

## **Consumer satisfaction towards marketing of products in organized retail sector with special reference to Erode district**

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**Abstract:** *The Indian retail is playing a very important role in recent era. Indian population consists of middle class income group of consumers who are more value oriented in seeking good quality of products with affordable prices, expect cordial environment for shopping, proper exchange and return of defective goods. This is one of the reasons to the migration of consumers from unorganized to organised retail sector. Thousands of retail store exist each of them compete with one another to meet the demanding needs of the customers but is obvious to notice that people of modern era prefers to shop in Super markets, hyper markets, Department stores, retail chains and malls. This study is undertaken to study why the customers prefer to shop in the organized retail stores viz. Department Stores, Super Market, Corporate store, though chain of unorganized retail store exist. The researchers found that the irrespective of the socio economic status people do visit to the organized retail sector that provides variety of products under one roof. In order to collect the first-hand information the field survey technique was employed. The researchers have adopted convenient method of sampling to collect the date from the respondents of Erode District. The study predicted that, 89.50% of the respondents prefer department store, 27.93% of the respondents and 9.75% of respondents have prefer to shop from super market and corporate store respectively. Cluster analysis is also used to study the factor that influence to purchase from organised retail stores and the result focused that two heterogeneous groups with 431 cluster segment and 636 cluster segment are named as Product Attributes and Persuasive Factor respectively.*

### **Introduction**

Organised retail in India is at an embryonic stage and has strong linkages with the economic growth and development. According to the report from Economic Times (2011), the retail sector is characterized by a high degree of fragmentation with over 95% of the Indian retail stores in less than 500 sq.mt in size and thus, it made clear that, Indian retail market is one of the highest density of shops with around 15 million small retail outlets (14 shops per 1000 people). In India, the Government Regulatory Control over Foreign Direct Investment (FDI) had encouraged the growth of retail sector. The recent FDI policy in India had paved strong potential avenues for the foreign retailers come up to India and their retail possess up to 51% in multi brand and 100% in single brand. The report of Department of Industrial Policies and Promotion (DIPP) shows that during the Indian period April 2000 - January 2015 retail industry had received FDI equity

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inflows which comprises more or less 275.38 million US\$ .organised retailing could be seen once in metropolitan cities like Mumbai, New Delhi, Calcutta, and Chennai but the dynamic consumer behavior forced retail players to enter into Tier II and Tier III cities to provide the convenience and comfortable shopping in widespread zones. Organised retail stores execute as shopping malls, super markets, hyper markets, department stores and corporate stores.

### **Statement of the Problem**

Consumers' perception towards the organised retail outlet differs from that of unorganised sector. The discussion held with the respondents reveals that they have suffered with various kinds of problems of 7P's of marketing mix, taking product the consumer expects more varieties of products of different reputed brands on par with Chennai city and Coimbatore city retail stores but the retail stores available in Erode District are unable to provide varieties of brands on par with cities like Coimbatore and Chennai. Though organised retail stores exist, they rarely combine the proper blending of marketing mix in their sales strategy. As a result retailers are unable to fulfil the desired expectation of the products and services to the consumers.

### **Review of Literature**

Monika Talreja and Dhiraj Jain (2013) identified the factors influencing the perception towards organised retailer. With the help of structured questionnaire the data has been collected from 100 respondents. The research concluded that there is a difference between the consumers' perception towards both organised and unorganised retailers regarding their store image, store atmosphere, brand choice, price, credit availability and store proximity.

Zainual Bashir et.al. (2012) studied the comparison of consumer perception in Big Bazar and More Mega store the retail outlets. The sample selected in this study is 100 samples, 50 respondents from each store. The study concluded the dimension factors like personalization, adequate facilities, flexibility in responsiveness, courtesy, privilege to regular customer, empathy and parking facilities have an impact on creating influence on the customer perception that help the sale of retail outlet to increase and create long lasting brand image in the mind set of customers.

Myers and Lumbers (2006) found that the consumers who are more attracted towards shopping malls are younger consumer groups as compared to older consumer groups. In shopping centers, shopping values are often affected due to consumer shopping orientations, social influences and personal values. Age determines the behaviour change in the consumption habit of the consumer and ultimately the purchase behaviour varies in accordance with the age.

### **Objectives**

1. To identify the consumer preference in selecting the organised retail store.
2. To evaluate the factor that influence the consumers to Purchase the product from Organised Retail Store

### **Scope of the Study**

The study deals with the consumer preference towards the purchase of the product from organised retailing with special reference to Erode District only. The taluks that covers under Erode District are Anthiyur, Bhavani, Erode, Gobichettipalayam, Perundurai and Sathyamangalam.

