



Organised Retailing – A Study with Special Reference to People, Process, and Physical Evidence

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ABSTRACT

India has witnessed a revolution in the last two decades owing to rapid urbanization and changing consumption. This has led retailers to concentrate their energies and leverage their capability to harness the potential. The development and growth of organized or modern retailing is connected to the lower prices resulting from the functional efficiencies (Minten and Reardon, 2000). There have been steady changes taking place in retail on Foreign Direct Investment (FDI) in India. In India the process of modern retailing started by large retailers has spread across country. The change is riding on the changing consumption patterns and increased income levels of the consumers. As India is a large country with heterogenous cultures, demand patterns and consumptions, the extent of localization required by the retailers would be a daunting task. An attempt is made in this paper to study the key issues in organized retailing with special reference to people, process and physical evidence.

KEYWORDS : Organised retailing, Physical evidence, Consumption pattern

I. Introduction:

India has witnessed a revolution in the last two decades owing to rapid urbanization and changing consumption. This has led retailers to concentrate their energies and leverage their capability to harness the potential (Piyush Kumar Sinha, Srikant Gokhale, Sujo Thomas 2012). In a developing country like India, the emerging consumption practices have been posing a serious challenges to the marketers. The Indian retail sector is projected to US\$1.3 trillion by 2018 (Kalyanasundaram 29.9.2012). As per the McKinsey Report, 'The rise of Indian Consumer Market', by the year 2025, the Indian consumer market is expected to grow fourfold (india-market/retail.html ace on 29.9.2012). The development and growth of organized or modern retailing is connected to the lower prices resulting from the functional efficiencies (Minten and Reardon, 2000). There have been steady changes taking place in retail on Foreign Direct Investment (FDI) in India. FDI was initiated around the year 2005 by Government of India.

II. Objectives of the Study:

- To gain insight into the developments in organized retailing in India
- To evaluate the impact on people, process and physical evidence
- To offer suggestions based on findings of the study.

III. Sources of Data and Tools for analysis:

The study is based on both primary and secondary sources. Primary data were collected through administering a questionnaire among employees of selected retail stores. Secondary data were mainly from records of retail outlets, relevant research papers published in journals, Books and Websites. The primary data were obtained through administering a questionnaire among 300 customers who were selected according to convenience sampling. The statistical tools like Averages, Percentages and test like ANOVA were used for analysis of data.

IV. Data Analysis and Interpretation:

This section of the research paper is devoted to present the views of respondents regarding the people, process and physical evince at organised retail outlets in select cities. This has been divided into three parts as presented hereunder.

IV.1 People:

The service industry interacts between the service providers and their customers by people. Across many touch points as most services are dominated by people who deliver them successfully.

Opinion about behaviour of employees

A retail sales associate needs to remain professional at all times retail sales associate should be pleasant, greet everyone with a smile and try to bring levity to a situation. He needs to be someone that people feel comfortable talking to, and that gives an air of confidence that will make what he says believable to customers. Therefore, the respondents were asked whether the behaviour of the employees at retail outlets is courteous or not and the responses are placed in Table 1.

Table 1
Respondents Opinion about behaviour of employees of retail outlet (Income wise Analysis)

Income per PM '000	Response							
	Reasonable		high		low		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Below Rs.20	8 (4.30)	30.77	13 (17.10)	50.00	5 (13.16)	19.23	26	08.67
Rs.20-30	22 (11.83)	51.16	15 (19.74)	34.88	6 (14.79)	13.95	43	14.33
Rs.30-40	38 (20.43)	55.07	22 (28.95)	31.88	9 (23.68)	13.04	69	23.00
Rs.40-50	84 (44.16)	79.24	14 (18.22)	13.21	8 (21.05)	7.55	106	34.33
Rs.50 and above	34 (18.28)	60.71	12 (14.79)	21.43	10 (25.32)	17.86	56	18.67
Total	186	62.00	76	24.33	38	12.67	300	100.00

Source: Primary data

The data in Table 1 indicates that 62.00 per cent of the respondents stated that they are happy with the behaviour of the employees of organised outlets and replied 'Yes' the behaviour of the employees at retail outlets is courteous. Whereas 24.33 per cent of the respondents replied that the behaviour of the employees at retail outlets is indifferent and the remaining 12.67 per cent said that the behaviour of the employees at retail outlets is rude.

The income wise analysis reveals that majority of the respondents belonging to all income groups replied positively and stated that the behaviour of the employees at retail outlets is courteous. Among the respondents who stated the behaviour of the employees at retail outlets is courteous 44.16 per cent are in the income group of Rs. 40,000 to 50,000, 20.43 per cent are in the income group of Rs.30,000-40,000. Further, the respondents belonging to Rs.40,000 to 50,000, majority 79.24 per cent of the respondents stated that the behaviour of the

employees at retail outlets is courteous.

In order to test whether there is any significant difference in the response given by the respondents belonging to different income groups about the behaviour of employees, the following hypothesis were formulated and tested with ANOVA technique.

