

## **CONSUMER PREFERENCE AND SATISFACTION TOWARDS RETAIL STORES IN TRICHY DISTRICT**

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**Abstract**—*The substitution of small retail stores by the large stores has been a topic of debate among academics, practitioners, retailers and general public, especially in the context of foreign firms entering emerging markets such as China and India. The purpose of this research is to find out the determinants of consumer satisfaction in retail stores in an emerging market, with a sample from Trichy. Satisfied customers are also likely to tell others of their favourable experiences and thus engage in positive word of mouth advertising. The present study is undertaken to understand the Consumer preference and satisfaction towards selected retail stores in Trichy District.*

**Keywords**—*Consumer Behaviour, Customer Oriented Strategy, Customer Preference, Customer Satisfaction, Retail Stores,*

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### **INTRODUCTION**

The Indian retail industry is the fifth largest in the world comprising organized and unorganized sectors. Retail industry is one of the fastest growing industries in India, especially over the last few years. The retail enterprises in India numbered over 8.5 million in 1996, 9.3 million in 2000, 12 million in 2003 and 15 million in 2005. The volume of retail turnover is estimated as Rs. 4 lakh crores a year and it constitutes 10 percent of the GDP. The industry constitutes 16 percent, 15 percent, 12 percent and 7 percent of the economy in US, Brazil, Poland and China respectively. Retailing is a labour-intensive industry which serves to be the second largest source of employment and the job market is hugely receptive to retailing expertise as more and more B schools are now focusing on this sector and large retailers are setting up retail academies. Over 4 crore people are employed in the retail sector which constitutes 8 per cent of the total employment in India. Traditionally, companies have relied only on differentiation of products and services to retain their customers and also to satisfy the consumers. However, times have changed, due to fierce competition from new players entering the market, imitation of new features and increase in number of new offers, customers have acquired new choices and they have also become more price sensitive, which has forced marketers to adapt differentiated and customer-oriented strategies in order to enable them to stand out in the competition and gain a competitive edge.

### **REVIEW OF LITERATURE**

Shelja Jose Kuruvilla and Nishank Joshi (2010) have outlined that retail boom in India is generating considerable interest from within the country as well as abroad. They have found that the growth in retail has been fuelled by the mushrooming of shopping malls across the country.

Ramakrishnan K. (2010) has attempted to decipher the competitive response of small, independent retailers in an emerging economy India to the onset of competition from large, organized retailers. He has found that the presence of distinct strategies, strategic groups, and the positive impact on small retail performance of adopting distinct retail functional and business strategies.

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R.Krishnan (2001) in his research thesis titled "Technology in the Indian Retail supply chain" pointed out the, "Information Technology can and will play a major role in improving the efficiencies of the retail supply chain in India. Organizations have become aware of the importance of technology to improve efficiencies and are taking definite steps toward leveraging IT in improving the efficiencies of the supply chains."

Smriti Bajaj (2006-2007) submitted a dissertation titled "Consumer Perceptions of Global and Local Brands in the Indian Retail Industry" came out with some useful conclusions as, "Indian consumers were not prejudiced against foreign brand names. In fact, they evaluated them higher on technology, quality, status and esteem than Indian brands and attributed higher credibility to those countries of origin."

AnuradhaKelhan, (2007) in her topic on "Impact of Malls on small shops and Hawkers" pointed out to a decline in sales of groceries, fruits and vegetables, processed foods, garments, shoes, electronic and electrical goods in these retail outlets, ultimately threatening 5 per cent of them with closure or a major decline in business. Only 14 per cent of the sample of small shops and hawkers has so far been able to respond to the competitive threat of the malls with the institution of fresh sales-promotion initiatives.

A. Sreejth and Dr. Jagathy Raj V.P. (2007) presided a research paper titled "Organized Retail Market Boom and the Indian Society" narrated the, "Intense competition among the players of various formats all help to increase the quality of service of the existing local retailers and greater customer satisfaction in Indian society".

Professor Joshuva Banfield, Director, Centre for Retail Research, Nottingham, U.K., (2008, December) wrote an research article titled "Best of The Worst" in which he analysed the following, "The costs of the retail crime, calculated on the basis of crimes by customers, employees and suppliers / Vendors plus the costs of loss prevention were 112.8 billion dollars in 2008. These costs have to be paid by every one - Retailers, Employees, Suppliers and Shoppers - and are equivalent to 229.73 dollars per family".