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### Sampling Design

Primary data is collected from 1067 respondents of Erode District covering six Taluks namely Anthiyur, Bhavani, Erode, Gobichettipalayam, Perundurai and Sathyamangalam. The total sample of 1200 was expected to collect from the respondents. From the 1200 interview schedule distributed 133 schedules were incompleated and lacked in proper response and thus the researcher was able to fix the sample size as 1067. The sample collected from the Anthiyur taluk is 97 respondents, 198 respondents were selected from Bhavani taluk. From Erode the total number of respondents selected was 352. From Gobichettipalayam 161 respondents were selected, 116 from Perundurai taluk and from Sathyamangalam taluk 143 respondents were selected for the purpose of this study.

### Data Collection

In order to accomplish the objectives of the study, field survey was undertaken among respondents of diverse milieu with different taluk, gender, age group, marital status, educational qualification, status in the society, monthly income, type of family and size of family. The first hand information was obtained through the well framed questionnaire which was duly issued to them. To identify the respondents (consumer), first permission was obtained with person in-charge in each retail store (department, supermarket and corporate stores) to request co-operation and approval for data collection and required adequate information was obtained.

**Table 1: Preference of Organised Retail Store Percentage Analysis**

Organised store	Preference				Total
	No		Yes		
	N	%	N	%	
Department Store	112	10.50	955	89.50	1,067
Super Market	769	72.07	298	27.93	1,067
Corporate Store	963	90.25	104	9.75	1,067

Table 1 shows that 89.50% of the respondents purchase from department store, 27.93% of the respondents purchase from super market and 9.75% of the respondents purchase from corporate store. Hence, majority of the respondents purchase from department store.

### Factor Influence to Purchase from Organised Retail Store Cluster Analysis

Cluster analysis is typically applied to data recorded on interval scale or continuous scaled variables. This analysis is applied to a large set of data which may consist of many variables. It determines internal homogeneity which means the similarity existing among the respondents or items and external heterogeneity (the difference) existing among different groups of respondents or items. This analysis helps in grouping the objects or persons based on the variables considered.

The studies based on agglomerative hierarchical method, 15 factors are combined and this is done repeatedly until all aspects to reach similar values. The scale scoring data (5 point scaling Highly dissatisfied-5, Dissatisfied -4 Neutral-3 Satisfied-2 Highly satisfied-1) are collected from 1067 respondents on various demographic characteristics and were analyzed in 2 stages by using SPSS. The sample selected for cluster analysis includes the people who were all respondents purchase from organised retail store. The researcher had taken the sample of 1067 respondents from the various demographic characteristics in Erode District.

The most important part of the clustering problem is selecting the variables in which the clustering is based. The researcher has selected the various factors which include ‘Excellent quality, Large variety, Trendiness, Uniqueness, Taste, Hygienic, Everything under one roof, Self-service, Long relationship, Good service, Attractive, Convenient, Window dressing, Entertainment and Time Pass. To compute the similarities among the cases /entitles either through correlations, distances measures or other techniques are used. Among various distance measures available, Squared Euclidean distance measure is adopted to compute the similarity between two cases in this study.

In the clustering procedure hierarchical clustering method has been adopted for I<sup>st</sup> stage. Stage – 1In this method Agglomerative methods have been used with average linkage between groups method. As the agglomeration schedule for 1067 is very large, the values from last 35 cases are given in the table 2.

**Table 2: Agglomeration Schedule**

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1033	2	83	41.44	984	965	1050
1034	38	43	41.65	1018	1000	1039
1035	1	56	42.63	1030	1025	1038
1036	94	288	42.78	991	968	1054
1037	22	585	43.16	1031	1017	1040
1038	1	31	44.30	1035	1008	1044
1039	38	48	45.02	1034	948	1051
1040	22	57	45.05	1037	982	1045
1041	28	62	45.34	987	1020	1054
1042	33	41	45.67	946	997	1052
1043	73	141	46.25	1026	956	1060
1044	1	52	46.31	1038	1015	1053
1045	22	113	46.91	1040	1032	1049
1046	66	295	47.08	1014	1029	1056
1047	23	193	47.25	1024	995	1051
1048	10	44	47.52	1023	1016	1059
1049	17	22	48.05	1019	1045	1052
1050	2	521	48.08	1033	1028	1057
1051	23	38	49.58	1047	1039	1055
1052	17	33	50.34	1049	1042	1053
1053	1	17	53.24	1044	1052	1057
1054	28	94	54.33	1041	1036	1055
1055	23	28	54.82	1051	1054	1058
1056	66	314	54.94	1046	889	1062
1057	1	2	55.58	1053	1050	1058
1058	1	23	56.45	1057	1055	1060
1059	10	78	56.91	1048	981	1065
1060	1	73	59.50	1058	1043	1061
1061	1	296	59.67	1060	942	1062
1062	1	66	60.22	1061	1056	1063
1063	1	174	61.67	1062	983	1064
1064	1	257	63.53	1063	996	1066
1065	10	954	70.81	1059	952	1066
1066	1	10	77.68	1064	1065	0

Cluster method: Average linkage between Groups method (Hierarchical clustering method) and Distance method (Squared Euclidean Distance measure).