H_0 : There is no significant difference among the respondents with Income wise respondents with respect to the behaviour of employees at organised retail outlets.

Respondents Opinion about behaviour of employees of retail outlet

Source of Analysis	SS	df	MS	Cal.Value	Critical Value	Decision
Income-Wise	1219.333	4	304.8333	1.13666	3.837853	Accepted
Response-wise	2363.2	2	1181.6	4.405941	4.45897	Accepted
Error	2144.467	8	268.1833			
Total	5728	14				

The results of ANOVA relating to education wise analysis shows that the calculated value of 'F'(1.37) is less than the F critical value(3.84) at 5 per cent level of significance. Therefore, the null hypothesis has been accepted and concluded that there are no significant differences among the responses belonging to different income groups with regard to the behaviour of employees at organised retail outlets.

The above analysis clearly indicates that majority (62.00 per cent) of the respondents were satisfied with the behaviour of employees at organised retail outlets. The income wise analysis showed that there are no significant difference among the respondents belonging to different income groups as far as the behaviour of employees at organised retail outlets is concerned. Therefore it can be understood that majority of the respondents belonging to different income groups were also satisfied with the behaviour of employees at organised retail outlets.

IV.2 Physical Evidence

Physical evidence is determined as service delivery and where the firms and customers interact, and any tangible commodities that facilitate performance. It can be used to change a premium price for a service. As the service is intangible most services provides attach physical facilities to a service.

Opinion about physical facilities

The physical facilities provided at the business place should be appealing, neat and spacious, so that the transactions can be conducted in an easy way. Hence, the respondents were asked to state whether the physical facilities of their retail outlet are visually appealing or not on a five point scale. The most appealing facility should be rated as very good and last preference by very bad. The responses for this question are placed in Table 2.

Table 2
Respondents Opinion about physical facilities at the retail outlet

Response	No. of respondents	percentage
Very Good	92	30.66
Good	139	46.33
Not Bad	35	11.67
Bad	26	8.67
Very Bad	08	2.67
Total	300	100.00

Source: Primary data

From the data in Table 2, it is observed that 46.33 per cent of respondents stated that the physical facilities at their retail outlet are visually appealing and rated it as 'good', followed by 30.66 per cent stated that the physical facilities are 'very good' at their retail outlet. Further 11.67 per cent mentioned that the visual appealing of the physical facilities at their retail outlet are 'not bad' and 8.67 per cent said that

the physical facilities are 'bad'. Only 2.67 maintained that the physical facilities are 'very bad'.

From the data on physical facilities at the retail outlets, it can be concluded that majority of the respondents are satisfied with the physical facilities at the retail outlets and they have rated them as 'good' or 'very good'.

Opinion about equipment and fixtures

Every retail house need to be filled with equipment and fixtures as it bring scope for the retail house to make customer convenience and highly appealing and make customer influence for buying a product equipment and fixtures at retail outlet have modern looking. Therefore, the respondents were asked whether look after equipments & fixtures and the responses are placed in Table 3.

Table 3
Respondents Opinion about equipment and fixtures

Response	No. of respondents	percentage
Highly appealing	218	72.67
Bad appealing	64	21.33
Can't say	18	6.00
Total	300	100.00

Source: Primary data

From the data in the table 5.B.2, it is observed that 72.67 States that the store is well equipped and have highly appealing and it was followed by 21.33 per cent with bad appealing and the end 6.00 per cent stated that they can't say.

At the end the customers are highly satisfied with equipments and fixtures of the retail stores as it's was given highly priority for good appealing in the survey

IV.3 Process:

Process determines what an employee has to do to get a service and how to do it. This element of marketing mix looks at the system used to deliver the service. Therefore most companies will have a blue print which provides the details of the service delivery.

Opinion about the implementation of the feedback (post purchase)

The customers are the pivotal elements in the field of marketing and they are providing opportunity to make profit by providing the expected goods and services. The customers sometimes may give feedback about products, prices, facilities and so on to retailers which are to be implemented for the betterment of customer satisfaction. Many a times the managements also gather information from the customers about various services provided by them. Therefore, the respondents were asked whether their retail outlets implement the feedback given by customers in their new pricing scheme or not and the responses are shown in Table 4.