Sangeetha Gosh (2008, December) wrote a research article titled "Retail Kiosk -Plug and Profit" in which she stressed upon the, "The Indian Retail Scenario has been witnessing significant advancement with traditional Retail formats making way for more innovative and technologically evolved formats. One of the innovations to watch out for these the "The Retail Kiosk" which truly makes business sense for Retailers because of its cost benefit structure "at the point of sale" establishment process and ease and convenience for the customers too".

### **OBJECTIVES OF THE STUDY**

- To identify the consumer behavior in retail stores
- To study the consumer awareness and preference towards retail stores.
- To study the satisfaction level of the respondent's towards retail stores
- To know the impact of advertisement in retail stores.

### **SCOPE OF THE STUDY**

The focus of this study deals with consumer satisfaction towards retail stores. It tries to discover various other problems associated with retaining customers in present retail stores.

### **RESEARCH METHODOLOGY**

Convenience sampling is being adopted to find out the consumer who are having the awareness and satisfaction in selected retail stores at Trichy.

### **AREA OF THE STUDY**

Survey is conducted among three classes of consumer's namely regular, occasional and frequent customers in the retail stores of Trichy District.

### **SAMPLE SIZE**

The sample size taken up for this study is 150.

### **PRIMARY DATA AND SECONDARY DATA**

Primary data is collected through questionnaire.

Secondary data has been collected from Journals, Websites, Magazines and News Papers.

### PERIOD OF STUDY

The study was conducted during the period October 2018 to December 2018.

### DATA ANALYSIS

The following Data analysis tools were used

1. Percentage Analysis
2. Chi – Square

### ANALYSIS & INTERPRETATION

**TABLE 1: GENERAL PROFILE OF THE RESPONDENTS**

<b>PARTICULARS</b>	<b>CLASSIFICATION</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE %</b>
Age	Upto 20 years	56	23
	21 to 30 years	68	34
	31 to 40 years	47	23.5
	Above 40 years	29	14.5
	<b>Total</b>	<b>200</b>	<b>100</b>
Gender	Male	125	62.5
	Female	75	37.5
	<b>Total</b>	<b>200</b>	<b>100</b>
Marital status	Married	88	44
	Unmarried	112	56
	<b>Total</b>	<b>200</b>	<b>100</b>
Educational Qualification	Below 10 <sup>th</sup> std	37	18.5
	10 <sup>th</sup> – 12 <sup>th</sup> Std	42	21
	Under Graduate	73	36.5
	Post Graduate	48	24
	<b>Total</b>	<b>200</b>	<b>100</b>
Occupation	Student	43	21.5
	Government / Private	62	31
	Businessman	67	33.5
	Housewife	28	14
	<b>Total</b>	<b>200</b>	<b>100</b>
Family Monthly Income	Less than Rs. 10,000	24	12
	Rs.10,000 – Rs. 15,000	52	26
	Rs. 15,000 – Rs. 20,000	64	32
	Above 20,000	60	30
	<b>Total</b>	<b>200</b>	<b>100</b>
No. of members in the family	1 – 3 members	38	19
	3 – 5 members	112	56
	above 5 members	50	25
	<b>Total</b>	<b>200</b>	<b>100</b>
Type of shop preferred	Supermarket	56	28
	Departmental Store	68	34
	Discount store	31	15.5
	Kirana stores	45	22.5
	<b>Total</b>	<b>200</b>	<b>100</b>

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Frequency of purchase	Weekly Once	26	13
	15 days once	85	42.5
	Monthly once	52	26
	Whenever needed	37	18.5
	<b>Total</b>	<b>200</b>	<b>100</b>
Amount spent on purchase per shopping	Below 500	40	20
	500 – 1000	45	22.5
	1000 – 2000	65	32.5
	Above 2000	50	25
	<b>Total</b>	<b>200</b>	<b>100</b>
Recommendation to others	Yes	132	66
	No	68	34
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation**

