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Original Research Paper

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CUSTOMERS' PERCEPTION TOWARDS STRUCTURE AND LAYOUT OF RETAIL STORES IN ERODE DISTRICT

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ABSTRACT

In the supply chain, the role of retailers has been very significant in carrying the goods from the manufacturers to the consumers. The retailers have direct relationship with the consumers and they act as the intermediaries between manufacturers and consumers. They convey the expectations of the consumers to the manufactures and in turn they transfer the goods from manufacturers to the consumers. In the recent years, the organized retail stores have been gaining momentum. The shopping behaviour of the consumers has turned towards the organized retail stores. This study has made an attempt to examine the consumers' perception towards structure and layout of the retail stores in Erode. For this purpose, the level of satisfaction of 1000 sample respondents has been assessed and put through analysis using Factor Analysis. The results have revealed that External Infrastructure and Internal Infrastructure have been the major factors influencing the satisfaction of consumers towards structure and lay out of the retail stores.

KEYWORDS : Perception, Retail Stores, Consumers, Satisfaction

INTRODUCTION

The retailers are at the lowest of the supply chain. Their role in transferring the goods from the manufacturers and the wholesalers to the consumers is very significant. They have direct contact and relationship with the consumers and as such they can understand the requirements and klpreferences of the consumers. The retailers try to provide the goods according to the tste of th consumers. They understand the attributes of goods such as brands, quantity, price, colour, quality, etc. required by the consumers. They convey the expectations of the consumers to the manufacturers and the wholesalers.

In order to attract the consumers, the retailers design the lay out and structure of the sectors in a specific way. The structure and lay out of the retail stores help the consumers identify the goods easily.

STATEMENT OF THE PROBLEM

In the competitive market, the retailers follow various techniques and strategies to retain the existing customers and to augment new customers. One of such techniques is designing the structure and lay out of the retail stores. Separate floors or sections are provided for different varieties of goods. It could save the time of the consumers and make their shopping experience pleasant. However, whether the consumers are satisfied with the structure and lay out of the retail stores is still to be examined.

OBJECTIVES OF THE STUDY

The present study has been undertaken with the following objectives:

1. To identify the factors influencing the satisfaction perceived by the respondents using the organized retail stores and
2. To offer suggestions to design the structure and layout of retail stores in such a way to satisfy consumers.

NEED FOR THE STUDY

The tastes and preferences of consumers are subject to frequent change. Moreover, the consumers hardly find time for shopping due to several commitments. Under this situation, it is necessary to help the consumers to find the goods required, the varieties available and the price range of goods. Hence, an exclusive study on the satisfaction and perception of consumers towards structure and lay out of retail stores is deemed necessary.

RESEARCH METHODOLOGY

The research methodology refers to the step by step rocess of the research to be undertaken. It serves as a flow cart and helps the researcher to carry out the research smoothly and easily. The research methodology includes data source, data collection, sample size, sampling technique and statistical tools used for analysis.

DATA SOURCE

The data required for the present study is collected from the primary sources. It is the first hand information collected from the sample respondents. It suits to the needs of the present study. All the relevant information required for the study have been collected from the sample respondents.

SAMPLE SIZE

The size of sample has been determined to be 1000.

SAMPLING TECHNIQUE

The sample respondents were selected on the basis of stratified random sampling. There are five revenue taluks in Erode District. Sample respondents have been selected from each of these five taluks. Around 200 respondents from each of these taluks have been selected.

STATISTICAL TOOLS USED

KMO Bartlett's test and Factor analysis have been performed for analysing the data collected for the study.

RESULTS AND DISCUSSION

The level of satisfaction perceived by the respondents using organized retail stores was studied by selecting twelve factors as mentioned hereunder:

1. External environment of location of stores (F1)
2. Physical dimension (F2)
3. Visible materials used for architecture (F3)
4. Structure and shape of the fascia (F4)
5. Windows and window displays (F5)
6. Car parking (F6)
7. Horticulture (F7)
8. Outdoor setting (F8)
9. Trolley parking (F9)
10. Logo displayed in the store front (F10)
11. Welcoming (F11)
12. Security (F12)

TABLE 1 KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.590
Bartlett's Test of Sphericity	Approx. Chi Square	779.659
	DF	66
	Sig.	0.000

It could be understood from the Table 1 that Bartlett's test of sphericity and KMO measure of sampling adequacy are used to test the appropriateness of the factor mode. Bartlett's test is used to test null hypothesis and the variables are not correlated. Since the appropriate chi square value is 779.659, it is also significant at 1 per

cent level and leads to the rejection of null hypothesis. The KMO statistics (0.590) is also high (greater than 1per cent level). Thus the factor analysis is considered as an appropriate technique for analysis.