Table 4
Respondents Opinion about the implementation of the feedback given by customers

Education	Response							
	Yes		No		Can't Say		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
SSC and below	10 (4.81)	41.67	14 (13.33)	58.33	-	-	24	08.00
Inter	18 (10.47)	41.86	21 (20.00)	48.84	4 (17.39)	9.30	43	14.33
Degree	54 (31.40)	52.94	42 (40.00)	41.18	6 (26.09)	4.88	102	34.00
P.G	66 (38.37)	77.64	10 (9.52)	11.76	9 (39.03)	10.60	85	28.33
Others	24 (13.95)	52.17	18 (17.15)	39.13	4 (17.39)	8.70	46	14.34
Total	172	57.33	105	35.00	23	07.67	300	100.00

Source: Primary data

The data in Table 4 shows that 57.33 per cent of the respondents were satisfied with the implementation of the feedback given by customers.

ers in their new pricing scheme by their retail outlets and replied 'no' to the statement that the their retail outlet implement the feedback given by customers in their new pricing scheme. Whereas 35.00 per cent of the respondents replied 'yes' to the statement and mentioned that they were satisfied with the implementation of the feedback given by customers in their new pricing scheme by their retail outlets and the remaining 7.07 per cent said that they can't say anything about the implementation of the feedback given by customers in their new pricing scheme by their retail outlets.

The education wise analysis reveal that majority of the respondents belonging to all educational qualifications replied negatively to the statement on the implementation of the feedback given by customers in their new pricing scheme by their retail outlets. Among the respondents who stated 'yes' to the statement that their retail outlets implement the feedback given by customers in their new pricing scheme by their retail outlets, 38.37 per cent are degree holders, 31.40 per cent are post graduates. 13.95 per cent belong to the holders of other qualifications. Further, the respondents belonging to degree, post graduation qualification and other qualifications, majority of the respondents are not satisfied with the implementation of the feedback given by customers in their new pricing scheme by their retail outlets.

But, it is observed that 58.33 per cent of the respondents belonging to SSC and below, 48.84 per cent of intermediate and 41.18 per cent of degree holders mentioned that they were not satisfied with implementation of the feedback given by customers in their new pricing scheme by their retail outlets. Further it is observed that, from among the respondents who replied that they were not satisfied, 40.00 per cent holds degree qualifications. By and large it is observed that majority of the respondents were satisfied with implementation of the feedback given by customers in their new pricing scheme by their retail outlets.

To test whether there is any significant difference in the response given by the respondents belonging to different educational background about the implementation of the feedback given by customers at organised retail outlets the following hypothesis were formulated and tested with ANOVA technique.

H₀: *There is no significant difference among the respondents of different educational back ground respondents with respect to the implementation of the feedback given by customers.*

Respondents Opinion about the implementation of the feedback given by customers

Source of Analysis	SS	df	MS	Cal.Value	Critical Value	Decision
Education-Wise	1390	4	347.5	1.707197	3.837853	Accepted
Response-wise	2227.6	2	1113.8	4.471874	4.45897	Rejected
Error	1628.4	8	203.55			
Total	5246	14				

The results of ANOVA relating to education wise analysis shows that the calculated value of 'F' is less than the F critical value at 5 per cent level of significance. Therefore the null hypothesis has been accepted and concluded that there are no significant differences among the responses belonging to different educational background respondents with regard to the implementation of the feedback given by custom-

ers at organised retail outlets.

The above analysis clearly indicates that majority of the respondents were not satisfied with the implementation of the feedback given by customers at organised retail outlets. Further the education wise analysis clearly shows that there are no significant differences among the respondents belonging to different educational backgrounds with respect to the implementation of the feedback given by customers at organised retail outlets.

V. Findings of the study:

The specific findings emerged from the study are as under.

- Majority of the employees were satisfied with the appearance of employees at retail outlets.
- As regards the income-wise analysis on the behaviour of employees it was identified that about 62% were satisfied with the behaviour of employees. There are no significant difference among the respondents belonging to different income groups on this aspect.
- About 52 per cent are not happy with the employees' understanding of the specific needs of customers.
- About 62 per cent of the respondents are not satisfied on employees providing information of new brands and products.
- Majority of the respondents (77%) are satisfied with the physical facilities at the outlets. They feel that the store is well equipped and highly appealing.
- Majority of the respondents (57%) are not satisfied with the implementation of the feedback given by customers in their pricing scheme.
- Majority of the respondents (61%) are satisfied with the service time at the retail outlets that they are visiting.
- Majority of the respondents felt that the employees do not attend the customer complaints in the best way.

In view of the above, to fulfill the requirements of the customers and to improve the working of organized retailing the following measures shall be adopted. The retail outlets shall improve parking facility, transition zone, card facility for their customers, and focus on shelf facing. The shall create their own cold storage and come up with more variety of products. The retailers should increase payment terminals so that the customers can clear their transactions quickly and comfortably. Retail outlets need to focus on providing more facilities for old age and physically handicapped customers. The retailers should update their pricing schemes on a continuous basis and the same should be brought to the notice of customers.

VI. Conclusion:

In India the process of modern retailing started by large retailers has spread across country. The change is riding on the changing consumption patterns and increased income levels of the consumers. The modern retailers in the organized sector have been enhancing their operational efficiency and providing those benefits to producers and end consumers. Even though customers are getting better prices, the impact of large format retailer in driving consumption is still limited. As India is a large country with heterogenous cultures, demand patterns and consumptions, the extent of localization required by the retailers would be a daunting task. It seems the market would take much time towards total integration.

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