

CHAPTER IV

DISCUSSION

Coimbatore is a famous shopping paradise. Consumers from as far as 150 kms radius come for shopping their regular and specialty goods. The temples bear witness to the religiousness and love of art and architecture of the people. There are also a number of places of tourist interest around Coimbatore. Ootacamund (Ooty for short), is one of the most popular tourist spots in India. The weather in Coimbatore is moderate throughout the year except for 3 months from March to May. There is tourist flow throughout the year. Coimbatore district is one of the biggest districts in Tamil Nadu. It is divided into three revenue divisions and nine taluks consisting of 482 revenue villages.

Out of three revenue divisions, Coimbatore division is industrially developed, Pollachi is predominantly agriculture and Tirupur partly agriculture and partly rich in hosiery manufacturing. The district consists of one Corporation, two Special Grade Municipalities, one Selection Grade and one First Grade Municipalities. It also has 19 Panchayat Unions, 59 Town Panchayats and 389 Village Panchayats. Another big city Tirupur which is 50 kms away is known for the largest garment exports which have also added to the business volume to Coimbatore. The result has been a strong economy and a reputation as one of the greatest industrial cities in South India.

Coimbatore has shown as a prosperous city with indisputable prospects and a perfect South Indian real estate investment destination of the future. The study further stated that this Tier II city has everything in shape, including telecom, power, a highly skilled work force, a rapid pace of infrastructure development and pro-active Government that is aggressively promoting the city. As a result, a number of top multi-national companies are migrating into this city and the manner in which the branded retail outlets, hospitality, entertainment and residential sectors are growing, the study says, Coimbatore is indeed going to be a hot spot destination of the future in spite of being into Tier II category. A branded retail outlet in Coimbatore so far is a high street story. Although Coimbatore is the second largest city in Tamil Nadu after Chennai, it is yet to get attention from large number of retailers the way other cities in India have been receiving.

According to the industry sources the reason for its slow growth is that there is no real catalyst in the form of shopping mall to boost the retail growth in the city. But at present, the city witnesses the opening of two gigantic shopping malls during the early part of 2010 and 2012, namely, Brookfield Plasa and Fun Republic. People in Coimbatore will experience branded retail outlets boom and find quality space for shopping and entertainment.

Brookefield Plasa opened for public in 2010 is the first of its kind retail project in the city of Coimbatore, and with its great value proposition for shoppers and retailers, is all set to change the retail scene of Coimbatore forever! A multinational hyper market SPAR with an area of 30, 000 sq. ft has been opened in Brookfield Plasa recently and is attracting lot of customers. With several anchor branded retail outlets, leading local, national and international brands, hyper markets, food court, fine dining, family entertainment centre, multiplex, business centre, health club, hotel and parking – all under one roof, it is the ultimate shopping and entertainment experience! The mall promises something for everyone with its bewildering range of products spread over an area of about 4, 50, 000 sq. ft. Its great location and connectivity make it a convenient destination for locals and tourists alike.

Entertainment and dining options abound, with a gaming part and a food court. A 70 room boutique hotel has been planned within the mall for the convenience of tourists. The hotel also has other facilities like swimming pool, roof garden and health club and banquet halls. Ad labs, one of the largest entertainment conglomerates in the country is running a multiplex with six screens and a total seating capacity of over 1500. Wi – Fi Connectivity, ATM, money exchanger, mall gift vouchers and customer loyalty programmes ensure an enhanced shopping experience.

Coimbatore city already has operational stores like Big Basaar, Mega Mart, Nilgiris, Spencer's Retail, More (Adhitya Birla group) in value format and several national brands including Van Heusen and entertainment players like Big Cinemas in the city. Arvind Brands, the retail arm of Arvind Ltd, operates four stores in the city that include two large format Mega Mart stores and one store each of lifestyle brand Arrow and Flying Machine. Elaborating on the retail experience of his group, Mr. Suresh. J. CEO, Brands & Retail, Arvind Brands, said: "The stores are really doing well. During

festivals like Diwali, we find overwhelming response in our stores in this city.” However, he stated that the company has not felt any major impact yet because of the absence of mall culture in the city, as organised retail turned out from high streets only and the city has enough of it. He further stated that in Coimbatore, like other cities in India, traditional shopping centres are very much established and popular in absence of a proper mall culture and they are doing reasonably well.

Big Basaar, the hyper market format of Future Group, also operates a store located at old market called Oppanakara Street in Coimbatore and the company is satisfied with the way the store has been performing. Sharing his experience in the city, Mr. Malhotra Rajan, President – Retail Strategy, Future Group, stated: “We have a very large store in Coimbatore. It houses products from general merchandise to fashion and also has a food court attached to it”. He further stated that the company has tried something unique in this market and offered Thali at Rs 10 each in lunch time and found a very good response from the customers to it. “The response was absolutely phenomenal”, asserts Malhotra.