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In the agglomeration schedule from top to bottom (State 1 to 1066) indicates the sequences in which cases get combined with other until all 1067 cases are combined together in one cluster at the last state. To identify the number of cluster, the co-efficient values (i.e., difference between rows) in column 4 is considered. The figures of co-efficient values are seen from the last row upwards to have lowest possible number of clusters for interpretation. The difference in the value of co-efficient from state 1066 and stage 1067 is 6.8 (77.68 – 70.81) indicating the 1 cluster. The procedure is continued till the difference between the 2 stages gets reduced in order to identify the number of clusters. In the next state the difference between 1066 and 1065 is 7.27 (70.81 – 63.53) but low difference between 1065 and 1064 is 1.87 (63.53 – 61.67) indicating the decreasing trend with low difference. It is better to stop with the state 1065 and 1064 with the difference of 1.87 indicating a 2 cluster solution with maximum differences in the value of co-efficient. Finally it is decided to have 2 clusters from the agglomeration schedule.

**Table 3: Cluster Information with Variables & Mean Values**

Cluster I factor	Mean	Cluster II	Mean
Excellent Product quality	3.28	Excellent Product quality	3.75
Good service	3.05	Large product variety	3.93
		Modern Trendiness	3.99
		Uniqueness of the product	3.86
		Time pass	3.96
		Taste Usage	4.09
		Hygiene and protective	4.07
		Everything Under one roof	4.08
		Self service	4.12
		Good and Long relationship	4.00
		Good service	4.07
		Attractive store image	4.06
		Convenient and comfortable shopping	4.09
		Window dressing	3.68

From the table 3, it is inferred that the factors effective towards purchase are excellent quality and good services to the first cluster of respondents. The respondents in the second cluster opined that factors effective towards purchase are, excellent product quality, large product variety, modern trendiness and fashion, uniqueness of the product, time pass, tastes/usage, hygiene and protective, everything under one roof, self service, good and long relationship, good service, attractive store image, convenient and comfortable shopping, window dressing among the various 15 factors.

From the analysis, it is evident that the product respondents are grouped in 2 heterogeneous groups/clusters. The 1<sup>st</sup> cluster segment was with 431 respondents and II cluster with 636 respondents. It was found from the analysis that 431 respondents in cluster I opined that factors effecting towards purchase are “Product attributes” The 636 respondents in cluster II expressed that factor effecting towards purchase are “Persuasive factors”.

### **Findings**

While analyzing the study of purchase where they prefer, 89.50% of the respondents, 27.93% of the respondents and 9.75% of respondents have opined that they purchased from department store, super market and corporate store respectively.

From the analysis, it is evident that the product respondents are grouped in 2 heterogeneous groups/clusters. The 1<sup>st</sup> cluster segment was with 431 respondents and II cluster with 636 respondents. It was found from the analysis that 431 respondents in cluster I opined that factors effecting towards purchase are “Product attributes” The 636 respondents in cluster II expressed that factor effecting towards purchase are “Persuasive factors”.

### **Conclusion**

The organised retail store ought to blend the suitable retail marketing mix in the proper proportion to reach into the minds and hearts of the consumers. This study had taken a vast coverage of consumers perception on marketing mix in organised retail store and the study concluded among the store chosen, consumer perceive to shop in Department stores and expects that the store should offer wide variety of merchandise to them.

### **Limitations of the Study**

1. The study was conducted in Erode district of Tamil Nadu. Hence, the result may not be generalized to other areas of the country.
2. The sample consists of consumers of Departmental stores, Super market, and Corporate stores only.
3. The respondents hesitated to reveal the financial position of their family.
4. Due to time and money constraint the researcher was unable to collect the data from vast population

### **Scope for Further Research**

The present research, focused on the consumer perception on marketing mix in organised retail store at Erode District by taking Department store, Super market and Corporate store only. This study can be extended to unorganised retail sector which are performing like organised retails by combining all the 7P'S. The present study focused on convenient sampling. This may focused on the basis of simple random sampling or cluster sampling in future research.

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