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An analysis of Customer Attitudes towards the Organized Retailing with special reference to Central Madurai

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ABSTRACT

The Indian retailing industry is becoming intensely competitive as more and as more players are vying for the same set of customers. The new entrant in retailing in India signifies the beginning of retail revolution. India's retail market is expected to grow tremendously in next few years. The window of opportunity is useful for executives who plan their market specific strategy. Wal-Mart heads Fortune magazine list of top 500 companies in the world. Retailing in India is gaining attention like never before. Organized retailing especially is creating euphoria amongst Indian consumers drawing them into malls and trade areas in huge numbers. Retailers are offering newer service dimensions to create unique shopping experiences for the customers. However, whether consumers are able to perceive newer service dimensions and getting affected for store patronage in new store formats or not, remains to be found out. Store image is a critical component in store choice and store loyalty. Perceptions about stores are driven substantially by tangible characteristics of stores, such as format or list size, distance of store from home, as well as intangible factors like the environment of the store. The fact that Indian retail environment is going through a change due to the introduction of new formats and opening up of retail industry, it becomes important to understand the customer attitude here. Attitude of the consumer are vary from person to person. In this research helps to find out to measure attitude of the customers towards organized retailing. By measuring the customer attitude, the CENTRAL MADURAI is chosen for sampling area. Structured questionnaire was framed and data was collected from 120 samples. By analyzing the data SPSS16.0 (statistical package for social sciences) were used. The statistical tools like chi-square, frequency analysis, Factor Analysis and One Way ANOVA for interpreting the data.

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Introduction

Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. The current and projected growth rates in organized food retail are quite high, albeit from a very small base. Organized retail in all commodities constitutes about 4 per cent of total retail, while in the food and grocery segment the ratio is less than one per cent. While India presents a large market opportunity given the number and increasing purchasing power of consumers, there are significant challenges as well given that over 90% of trade is conducted through independent local stores.

Introduction to Attitude:

An attitude is a hypothetical construct that represents an individual's degree of like or dislike for an item. Attitudes are generally positive or negative views of a person, place, thing, or event- this is often referred to as the attitude object. People can also be conflicted or ambivalent toward an object, meaning that they simultaneously possess both positive and negative attitudes toward the item in question.

Objective of the Study

- ✓ To know various socio-economic factors
- ✓ To study about the various factors influencing of the customer attitudes

- ✓ To analyze the different opinions of customer towards organized retailing
- ✓ To measure different levels of satisfaction towards organized retailing.

Review of Literature

The word 'retail' is derived from the French word 'retailer' meaning 'to cut a Piece off' or 'to break bulk'. In simple terms it involves activities whereby Product or services are sold to final consumers in small quantities.

Retailing involves selling products and services to consumers for their personal or family use

Anil Mishra revealed that persuasiveness, distinctness, perfectness, fascinating, sensational, energetic, aesthetic, elegant and captivating were the factors that emerged for the advertising appeal and dimensions were energetic, sensational, persuasiveness, distinctness and captivating. To explore something more than tangibles that can attract their attention to buy.

Poor quality of infrastructure, coupled with poor quality of the distribution sector, results in logistics costs that are very high as a proportion of GDP, and inventories, which have to be maintained at an unusually high level

G. VaniI, M. Ganesh Babu argued that external factors like demographic, social, cultural, price, quality, product attributes etc influencing the customers for buying Products. They conducted the research to find out the behavior of the

consumers, to analyze the preference of consumers, & consumer awareness.

Wassana Suwanvijit stated that the purchasing behaviors were focus on product variety, facility & service, outlet location, pricing, product quality, refreshment of product and product modernity. The results indicated that consumer life-styles oriented in outgoing, dependent in decision making, economically conscious, necessity and convenience concern.

Business Research also made experiment and find that most of the challenges of the retailing are due to changing demographics, social, politic, business climate, and changes in the retail sector including the addition of Wall Mart, Carrefour, K-Mart, etc.

Rathanyake explores and results that proper understanding of the dynamics of customer complaining behavior support retailer to treat the customers who are not satisfied with the retail experience.

L. Guerrero Y. Colomer and M. D. Guardia argues that customer's quality perception depends on the store, and in general, when the price is the same, the brand of the manufacturer is chosen in accordance with its higher quality image. In several components of the model clear consumer segmentation was observed depending on the sex of the consumer.