Kannan Departmental Stores Private Limited, a private chain of retail outlets has established 10 major multi-specialty outlets in different parts of the city and another 10 outlets spread across the other cities in the state. They sell all consumer products at very competitive prices starting from general merchandise to fashion and also have a food court attached to it. Apart from that, the city has around 45 big sizes (5000 sq ft) privately owned grocery outlets and 5500 medium and small size grocery outlets.

Industry reports reveal that people in Coimbatore are capable enough to experience the international standard of shopping experience in the upcoming and existing malls and modern retail but still they do not have the choices and options yet. There are some shopping complexes in Coimbatore that are traditionally conceptualised and these complexes have been witnessing very good footfalls. From this observation, it is expected that the sooner the malls get operational the better the shopping experience would become, and there would be enough footfalls not less than the footfalls at malls in places like Mumbai and Bengaluru.

Elaborating on the structure of consumers of the city, Pande, at E-City Property Management and Services (EPMS) stated that Coimbatore is basically an entrepreneurial city and for the last few years IT companies are also coming in and modern job culture is picking up. “It is a cash rich city as well. You can find A+ and A groups, B and C as well in terms of annual income of the households in Coimbatore”, stated Pande. He further mentioned that there is a potential group of young customers because of the exposure of latest options for jobs in the city, and as a result, lots of young professionals are migrating in. Pande stated that Coimbatore has all the possibilities and potential like other cities including Ludhiana, Lucknow and Chandigarh. The JLLM reports suggests that the city will soon boast of about 1 million square feet of retail mall space in organised retail that is expected to come up by 2014. The retailers are also very keen about the market and want to explore the untapped market further. Malhotra at Big Basaar stated that there is high demand for general merchandise products in the city and the company plans to open one more store. “The city has a good potential and we love to open one more store in that city” affirmed Malhotra.

Now only grocery and fashion retailers and entertainment retailers as well expect a good return from the city. As part of the plan, Big Cinemas informed that it will open another six-screen multiplex in the city, though it did not disclose the location. But, according to Pande, two malls are not enough for the city with a population of more than 2.2 million. He believes that there is a potential of around 4-5 malls that can be developed and can do enormous business in the city.

The above facts and figures of Coimbatore city given in a precise manner, leads to further study about the branded retail outlets and the consumers’ behavior. This study reveals very interesting results leading to several recommendations for improving the performance of the branded retail outlets with respect to the changing preferences.

The research brings in relationship of a customer’s perception with the branded retail outlets and the outlets growth in Coimbatore city. The customer perception about the branded retail outlets various largely based on their personal character and the status in the society. Tier – II city Coimbatore as a hub has majority of young generation with a lavish life style which makes them adaptable to the changing retail outlets structure.

The retail sectors have become one of the most dynamic growing sectors in recent times. Retailing has always been an integral part of economic development. Nations with strong retail activity have enjoyed greater economic and social progress. It contributes to the development by matching the individual requirements of the population with the producers and suppliers of merchandise. By bringing the product to the customers, they are helpful in creation of demand of new offers leading to expansion of market. The Indian retail industry is not only one of the most fragmented in the world, but also the most challenging due to its unorganised nature. The retail sector is broadly classified in to two groups; organised and unorganised sector. The organised retailing refers to trading activities undertaken by licensed retail retailers, that is, those who are registered for sale tax, income tax, etc. These include the corporate - backed hypermarkets and retail chains, and also privately owned large retail businesses. It is not just stocking and selling but is more about efficient supply chain management, developing vendor relationships, quality customer service, efficient merchandising and timely promotional campaigns. On the other hand the unorganised retailing refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner managed general stores, convenience stores, hand cart and pavement vendors, etc. This market is characterised by typically small retailers, more prone to tax evasion and lack of labour law supervision. This market is more common in developing countries. More over the nuclear type of families gives them more disposable income and freedom to decide on the purchase. Because of this the branded retail outlets in Coimbatore was able to make easy inroad in the minds of customer. The research based on the individual perception, their habit was able to give a clear idea about the customers' perception in the selected branded retail outlets in Coimbatore city. For this, the researcher has taken a sample of 850 retail respondents in Coimbatore city with the following objectives.

- (i) To study the socio-economic factors in the selected branded retail outlets of the respondents in Coimbatore city.
- (ii) To determine the factors on purchase of products in branded retail outlets in Coimbatore city,

- (iii) To analyse the customers' perception towards branded retail outlets in Coimbatore city,
- (iv) To analyse the level of satisfaction of branded retail outlets in Coimbatore city,
- (v) To analyse acceptance of service level of branded retail outlets in Coimbatore city, and
- (vi) To analyse the problems faced by customers in the branded retail outlets.

Objective 1: To study the socio-economic factors in the selected branded retail outlets of the respondents in Coimbatore city.

In the present world of fast changes, everybody's habit determines the social status in the society. As an individual, they are more concerned about their personal happiness and brand of them with reference to the standard of living. Shopping has becoming an integral part of everyone's life. This determines the status symbol of an individual. So, an individual consider this shopping as a tool to build his / her self esteem and more over he / she uses this for relaxing himself / herself and his / her family.