TABLE 2 COMMUNALITIES

Factors	Initial	Extraction
F1	1.000	0.636
F2	1.000	0.558
F3	1.000	0.541
F4	1.000	0.610
F5	1.000	0.717
F6	1.000	0.710
F7	1.000	0.520
F8	1.000	0.475
F9	1.000	0.633
F10	1.000	0.445
F11	1.000	0.552
F12	1.000	0.395

Extraction Method: Principal Component Analysis

TABLE 3 TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Extraction sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	1.817	15.140	15.140	1.817	15.140	15.140
2	1.695	14.123	29.263	1.695	14.123	29.263
3	1.162	9.682	38.945	1.162	9.682	38.945
4	1.078	8.982	47.928	1.078	8.982	47.928
5	1.040	8.668	56.596	1.040	8.668	56.596
6	0.938	7.820	64.416			
7	0.851	7.094	71.510			
8	0.801	6.725	78.235			
9	0.744	6.200	84.435			
10	0.691	5.758	90.192			
11	0.642	5.349	95.541			
12	0.535	4.459	100.000			

Extraction Method: Principal Component Analysis

It is evident from the Table 3 that the component 1 has explained 15.140 of the total variance while component 2 has explained 14.123 per cent of the total variance and component 3 has explained 9.682 per cent of the total variance. It is further noted that 8.982 per cent of the total variance has been explained by the component 4 and 8.668 per cent of the total variance has been explained by the component 5.

TABLE 4 COMPONENT MATRIX

Factors	Component				
	1	2	3	4	5
F1	0.559				
F2	0.524				
F3	0.467				
F4		0.731			
F5		0.617			
F6		0.467			
F7			0.612		
F8			0.443		
F9				0.640	
F10				0.527	
F11	0.520				
F12					0.449

Table 4 reveals that External environment of location of store (F1), Physical dimension (F2), visible materials used for architecture (F3) and Welcoming (F11) have been grouped under Component 1. These factors could be regarded as 'External Infrastructure related factors' and these factors together have explained 15.140 per cent of the total variance.

Structure and shape of the fascia (F4), Windows and windows displays (F5) and Car parking (F6) have contributed to 14.123 per cent of the total variance explained. These factors have been categorized under Component 2 and regarded as 'Internal Infrastructure related factors'.

Component 3 consists of 2 factors – Horticulture (F7) and Outdoor setting (F8). These factors have been found to be responsible for 9.682 per cent of the total variance explained. These factors have to be considered as 'Ambience related factors'.

The factors grouped under Component 4 included Trolley parking (F9) and Logo displayed in the store front (F10). The percentage of total variance explained by these factors has been found to be 8.982 per cent. These factors shall be called 'Parking and Display related factors'.

Security (F12) has been the only factor categorized under Component 5. This factor has explained 8.668 per cent of the total variance. This factor shall be regarded as 'Security factors'.

It denotes that External Infrastructure related factors have been the major factors influencing the satisfaction of the consumers towards the structure and layout of the retail stores.

RECOMMENDATIONS

Since the store location plays vital role in determining the level of satisfaction of the consumers, it is suggested that the retail stores have to establish their stores in a prominent location which should be convenient and easy to access.

It is also recommended that physical dimension should be designed in such a way that it draws the attention of the consumers and those whose cross the retail stores.

Visual materials used for architecture include entrance/exit doors which attract the consumers should be given importance while designing the architecture of the retail stores. The glass doors with remote sensing and automatic open / close doors shall be installed. Wall painting, portraits, etc should be made in a manner that would capture the eyes of the consumers.

It is suggested that warm welcome shall be extended to every entrant by the receptionists. They should guide the consumers to go the particular section / floor where they want to buy their requirements.

Structure and shape of the fascia shall be designed with suitable and adequate elevation.

Windows should be arranged with mild colour curtains and the window displays should be arranged with a view to be visible both from inside and outside the retail stores.

Car Parking would be one of the major factors influencing the satisfaction of the consumers. Hence, the retail stores should provide ample car parking so that the consumers will be enjoying the pleasant shopping.

CONCLUSION

The analysis made to examine the satisfaction of the consumers towards the structure and lay out of the retail stores has been conducted among the consumers in Erode District. In this regard, the customers of organized retail stores have been selected as the respondents. Their opinion on the level of satisfaction towards 12 selected factors has been analyzed with factor analysis. The results implied that External Infrastructure and Internal Infrastructure have been the major factors influencing the satisfaction of the consumers

towards structure and lay out of the retail stores.

SCOPE FOR FURTHER RESEARCH

It is suggested that further research shall be carried out to examine the impact of store location and display on the purchase decision making of the consumers. Factors influencing satisfaction of consumers of different retail outlets – textile retailers, food retailers, electronics retailers, book retailers, etc. shall be analyzed in the future studies.

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