Research Methodology:

The research design adopted is descriptive research. The primary data is collected through Convenient Sampling Techniques. i.e. the data is collected by from the population of 159 Customers. Here the respondents are taken as unit and the analysis is made based on the feedback given by the customers through customized questionnaire. A well structured distinguished Questionnaire is used to collect the primary data. The primary data is analyzed in the software's like SPSS 16. The statistical tools applied are, Multiple Correspondence Analysis, Regression and ANOVA Test and percentage Analysis.

Analysis and Interpretation

Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.749
Bartlett's Test of Sphericity	Approx. Chi-Square	739.081
	df	210
	Sig.	.000

Table 1.1

Table 1.1 shows that the factor analysis test, it is the data reduction technique. Here the KMO and Bartlett's Test value is 0.749, which is technique inferred that six components are extracted.

Extraction Method: Principal Component Analysis.

a. 6 components extracted.

Distribution	-	0.703
Billing	-	0.589
Transparency	-	0.558
Prices and Fair	-	0.524
Comfortable	-	0.452
Location	-	0.497

Chi-Square Test

H₀: There is significant association between continue of buy and satisfaction levels of the customers

H₁: There is no significant association between continue of buy and satisfaction levels of the customers

Particulars	Overall Satisfaction				Total	
	Disagree	Moderate	Agree	Highly Agree		
Do you plan to continue	Yes	2	32	57	21	112
	No	3	4	0	1	8
Total	5	36	57	22	120	

Table 1.2

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.231 ^a	3	.000
Likelihood Ratio	18.801	3	.000
Linear-by-Linear Association	11.923	1	.001
N of Valid Cases	120		

Table 1.3

a. 5 cells (62.5%) have expected count less than 5. The minimum expected count is .33.

Null hypothesis: H₀; Alternative Hypothesis: H₁

The first table shows that 112 respondents plan to continue in future, 51 respondents agree regarding overall satisfaction. The second table shows the chi-square value which is 28.23 and its significant is at 0.00 levels. Since this level of significance is equal to 0.00, we may accept the null hypothesis with high degree of confident. So, there is significant difference between continue to buy and overall satisfaction level of the customers.

One Way ANOVA

H₀: There is significant difference between overall satisfaction and demographic profile of the respondents

H₁: There is no significant difference between overall satisfaction and demographic profile of the respondents

Particulars		Sum of Squares	Df	Mean Square	F	Sig.	
Gender Classification	Wise	Between Groups	2.044	3	.681	3.255	.024
		Within Groups	24.281	116	.209		
		Total	26.325	119			
Age Classification	Wise	Between Groups	6.437	3	2.146	1.995	.119
		Within Groups	124.763	116	1.076		
		Total	131.200	119			
Edu Classification	Wise	Between Groups	3.771	3	1.257	1.100	.352
		Within Groups	132.596	116	1.143		
		Total	136.367	119			
Occupation Classification	Wise	Between Groups	12.507	3	4.169	2.055	.110
		Within Groups	235.360	116	2.029		
		Total	247.867	119			
Income Classification	Wise	Between Groups	3.332	3	1.111	1.204	.312
		Within Groups	107.034	116	.923		
		Total	110.367	119			
Dependent Variable		Overall Satisfaction					

The table checks whether the overall F's for demographic profile of the respondents were significant or not by using the ANOVA program. Note that the out of demographics, group of gender differ significantly where F ratio is used to determine the size of the mean differences for each individual independent variables comparison, F(3,116)=0.024. The test between groups shows that F ratio for gender which are statistically significant

(P <0.05) level. So, there is significant difference between overall satisfaction and demographic profile of the respondents

Findings and Recommendations

- In this research, majority of the respondents are buying their product in organized retail nearest location to their home. So I would like to suggest the organized retail sector to more number of outlets to enhance the purchasing pattern in organized retail sector.
- Maximum number of respondents is highly satisfied with the product quality of organized retail sector. Hence, I suggested to the organized retail sector to retain the same quality.
- In this research, I found that maximum number of respondents is having negative opinion towards the price. Hence, it is to be suggested the company has to minimize the price structure with the same quality.
- Television media highly influence the customer to purchase the products in organized retailing
- Most of the customers are prefer cash on delivery method while payment
- Majority of the respondents are preferred to retail outlet for purchase the product.

Conclusion

The customers feel that the store ambience and décor are up to the mark and does not require changes in it. The store layout is such that the customer find easy to search for the products and also is their way through it. The product range should be expanded both horizontally and vertically to cater the needs of customers. The staffs are adequately trained in handling customers and customer relationship which provides a best retail outlet over other local stores. But the staff needs to be trained in the technical part that is creating understanding about various products and its usages. The billing and payment system is optimized for reduce waiting time, while testing the hypothesis, it was found that the customer attitude towards organized retail was on positive side.

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