The retail industry gives an opening for an individual to build his self-esteem and acts as a tranquiliser in the highly pressurised world. It also helps to rejuvenate an individual family life. Because of this trend the total cultural structure of the society has changed radically from conventional society to unconventional society.

Window-shopping is another concept, which has tapped up during shopping because of the change in trend of the shopping pattern. This window shopping has emerged just because of the retail industrial growth. In a way, window-shopping is directly proportional to the growth of retail industry. Window-shopping has created the urge to purchase for an individual complemented by the organised retail, which gives all under one roof and the festival environment created by the retailers for the individual who comes for the branded retail outlets. Thus, retail industry is capable of effectively using the window shoppers for their personal growth and capable of inducing the customer for a purchase. Moreover, the individuals feel the ambiance, the facilities and convenience of shopping when they come in for branded retail outlets.

Duk Bin Jun et al investigated the impact of new store entry on market share of existing stores using store market share data and a spatial market response model. They emphasised that retailers can gain insight into the role of store characteristics in retail competition and predict patronage shifting patterns using the aggregate data before the entry of the competitor. Store characteristics affecting choice set formation is accessibility to the new store, awareness of the new store, and substitutability among stores.

Harri Lorents and Olo-Pekka Hilmola have identified in their study on Supply Chain Management in Fast Moving Consumer Goods (FMCG) among developed countries; have gained less attention. Based on empirical data analysis, they argued that the retail sector faces increasing pressure regarding restructuring, the management of growth and the implementation of modern retail management concepts.

Maggie Geuens held a qualitative study in order to find out how the consumers perceive grocery shopping and their preferred future grocery shopping alternative. The study found out that consumers are not fond of the way they do grocery shopping. On the other hand the study further came out with a finding that consumer seem to prefer the retail stores evolve in retailing superstores, rather than choosing for the more revolutionary alternative of online shopping which indicates that the predictions of the future success of online retailing may be inflated. The experiential aspect of high-touch products such as groceries should not be underestimated.

The researcher have not done the above three studies because it was clearly explained by the above authors. So the researchers have done only the empirical study on customers' perception of selected branded retail outlets in Coimbatore city. Socio-economic data were collected from the respondents those who prefer their shopping experience in the selected branded retail outlets. Frequency of purchasing is the key factor while shopping in the retail outlet, as per the results of the present study out of 850 respondents 373 respondents prefer to shop during monthly and 76 respondents do their purchase occasionally because of their time schedule.

The potential respondents prefer to do cash purchase for their homely need, i.e., according to the present study the researcher found out 365 respondents do the cash purchase out of 850 samples.

Among the total respondents 29.8 percent of the respondents have purchased in a particular retail outlet because of the good parking facility provided by the retailer, because parking plays an integral part of the shopping experience. To assess economic status symbol 646 respondents prefer branded products while shopping in the branded retail outlet.

According to the present study the researcher found that 39.3 percent of respondents have monthly budget for their branded retail outlet ranges from Rs. 2, 500 to Rs. 4,500. The mean monthly budget score ranges from 1.87 in other group to 2.26 in agriculturist group and since F-value is not significant, the monthly purchase among the occupational group of respondents is on par. Thus, the study revealed that there is no significant variation in the monthly purchase. The mean monthly expenditure ranges from 8.66 for agriculture group to 13.11 for service group of respondents and the monthly expenditure is higher in service group than all other groups and is least in agriculture group of respondents. The mean number of earners ranges from 1.98 to 2.55 and it is higher in agriculture group than all other groups of respondents and is least in service group of respondents of retail outlet users. 795 respondents recommend the retail outlet for others because they have tasted the selected branded retail outlet is good by all means. 799 respondents would visit the same retail outlet whereas the rest 51 respondents have not visited the same retail outlet. The significant Chi-Square indicates that there is an association between all the personal characters except sex and area of residence of the respondents and frequency of purchase in the selected branded retail outlet.

Objective 2: To determine the factors on purchase of products in branded retail outlets in Coimbatore city.

The behavior of the respondents in Coimbatore is varying in many aspects such as geographical nature, culture, life style, education and income sources. A consumer shopping is an entertainment and leisure time activity. It is an outing with the family or friends. Therefore in a major retail outlet or in a shopping mall more avenues to be developed for relaxation such as games, playing area for kids, indoor games and fitness centers etc.

While ambience and scale are certainly eye candy, Coimbatore shoppers are finding it frustrating to shop in modern retail for all their needs as these players are slipping up on replenishing stocks in real time.

Studies indicate during 2006 to 2012, customers' awareness on purchase attributes has intensified. It is escalated by direct means such as advertising, promotion and display, and also, at a deeper level, by socio-economic factors. The weak product identification process in which a product's market trends, market performance and financial performance are considered by the manufacturing company are also outlined. The study of brand awareness can offer important insights into the consumer buying process, and there is scope for a re-examination of the effect of awareness in the current retail marketing scene.

As the younger generation have more disposable income, their purchasing power creates a mind set to enter the branded retail outlets. Moreover the present generation living in the Tier – II city are mostly living as a nuclear family which gives them more independence and authority to choose their style of shopping. An increase in awareness on hygiene and personal health care among the public is leading to increases in consumer spending on such products.

