of supermarket based on demographics (ii) To understand the shopping habits of supermarket consumers with regard to buying in supermarkets (iii) To know the perception of consumers regarding various aspects of supermarkets (iv) To understand the overall satisfaction level of consumers regarding supermarkets.

SAMPLE

The data sample was selected face to face by a team of Tamil – speaking trained research assistants in the main commercial street of Tirunelveli district of Southern Tamilnadu. The study has been undertaken in the Tirunelveli area. Palayamkottai and Tirunelveli are twin cities in the Tirunelveli district. These two cities are just separated by the river Thambaraparani. Palayamkottai Taluk is situated in the eastern side of the river and Tirunelveli city is located on the western side of the river. Both the cities are connected by a bridge. Tirunelveli Municipal Corporation includes the palayamkottaitaluk area also. This area is well known in Tamilnadu as a place of social interaction and gathering of people.

The required information for the study has been collected both from primary and secondary sources. The sample 120 respondents selected for study served as primary sources of data. The records of the five selected supermarkets served as secondary sources of information. A sample of 120 users of supermarket have been selected from the five supermarkets working in Palayamkottai and Tirunelveli at the rate of 24 each as detailed below:

S I . No.	Name of the Supermarket	No. of Respondents Selected	Percentage
1	Spencer's Daily	24	20
2	Aryaas Supermarket	24	20
3	Arasan Supermarket	24	20
4	Nachiyar Supermarket	24	20
5	Anantha Departmental Store	24	20
		120	100

MEASURES

The survey instrument was prepared in a series of steps following a systematic review of literature. An original English shortened version of the research was prepared including 20 questions fitted on three pages. To select the 120 respondents who are the users of the supermarkets, non-probability, convenience sampling method has been adapted.

To collect the required primary data, a structured close-ended questionnaire consisting of sixty questions (both in Tamil & English language) were used. In addition, formal talks with office bearers of the supermarket were also used in the collection of primary data. Analysis and Interpretation”

of the data collected was done with simple statistical tools such as averages, percentages, tables, charts and diagrams. Bar charts and pie charts are mainly used for interpretation of the facts given in the tables. Inferences have been arrived as the findings of the study.

A Likert scale is a widely used question format that asks consumers to numerically rate whether they agree or disagree with a particular statement. Likert scales are used to measure consumer attitudes. Respondents indicate whether they have a positive or negative attitude towards a statement and the responses are weighted by researchers using a numerical scale. For example, a question in the Likert scale format might ask survey respondents whether they believe that airline fees for checked luggage is appropriate. Respondents indicated whether they strongly disagree, disagree, are neutral, agree, or strongly agree.

RESULTS

The final sample of 120 completed surveys consisted of a larger proportion of female respondents (56.67). Concerning age group the largest proportion of the sample was in the 46- 55 age group (23.33). The survey questions developed by the researchers were used to identify the respondents with various age groups, incomes and family types.

Table 1. Demographic and Socio-Economic Background of 120 Respondents visiting Supermarkets

Variable		N	Percentage
Gender	Male	52	43
	Female	68	57
	Total	120	
Age	Young	28	23
	Adult	63	53
	Old	29	24
	Total	120	
Family Type	Joint Family	18	15
	Nuclear Family	102	85
	Total	120	
Income	Low Income	84	70
	Moderate Income	30	25
	High Income	6	5
	Total	120	
Occupation	Employed	67	56
	Business	29	24
	Professional	2	2
	Home Maker	20	16
	Others	2	2
	Total	120	

Source: Primary Data

Table 2. Supermarket Shopping Habits

Variable		N	Percentage
Frequency of visit*	Low	96	80
	Moderate	21	17.50
	High	3	2.50
Monthly spending (Rs.)	< 2000	59	49.17
	2000 - 4000	52	43.33
	> 4000	9	7.50
Mode of Transport	Public Transport	31	25.83
	Hire Auto	7	5.83
	Two wheeler	52	43.33
	Car	18	15
	By walk	12	10
Duration of stay in supermarket [#]	Short	2	1.67
	Moderate	62	51.67
	Long	56	46.67
Preferred Day	Weekdays	2	1.67
	Weekends	29	24.17
	Holidays	45	37.50
	Any convenient day	44	36.67
Preferred Time	Morning	11	9.17
	Afternoon	8	6.67
	Evening	73	60.83
	Any convenient day	28	23.33
Persons Accompany	Family	95	79.17
	Friends	8	6.67
	None	17	17.17

Source: Primary Data

* Low represent “once or twice in a month”; moderate represents “once or twice in a week” and high represents “more than twice in a week”

Short means less than 10 minutes, moderate means 10 to 30 minutes and long means more than 30 minutes.