From the above table, it is clear that

1. 34% of the respondents are of 21 – 30 years, 28% are of upto 20 years, 23.5% are of 31 – 40 years and 14.5% are of above 40 years.
2. 62.5% of the respondents are male and 37.5% of the respondents are female.
3. 44% of the respondents are married and 56% of the respondents are unmarried.
4. 18.5% of the respondents are at below 10<sup>th</sup> standard, 21% are at 10<sup>th</sup> – 12<sup>th</sup> standard, 36.5% are at under graduate level, 24% are post graduates.
5. 21.5% of the respondents are students, 31% of the respondents are government / private employees, 33.5% are businessman and 24% are housewives.
6. 12% of the respondents have the monthly income is less than Rs.10,000, 26% of the respondents between 10,000 – 15,000, 32% are between Rs.15,000 – 20,000, and 30% are have monthly income is above Rs.20,000.
7. 19% of the respondents have below three members in family, 56% of the respondents have 3 – 5 members and 25% of the respondents have above 5 members in family.
8. 34% of the respondents preferred Departmental stores, 28% are preferred super market, 15.5% are preferred discount stores and 22.5% are preferred Kirana stores.
9. 13% of the respondents are visit weekly once, 42.5% are visit 15 days once, 26% are visit monthly once and 18.5% are visit whenever needed.
10. 20% of the respondents do the purchasing range is below Rs.500, 22.5% do the purchase ranging is Rs.500 to Rs.1000, 32.5% of the respondents purchase ranging Rs.1000 – 2000, and 25% do purchase ranging is above Rs.2,000.
11. 66% of the respondents recommended this shop to others, and 34% of the respondents are not recommending to others.

**TABLE 2: RANKING FOR PREFERENCE OF PRODUCTS FROM A RETAIL SHOP**

S.NO	TYPE OF PRODUCTS	NO. OF RESPONDENTS	%	RANK
1	Provisions	74	37	I
2	Apparels	45	22.5	II
3	Jewellery	25	12.5	V
4	Household appliances	26	13	IV
5	others	30	15	III
	<b>TOTAL</b>	<b>200</b>	<b>100</b>	

From the above table, it is crystal clear that Provisions occupies I rank, followed by Apparels in II rank, other products in III rank, Household appliances in IV rank and Jewellery in V rank in the order of preference of various types of products available in retail shops.

**TABLE 3: RANKING FOR PAYMENT TO PURCHASE FROM A RETAIL SHOP**

S.NO	NAME OF RETAIL STORE	NO. OF RESPONDENTS	%	RANK
1	Cash	76	38	I
2	Credit card	54	27	III
3	Cheque	08	04	IV
4	Debit cards	62	31	II
	<b>TOTAL</b>	<b>200</b>	<b>100</b>	

**TABLE 4: RANKING FOR SOURCES OF AWARENESS ABOUT RETAIL STORES**

S.NO	SOURCES	NO. OF RESPONDENTS	%	RANK
1	Relatives	30	15	IV
2	Neighbours	47	23.5	III
3	Friends	58	29	II
4	Advertisement	65	32.5	I
	<b>TOTAL</b>	<b>200</b>	<b>100</b>	