According to the present study, the age factor of the respondents plays a vital role in their shopping habit. The researcher found that the awareness about the emerging retail industry is higher for the lower age respondents. As Coimbatore is a Tier – II city, the educational level of respondents to change his shopping pattern. According to the research findings, 34.6 percent of respondents prefer Big Basaar for shopping needs and then comes More, Nilgiris, Reliance and Spencer's.

Even though many customers come for window-shopping only, findings of this study says that they prefer shopping only in organised retail because of two reasons. One is there is all under one roof. They can purchase all the products and the second one is good ambience of the branded retail outlets. The city is a hub for business and education. So, customer needs and wants, taste and preference varies from time to time. Through the analysis and findings depicted that customers prefer only the branded products while shopping in a branded retail outlets.

Awareness is a key factor of a shopping experience in the customer's mind. Without awareness, they will not prefer to buy or sell. In the present study it was found that the awareness of branded retail outlets is from friends / relatives, i.e., 332 respondents are aware through friends / relatives out of sample of 850.

The factor analysis of the present study has condensed the range of awareness parameters and simplified the 19 awareness on purchase attributes A1- A19 and grouped into 5 factors explaining 54.390 percent of the variance of all the 19 purchase attributes.

Among the 19 purchase attributes on awareness of retail outlets A1 - A19, Brand –A1 has secured high mean score (4.538)and stood at top, followed by product category - A2 stood at second (4.012) and Quality – A5 stood at third (3.767) and finally free gifts – A14 secured least score (3.216) and stood at last. The present study stated that the customer prefer the brand while if a shopping need arise.

When the researcher analyses a micro level contribution of awareness attributes, it clearly reflects majority of the respondents are induced by the brand. In a way, the brand loyalty developed by the branded retail outlet in the customers mind plays a vital role in their respondents purchase decision. The other two important attributes have included the range of product category and the availability of the particular retail product geographically.

The overall awareness score (71.89) is higher in 15-20 years age group than other age groups and is least (68.49) in 41 and above age group, because, the younger generations has more purchase power compared to the older generation. The current research finding depicts that purchasing power as not only disposable income but also about the freedom of purchase decision which is possible because of the nuclear family system enjoyed by the younger generation.

McGoldrick, Peter J.; Marks, Helen J. "Shoppers' Awareness of Retail Grocery Prices", the study indicates that customers' price awareness (involving both recall and sensitivity) has diminished, but it is still affected by direct means such as advertising, promotion and display, and also, at a deeper level, by socio-economic factors. The weak product identification process in which a product's market trends, market performance and financial performance are considered by the manufacturing company are also

outlined. The study of price awareness can offer important insights into the consumer buying process, and there is scope for a re-examination of the effect of pricing in the current retail marketing scene.

Supporting the views of McGoldrick, price sensitivity is a unique area in which the retailer should concentrate. The author touched upon some of the major points in the retail sector, McGoldrick approach emphasis few areas like the week product identification process, market and financial performance during his study period. In the present study observed during the data collection, 50 to 60 percent of retail customers' feels that branded retail outlet product prices are very high and they are keenly interested to check the products have any discounts and offers. This is a biggest threat for retailers in Coimbatore. Though, the young population is highly dominating the shopping, there is a feeling that the pricing strategy taken into consideration doesn't fit to the Coimbatore market. If the retailer take corrective actions in pricing which can lead to increase in customer band width, there by the retailer can improve the sales and increase the profit margin as well. The retailer need to survey in a market which is price sensitive and engulfed with competition from all direction and suggested to the retailer, keep an eye on fixation of offers for a product / commodity. A finding of the present study has been that the personal characters had significant association with the awareness about branded retail outlets and these personal characters influence their purchase behavior.

In market literature, product-attribute based determination of market extent is favoured over the price-based and other approaches. Since the marketer is interested in understanding, catering to and influencing the behavior of customers, the focus is on utility. Techniques such as multi-dimensional scaling (MDS) are widely used to construct perceptual maps, with products category attributes as variables to identify distinct product-markets. The assumption here is about the relationship between product attributes (features) and the functions they perform to meet the need or utility of the customer. Segmentation, the result of such an exercise, essentially seeks to empirically determine market extent on the basis of differences in customer needs provide through product attributes. For future research, the researcher shall use the Clustering method are also often adopted to identify market segments that contain a homogenous set of

customer based on their demographic, psychographic and socio graphic characteristics. Within a market segment, a one-on-one correspondence is implied between product and customer characteristics. The distinct product-markets contain goods that are close substitutes, but exclude those goods that are not-so-close substitutes. Prevalent use of this approach to defining markets is made by product management, marketing, sales and market research professions.

While product – markets are tightly defined around product attributes, Levitt (1960) in his celebrated article also calls for viewing markets (businesses) as linking firms to their customers through the needs of customers. Thus, he argues that pricing is the major factor that the retail industry should ventilate the need for the today's global village.