Table 3. Customer Perception towards Supermarket

Factor		Mean Score*	Standard Deviation
Merchandise	Excellent product quality	1.86	1.01
	All time availability of needed products	2.09	1.05
	Availability of all home needs products	1.79	0.85
	Locating and accessing the products are easy	1.61	0.79
People	Highly responsive and knowledgeable sales force	2.04	1.07
	Friendly sales people and also have customer knowledge	2.48	1.10
Bills	Sufficiently informative and simple bills	1.91	0.85
	Error free bills	2.29	1.01
Store Interior & Layout	Ample space for free movement	1.96	0.83
	Pleasant environment	2.16	0.88
Customer Policy	Easy return and exchange of products	3.08	1.40
	Quick and smooth rectification of customer complaints	2.63	1.07
Parking	Sufficient parking facility	2.67	1.12

Source: Primary Data

* On a scale of 1 to 5 where 1 is “Strongly Agree” and 5 is “Strongly Disagree”

FINDINGS DEMOGRAPHIC PROFILE OF SUPERMARKET CUSTOMERS

Female respondents are slightly more comparing to male respondents. Male respondents also have significant share. Majority of the respondents (40% + 23.33%) are middle aged between 36 to 55 years of age. Most of the respondents (85%) belong to nuclear family. It is inferred that most of the customers have small family. Majority of the respondents (30% + 40.83%) have either 3 members or 4 members in their family. It is inferred that majority of the shoppers have few family members. Majority of the respondents (70%) have monthly income less than Rs. 20,000. It is inferred that most of the respondents belong to middle class. Single income families are slightly more when compared to double income families. Both government (32.5%) and private employees (23.33%) are the major shoppers in supermarkets. Business people (24.17%) also have a significant share. It is inferred that majority of shoppers are salaried people.

SHOPPING HABITS

Nearly half of the respondents (55%) visit the supermarket only once in a month. It is inferred that majority of the respondents' shopping frequency is less. Maximum number of respondents (90%) spend less than Rs. 4,000 in a month. It is inferred that the average spending for majority of the shoppers is in between Rs. 2000 and Rs. 4000. Most of the respondents (43.33% + 15%) used their own vehicle to visit supermarkets. Majority of respondents use two wheelers. Most of the respondents (85.84%) spend at least 20 minutes in the supermarket. Majority of respondents spend more than 30 minutes. Majority of the respondents (37.5% + 36.67%) either prefer a holiday or shop on any convenient day. Majority of the respondents (60.83%) prefer evening to shop in supermarket. It is inferred that supermarkets have more shoppers in the evening. Most of the respondents (79.17%) go along with their family to supermarkets. It is inferred that most of the shoppers prefer to spend their time with their family while shopping in the supermarkets.

CONSUMER PERCEPTION TOWARDS SUPERMARKET

Most of the respondents perceive the shopping in supermarket as a pleasant experience. It is inferred that supermarket offers pleasant shopping experience. Some of the respondents respond that the price alone does not pull customers towards supermarket. But majority of the respondents perceive the price levels are low in supermarket. Most of the respondents perceive that the product quality is excellent in supermarket. Most of the respondents perceive that all the products will be available in supermarket at all the time. Some of the

respondents perceive differently about product availability. Most of the respondents perceive that all types of products for home needs are available in supermarket. Most of the respondents perceive that the products are presented neatly and are easy to locate and access. Most of the respondents perceive that the sales force is highly responsive and knowledgeable. Majority of the respondents perceive that the sales people are familiar with customers and friendly. Some of the respondents do not perceive in the same way. Most of the respondents perceive that the bills are simple and have sufficient information. Majority of the respondents perceive that the bill processing is error free. Some of the respondents do not perceive it in the same way. Most of the respondents perceive that the supermarkets are spacious and have sufficient space to move. Most of the respondents perceive that the supermarkets have pleasant environment. Nearly half of the respondents perceive that the return and exchange of products are not easy. It is inferred that majority of the customers find it difficult to return and exchange products. Majority of the respondents perceive that the complaints are solved quickly and smoothly. Some of the respondents perceive differently. Majority of the respondents perceive that the supermarkets have sufficient parking facilities. Some of the respondents do not perceive in the same way.

SUGGESTIONS

Both male and female shop in supermarket. The supermarkets need to consider both gender while designing the customer service and retail mix. Gender neutral strategies should be offered. Strategies can be adopted to attract younger shoppers to the supermarkets. It may provide long term benefits to the supermarkets. As majority of the shoppers are middle class, supermarket should keep the prices low by adopting low mark-up price strategy. By which they can increase the turnover. At the same time, they should stock all the brands without compromising on the product assortment. There exists a niche segment of affluent shoppers. Their expectation will be completely different. Supermarkets may include categories of premium products in their assortment. Shopping experience is an important factor that determines the overall satisfaction of the supermarket consumers. Supermarket may maintain the same level of amenities and services and should follow strategies to enhance the shopping experience. Price is an important component in the retail mix. It generates revenue and also attracts more consumers. Supermarkets should adopt a competitive pricing strategy. But they should also give equal focus on other aspects of the retail mix. Sales promotion can be used to for positive reinforcement. Supermarkets may provide surprise free gifts based on the volume of purchase of each customer. It will help them to retain the customers. The current satisfaction level indicates that there is lot of scope for improvement. To

increase the satisfaction level, they should adopt strategies to provide better customer service. It will help them to retain the customer's base and also to increase its market share.

CONCLUSION

This study on consumer perception helps the supermarkets to understand how customers perceive the services of the supermarkets. It provides insights about supermarket consumers. It reveals the shopping habits of consumers and their beliefs towards various aspects of supermarket. They may adopt strategies based on the findings and recommendations. It will be highly useful for the supermarkets to provide better customer service by which they can improve the overall customer satisfaction level.

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