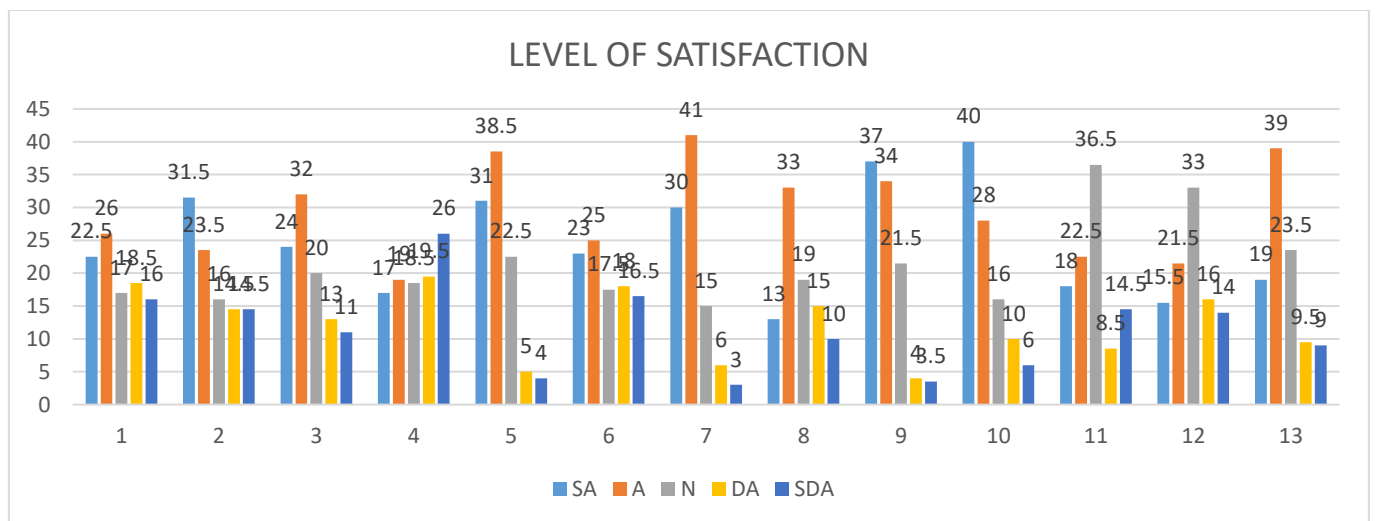
From the above table, it is clear that Advertisement gets I rank, Friends in II rank, Neighbours in III rank and Relatives in IV rank in order to aware about retail stores.

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**TABLE 5: FACTORS INFLUENCING LEVEL OF SATISFACTION**

S. No.	Sources of information	SA	A	N	DA	SDA
		<b>PERCENTAGE %</b>				
1.	Convenient store location	22.5	26	17	18.5	16
2.	Convenient opening hours	31.5	23.5	16	14.5	14.5
3.	Store brand available at reasonable prices	24	32	20	13	11
4.	Frequency of special sale promotion offers	17	19	18.5	19.5	26
5.	Friendliness of sales personnel	31	38.5	22.5	05	04
6.	Store design and layout	23	25	17.5	18	16.5
7.	Credit / Debit card facilities available	30	41	15	06	03
8.	Parking facilities available	13	33	19	15	10
9.	Large variety of products	37	34	21.5	04	3.5
10.	Quality of products	40	28	16	10	06
11.	Discount and offers	18	22.5	36.5	8.5	14.5
12.	Good store environment	15.5	21.5	33	16	14
13.	Attractive advertisements	19	39	23.5	9.5	09

**CHART 1**



1. Chi – square analysis for the family income and amount spent on purchase

H<sub>0</sub>: There is no association between monthly family income and amount spent on purchase

Calculated chi – square value	Degree of freedom	Table value @ 5% level of significance	Conclusion
68.2	9	16.91	Null hypothesis rejected

Inference:

There is an association between monthly family income and amount spent on purchase.

2. Chi – square analysis for occupation of the respondent and frequency of purchase

H<sub>0</sub>: There is no significant relationship between occupation and frequency of purchase

Calculated chi – square value	Degree of freedom	Table value @ 5% level of significance	Conclusion
18.2	9	16.91	Null hypothesis rejected

Inference:

There is a significant relationship between occupation and frequency of purchase.

**FINDINGS**

1. Majority of the respondents prefer retail shops for purchasing provisions.
2. Majority of the respondents prefer convenient opening hours and store location.
3. There is an association between family income and amount spent on purchase.
4. There is a significant relationship between occupation and frequency of purchase.
5. Majority of the respondents preferred large variety of products and quality of products.
6. Majority of the respondents were satisfied with credit / debit card facilities, parking facilities and good store environment.
7. Majority of the respondents were satisfied with store brand products at reasonable prices.

**RECOMMENDATIONS**

1. Retail stores should concentrate on customer loyalty programmes.
2. Retail stores should introduce many membership cards for loyal customers.
3. Majority of the consumers spent time in stores. So, retail stores should concentrate entertainment facilities and pay attention in parking facilities also.
4. Retail stores should appoint well trained sales personnel. It will help to improve the sales.

**CONCLUSION**

Retail stores should pay attention to the key factors for the customer satisfaction. To be a successful retailer to get the customer satisfaction at the variety of products, convenient store location, store brand at reasonable prices, card facilities, parking facilities, good store environment, well trained sales personnel, sales promotion offers should be improved continuously at all levels. This will help the retail stores to become best stores in the universe.

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