Product-Awareness through Smart Audio Navigation in a Retail Environment, Jung, R, (2011), in his paper, introduces a method to make personalised music freely selectable for each customer in a retail environment. Using a web interface, the customer can create an electronic shopping list, associate items with recommended music, and thus create his individual shopping play list. The provided instrumental music tracks are additionally categorised by their emotional expression to allow a selection based on the user's favorite mood. The product-associated music tracks start playing at the customer's instrumented shopping cart as soon as he enters specific product departments where items from his shopping list are located. Jung heuristic to identify and introduce a service to provide product-awareness through the customer service. This location awareness service notifies customers when they come closer to products that are listed on their shopping lists. They use a two stage notification approach by creating user-centric notification sones. Depending on the customer's distance to the product, gets notified by an ambient or arousal noise that is mixed into the background music. In doing so, customers become aware of products in their surrounding area that are listed on their personal shopping list. In the present study brand personality is one of the awareness attributes to ease the customer base for the branded retail outlet. But at the same time the analysis revealed that the weighted average score is 3.681 and rank for the brand personality is eight.

Objective 3: To analyse the customers' perception towards branded retail outlets in Coimbatore city.

Marketing is a domain which is dynamic i.e., involves change, an important phenomenon not to be overlooked. We have come across a term “Unique Selling Proposition” (USP) which companies feel as a constant factor. Every organisation has an open system of management, which means change is inevitable, and is associated with environmental factors. Companies need to focus not only on USP of their products but also on the “Unique Customer Perception” (UCP) of the final end users.

The prop of marketing is based on the need identification and the USPs is prepared based on the identified needs. If the needs are wrongly identified, then, even the USPs that is unique to the product would not serve the purpose. USP identifies a product / service from its competitors while UCP is the perception or picture a customer develops from all types of promotional inputs from the company about their product or service. It is often seen that some brands do extremely well compared to other brands having the same resources. The reason for the brands not to do well is probably the communications, which do not reflect the customer's perception. Therefore, it is not the USP but UCP that plays an important role. This has led to the concept - “customer perception is the rule and not customer satisfaction”.

A customer always buys a product or service with many expectations, which he / she has derived from the promotional inputs of the company or other sources including word-of- mouth. So, the customer would be satisfied when performance is equal to expectation, which would not be satisfied when performance does not match with expectations. Now this expectation is what has been derived from perception.

Perception is not good or bad, right or wrong, it is just the way someone judges an experience based on their value system of what they believe should happen. Since people are unique, each of their perceptions are unique .On the other hand each situation is a "point of contact" with an employee that will tell the customer a "truth" about the company's idea of customer service. Each situation will create expectations of what the next experience will probably be like.

Money is a budgetary constrain for an ideal advertising campaign. Thus, UCP has to be rightly analysed for better results by the company to match performance and expectation.

According to the present study, Factor analysis condensed and simplified the 20 perception on purchase attributes A1- A20 and grouped into 4 factors explaining 50.256 percent of the variance of all the 20 purchase attributes. Among the 20 perception on purchase attributes of retail outlets A1-A20, Acceptance of Branded Retail Outlet – A1 has secured high mean score (4.511) and stood at top, followed by Complaints clearance - A2 stood at second (3.864) and Customer friendly –A 10 stood (3.679) at third and Shopping environment – A 3 secured least score (3.851) and stood last. The overall perceptions mean score is higher (77.26) in 15-20 years age group than other age groups and is least (70.24) in 31-40 years age group. The overall perception score among the respondents is on par in the retail outlets.

Another finding of the present study, acceptance of branded retail outlets have immense factors which helps to make a decision on the purchase behavior of the customer. As the present generation is influenced by the western style of living, most of the decisions are taken by taking into consideration the western standard of living. More over the companies are also bombarding the customers in form of advertisement like door delivery, cash - in - hand, offer purchase, credit purchase, Sodexo and other loyalty programmes. The present study found that between 15 to 20 years of age group has more inclination towards this kind of branded retail outlets for shopping. This is because the younger generation always tries to imitate the West.

Objective 4: To analyse the level of satisfaction of branded retail outlets in Coimbatore city.

Customer satisfaction is the primary motive for any industry to grow. Retail Industry is no exception to it. This industry has an advantage in creating a customer satisfaction, as shopping is indispensable in anyone's life. The branded retail outlets are able to create customer satisfaction by fulfilling all the purchasing needs of customer by giving all under one roof and creating a great environment for shopping need for a customer.

The satisfaction level of individual while shopping in the branded outlet retail is high in the age group between 15 to 20 years. The mean overall satisfaction score on branded retail outlets is high (67.1) between the age group of 15 to 20 years, because the youngsters use more BROs rather than Kirana stores. The significant Chi-square showed that there is association between the age and level of satisfaction with the branded retail outlet among the respondents.

Currently, more number of nuclear families is coming up in Indian scenario. The findings posited that 495 respondents were from the nuclear type, out of 850 samples. This nuclear family trend has emerged because people migrate from rural to urban areas for education and for a job. This approach emphasis that nuclear family leads for a better shopping experience for the young generation when it comes to Tier – II city. The not-significant Chi-Square showed that there is no association between the type of family and level of satisfaction with the branded retail outlet among the respondents.

In the current study, the researcher took agriculture people, business class, professional, service and others for his study. Out of which professional people use the branded retail outlets more in numbers (234 respondents out of 850). They are the potential customers for the branded retail outlets.

The findings of the study revealed that the mean overall satisfaction score on branded retail outlets is higher in females than the males, because they spend more time while shopping rather than males.

"India is a big country where preferences change with every 25 kms and customer loyalty with every 5 rupees. Hence, retail outfits need technology and systems which can manage and interpret these dynamics, and thereby help the management to take real time decisions," said one of the pioneers of organised retailing in India, Mr. Biyani Kishore of Pantaloons.

As a Tier – II city the people living in Coimbatore are exposed to more loyalty programmes (point system, discount sale, credit base system and privilege card) which is used as a marketing tool by the retail, major gives them more attraction for getting into the retail shopping.

The researcher with the help of findings found that more number of respondents in Coimbatore city prefers to buy in discount sale, i.e., the first priority is discount sale, second level is point system, and next is privilege card.

Now-a- days customers wants to relax in many ways, for example movie, beach, picnic etc. Retail shopping has become a new way of relaxation exercise for the people living in city like Coimbatore. It reduces stress and helps them to relax with their family. Malls are upcoming in Coimbatore during 2006 to 2011 so, people change their purchasing habits instead of daily. They prefer to purchase monthly. In the present study it was found that, 373 respondents prefer to go to the branded retail outlets every month rather than weekly, fortnightly and occasionally because of their work culture and environment.

Consumer response to retail has been moderate because most do not have access to transportation to BROs and are still in the habit of buying fresh produce daily from local stores. This is mostly due to the proximity to homes and personal service of local stores. Self-serve BROs are a more recent phenomenon in India. These self-service stores stock a wide range of groceries, snacks, processed foods, confectionery items, and cleaning and personal care products.

Many shoppers also have the perception that prices are higher at BROs because they are large, brightly lit and air-conditioned. Higher-income consumers focus more on convenience and quality.

In urban India, families are experiencing growth in income and dearth of time. More and more women are also turning to corporate jobs, which is adding to the family income but making lifestyles extremely busy. Rising incomes has led to increasing demand for better quality products while lack of time has led to a demand for convenience and service.

There is an association between the gender and level of satisfaction with the branded retail outlet among the respondents. Among the total respondents, majority of the respondents (69.2 percent) are married. The mean overall satisfaction score on branded retail outlets is higher (63.3) in married group and is least (61.2) other groups of respondents. Majority of the respondents (58.2 percent) belong to nuclear type of family. The mean overall satisfaction score on branded retail outlets is higher (63.4) in nuclear family group and is least (62.7) in joint groups of respondents.

There is no association between the type of family and level of satisfaction with the branded retail outlet among the respondents. Factor analysis condensed and simplified the 17 satisfaction on purchase attributes A1- A17 and grouped into 5 factors explaining 63.113 percent of the variability of all the 17 purchase attributes.

Among the 17 satisfaction on purchase attributes of retail outlets A1- A17, service –A1 has secured high mean score and stood at top, followed by Response - A2 stood at second and Quality - A3 stood at third and Complaint handling –A17 secured least score and stood last. The overall satisfaction score is higher in 15-20 years age group than other age groups and is least in 31-40 years of age group.

Objective 5: To analyse acceptance of service level of branded retail outlets in Coimbatore city.

McKinsey's retail report also talks about the uniqueness of the Indian shopper vis-a-vis the rest of the world: least loyal to a single retailer, dislike for pre-packaged fresh foods, willingness to pay more for convenience and services but not a premium price for a brand and demands ethnicity in apparel accessories. And, in the absence of quality control, information about the product and trust in retailers, brands serve as a proxy for all these factors.

Of the current 204 million households in India, the report estimates that only about 13 million households have the income to patronise organised retail. The great news is that this relevant consumer segment will grow fivefold from 13 million to 65 million households in 2018 but mom and pop stores would continue to be relevant across the country, in both small and large towns.

At the heart of the India growth story is its population, the generators of wealth, both as producers and consumers. With the largest young population in the world - over 890 million people below 45 years of age, India indeed makes a resplendent market. The country has more English-speaking people than in the whole of Europe taken together. Its 300 million odd middle class; the 'real' consumers; have attracted the attention of the world and as the economy grows so does India's middle class! It is estimated that 70 million Indians earn a salary of over US \$19,500 a year, a figure that is set to rise to 150 million by 2013.

In this land of 15 million retailers, most of them owning small mom and pop outlets, we also have a modern retail flourishing like never before. There is little room for conflict as evidenced from the fact that India presents a unique case of consumption-driven economy: while the US reels under recession, where supply clearly outstrips demand, India confronts inflation, where industry and retailers are yet unable to provide what the consumer demands.

With several states in the country permitting retailers to purchase produce directly from farmers, the farmers too are adapting to the new opportunity to cultivate assigned crops and take special care of the same. This gets them instant credit at higher prices than what they received from the erstwhile traders/middlemen. Corporate retailers like ITC, Godrej, Reliance, AV Birla and many others have already established the farm linkages. Indian farmers are finally making good money, after centuries of social and economic exploitation. The Indian government too has chipped in with a massive loan waiver worth Rs. 60,000 crores to lighten the farmers' debt burden.

India's rural markets offer a sea of an opportunity for the retail sector. The urban-rural split in consumer spending stands at 9:11, with rural India accounting for 55 per cent of private retail consumption. Currently the Indian retail market is estimated at Rs 1,330,000 crores, and almost half of this growing retail market at present lies in rural India, which is a tremendous growth sector that needs to be tapped with care.

According to National Council of Applied Economic Research (NCAER) reports, rural India is home to 720 million consumers across 627,000 villages. Seventeen per cent of these villages account for 50 percent of the rural population, as well as 60 per cent of rural wealth. This implies that reaching out to just 1, 00,000 + villages will ensure access to most of the rural opportunity.

The urban market undoubtedly continues to grow but with most of the retail initiatives concentrated in the metropolitan and Tier-II and I cities, these markets are fast becoming saturated. Realising this, most of the big retail companies have started targeting the Tier-II cities and the rural towns to spur their growth. The 'bottom of the pyramid' market is now looking attractive for companies wanting to explore new turf. DCM

Hariyali Kisan Basaars and Godrej Aadhars have already set up rural retail hubs, ITC ChoupalSagar has done the same and so have Tata KisanSansars, Reliance Fresh, and others like the NayaYug Basaar.

The researcher found out that among the six agreement statements on purchase attributes of retail outlets A 1 – A 6, A 1 – „quote your opinion towards if a product is out of stock in a retail outlet I would substitute rather than go to another store to get it’ has secured high mean score and stood at top, followed by A 2 - „I would rather shop in a large retail outlet than a small retail outlet’ stood second and A 5 - „computerised checkout scanners benefit shoppers’ stood at third and A 4 - „the way retail outlets are laid out makes it easy to find the products I need’ secured least score and stood last. The overall acceptance score among the respondents is on par in the retail outlets.

In the present study it was able to see a drastic change in the mindset of people towards branded retail outlets. This has happen because of the systemisation by the branded retail outlets. A customer was able to experience the technology impact when he / she goes out for a retail purchase and is given a feel of delight more than satisfaction by the branded retail outlets. The respondents in this study have festival mindset feel when the respondents go in for a larger retail outlet than a smaller one. Surprisingly the retail outlets are ready to compromise on the brand of a particular product just to have feel and experience of retail shopping.

A study done by Dr. Parasuraman entitled “Understanding customer expectations of service” is about the satisfaction audit and surveys which reveal likings and disliking of customers with service performance. The gaps between customer expectations and perceptions can be identified and plugged with judicious use of satisfaction audits. The regular assessment of customer satisfaction and obtaining their feedback is an essential step for successful implementation of CRM programme in any organisation. He describes that listening to customer complaints, showing genuine interest, prompt resolution and providing suitable compensation are found to very helpful in overcoming the bad or sad experiences and building effective relationships.

Organised retailing is spreading and making its presence felt in different parts of the country. Several growth drivers are responsible for this boom of retail industry. There has been an increase in the presence of MNCs. The industrial boom has led to the emergence of new residential areas with aggregation of professionals as well as rapid increase in the number of „double-income’ households and growth of the rich / upper middle class with increased purchasing power. This has been combined with the increasing need for touch and feels shopping, especially for the large migrant population. All these factors have together acted favorably in nurturing the industry.

One of the main influences in the growth of retail industry is the consumer pull. In fact this seems to be the most important driving factor behind the sustenance of the industry. With the increase in double-income households, for working women, there is an increasing pressure with very little time available for leisure. So, under these circumstances, people prefer the convenience of one stop shopping. They are also seeking speed and efficiency in processing, as a result. Being more aware, consumers are on the lookout for more information, better quality, and hygiene and as well as increased customer service. These changes in consumer behavior also augur well for the retail industry.

Objective 6: To analyse the problems faced by customers in the branded retail outlets.

“A hypermarket needs a large bill and a large bag and the means to reach the large bag home. Typically, the large formats cater to the four-wheeler crowd. You cannot generalise shopping in a diverse nation of middle class consumers who use public transport most of the time,” says Subhiksha’s Managing Director Subramanian. R.(2005).

Yet most hypermarkets – especially like Spencer’s – which are located as a part of a large mall, attracting traffic into the store are not a problem. In terms of footfalls, a hypermarket typically gets about 8-10,000 footfalls a day, while a supermarket gets about a third and a neighborhood convenience store gets about one-tenth that amount.

The novelty of a new hypermarket does bring in traffic, but very soon, the 15-minute rule does kick in, says Mrs. Vittal Ireena. McKinsey’s partner for the retail practice, “From our research, we’ve established a global 15-minute rule”. No consumer wants to travel more than 15 minutes to buy anything they require, unless it is something that requires high involvement, categories like wedding dresses, jeweler or complete home furnishings.

However, the real problem is in converting that footfall into sales. For the moment, retailers say consumers tend to visit large formats as entertainment zones, to wander around the aisles and look at products as much as to make purchases. “The larger formats intimidate the consumer and land up confusing them. Structurally, we are not therefore aping the European big-box formats. Earlier, we found people walking around, making the smallest purchase and walking out. It makes business sense to focus on generating volumes through smaller formats to sustain the big-box formats,” said a top official in a leading retail company.

Perhaps it also has something to do with the value proposition itself. Most hypermarkets use price-offs on a range of products to trigger buying. But the trade-off of travelling a fair distance for a few rupees of savings may not quite work, says Raghunandan. S, an independent retail consultant, “You can’t continue to charge small discounts on small ticket items, adding up to savings of Rs 20. Customers are more discerning than that.”

Also, hypermarkets have been set up and are largely replicated from established formats like Carrefour and Tesco, which have a far greater range in food and grocery, a category that drives footfalls. Says Andrew Levemore, CEO of Hypercity, “The mix (in food) is not only determined by eating habits but also product availability in each category. In India the FMCG ranges carried by our MNC suppliers are much smaller than the western world, so the in-store representation is accordingly smaller.” In such a scenario, it is easier to stick to a smaller range, than go with unbranded food items as hypermarkets sometimes do.

Damodar Mall, chief executive, innovation and incubation, Future Group, who played a part in the KB’s Fairprice Value store concept, simply says, “Give the Indian consumer a few more years and she’ll be ready for the classical hypermarket format. But not right now.”

The following are analysed in the present study, through factor analysis condensed and simplified the 16 problems and grouped into three factors explaining 56.454 percent of the variability of all the 16 problems.

Among the 16 problems faced on purchase attributes of retail outlets A1-A16, A1 poor outlet maintenance has secured high mean score and stood at the top, followed by lack of service A7 stood at second and Lack of knowledge-A8 stood third and Lacking salesmanship-A4 secured least score and stood last.

The overall problem score is higher in 15-20 years age group than other age groups and is least in 40 and above age group.

The overall problem score is higher in Spencer's group of respondents than other groups of respondents and is least in Big Bassar group of respondents.

A branded retail outlet is one which should direct the customer without any kind of assistance. However, the current research finding has found this as one of important factor which hinders the growth of the branded retail outlet. The maintenance of the retail outlets is also not on par when compared with the Western branded retail outlet. As the branded retail outlet is an emerging industry, the industry is not able to get efficient and effective work force that has got at least the basic industrial knowledge about branded retail outlet. The present younger generations lacks patience just because they are in need of quick money and quick happiness which makes them tough to handle by the inexperienced work force primarily in the Indian market. The present study posited that most of the young generations fall in the age group of 15 to 20 years, which is highly restless and short tempered. So, the finding clearly explained that the mean score is high in the age group of 15 year to 20 years. These entire problem faced by branded retail outlet can be rectified if they give proper training to the young immature work force.

A recent study by Sharma and Patterson, Paul entitled "The impact of communication effectiveness and service quality on relationship commitment in consumer and professional services", have reported a relationship between communication effectiveness and relationship commitment and perceived quality in retail industry. The service providers are expected to communicate effectively with their customers for better perception to know their future purchase. The policy of single-brand retail was adopted to allow Indian consumers access to foreign brands. As Indians spend a lot of money shopping abroad, this policy enables them to spend the same money on the same

goods in India. FDI in single-brand retailing was permitted in 2006, up to 51 percent of ownership. Between then and May 2010, a total of 94 proposals have been received. Of these, 57 proposals have been approved. An FDI inflow of US\$196.46 million under the category of single brand retailing was received between April 2006 and September 2010, comprising 0.16 per cent of the total FDI inflows during the period. Retail stocks rose by as much as 5 percent. Shares of Pantaloon Retail (India) Ltd ended 4.84 percent up at Rs. 441 on the Bombay Stock Exchange. Shares of Shopper's Stop Ltd. rose 2.02 percent and Trent Ltd. 3.19 percent. The exchange's key index rose by 173.04 points or 0.99 percent, to 17,614.48. But this is very less as compared to what it would have been had FDI up to 100 percent been allowed in India for single brand.

Indian retail business values at around US\$ 550 billion as of now and about four percent of it accounts for the organised sector. A report by Boston Consulting Group (BCG) has revealed that the country's organised retail is estimated at US\$ 28 billion with around 7 percent penetration. It is projected to become a US\$ 260 billion business over the next decade with around 21 percent penetration.

Another report by Business Monitor International (BMI) suggests that enhancing middle and upper class consumer base has set vast opportunities in India's Tier-II and Tier-III cities. The greater availability of personal credit, improved mobility, better tourism etc. is all small, but significant contributors to the growth of Indian retail industry. Also, more and more companies are willing to invest in India due to significant growth forecasts on gross domestic product (GDP) (BMI predicts average annual GDP growth of 7.6 percent by 2015).