



A Study on Best Business Strategies Adopted by Supermarket on Buying Behaviour with Special Reference to Selected Supermarkets in Coimbatore City

KEYWORDS

Retailing, GDP, Supermarket.

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ABSTRACT

Retail is the final stage of any economic activity. Retailing includes all the activities involved in selling goods or services to final consumers for personal, non-business use. Any organization selling to final consumers whether it is a manufacturer, wholesaler or retailer- is doing retailing. By virtue of this fact, retail occupies an important place in the world economy.

The Indian retail industry remained a large unorganized sector till the eighties. Corporate houses like Aditya Birla Group, Pantaloon, Reliance entered into retailing after recognizing the vast potential of this sector. The retail industry in India has even been attracting major manufacturing firms and the retail industry is poised to grow at 28% per annum over next five year period.

The consumer landscape is changing very fast. Occupational changes and expansion & penetration of media have caused a significant change in the way the consumer lives and spends his money. Consumers today see an exciting explosion of choices, new categories and new shopping options and have increasing disposable income to fulfill their aspirations. They are seeking more information to make these choices. Consumers are increasingly seeking convenience in shopping and want the shopping experience to be enjoyable. Shopping is no longer seen a mundane chore, but it is now more exciting and keeps the prospect engaged.

Introduction

We are all witness to the change happening in retail in the country. This change is not restricted to the metro cities but has rapidly spread to smaller cities and towns. The force driving this change is the Indian consumer. The size of the population in India has always made it a large market. However, from the 1950's to the 1980's, investments in various industries were limited due to low purchasing power in the hands of the consumer and the government's policies favoring the small-scale sector. Initial steps towards liberalization were taken in the period of 1985-90.

There are many approaches to understanding and defining retailing; most emphasize retailing as the business activity of selling goods or services to the final consumer. Retail is defined as:

'Any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution'.

The emergence of new trends in retailing is a significant event in Indian marketing scenario. Indian markets though were having a steady and confined sphere of activities in pre-liberalisation era have witnessed many changes due to opening up of economy. The marketing system underwent many changes which were important and in tune with growth of market driven economy. The initiatives by the government to extend free market mechanism in different sphere of economy was widely responsible for many innovations in marketing system. One such major change was allowing organized large scale retailers, chain shops and department stores to operate and promote a large scale marketing activity. The growth of organized retailers is having a direct bearing on marketing environment

and changes in the marketing system. Supermarkets, large scale malls, specialty stores & chain stores have been established in almost every part of the country. The phenomenon of marketing through supermarkets is no longer restricted to Metros & Class-A cities.

In order to attract customers, many marketing innovations & developments have been implemented by the store managers. Customer retention, creating favourable image & promoting impulse buying are the three planks of marketing activities which were initially undertaken as basic business practices by the supermarkets. The present study tries to assess the effect of various business practices adopted by supermarkets to retain & attract customers from different segments. The study is also a systematic analysis of different marketing practices adopted by supermarket managers. The key questions addressed in the study are: What are the major strengths of business practices adopted by supermarkets in coimbatore city. What are the marketing practices and innovations undertaken by these supermarkets & how consumer buying behaviour is influenced by these practices.

Having studied the relevant literature and preliminary data gathered, it's decided to conduct an extensive and conclusive research to understand the effect of business practices adopted by supermarkets on buying behaviour of consumers. With this intention the research titled **'A study on the effect of Business strategies adopted by Supermarkets on Buying Behaviour of Consumers with special reference to selected Supermarkets in Coimbatore City'**.

OBJECTIVES OF THE STUDY

The present study attempts to analyze the following objectives:

1. To study the business practices adopted by supermarkets.
2. To analyze the buying behaviour of the consumers visiting supermarkets.
3. To find out the factors influencing buying decisions of the consumer visiting supermarkets.
4. To evaluate the effect of business practices adopted by supermarkets on the buying behaviour of consumers.

METHODOLOGY AND DATA COLLECTION

The study area was confined to Coimbatore city and the sample has been chosen there from. Convenience sampling has been resorted to. The focus was on the business strategies adopted by the supermarkets.

The sample selection process is completed by using following parameters.

- i). Nature of the study.
- ii). Technique of sample selection available to the researcher.
- iii). Possibility of assessing data.
- iv). Respondent willingness to answer.

Sample size determination

On above parameters the sample selection process is completed as follows:

Sr.No	Respondent Class	Selection method	Sample size
01	Consumers	Non-probability Convenience Sampling	510
02	Supermarket Managers	Non-probability Convenience Sampling	25

With respect to the sampling of supermarket managers, five leading supermarkets operating in Coimbatore city was identified as on June 2015. All these companies were included in the study.

Data collection comprises of primary & secondary data.

The primary data for the purpose of the study was collected from consumers and the managers of supermarket through a well structured questionnaire.

A well structured and comprehensive questionnaire was prepared to collect data from these respondents. The questionnaire consisted of both open and closed ended questions. As it was thought to be appropriate in depth interviews of the store managers were also conducted in order have a detailed view of their vision about the business practices in organized retailing.

The secondary data provide useful and necessary information supplementing the qualitative aspects of research finding.

For this purpose, secondary data was collected from all associated sources that include:

- a). Books on Marketing & Retailing.
- b). Research Journals.
- c). Magazines & Periodicals.
- d). Newspapers, Published materials, directories & websites.

The consumers are respondents who provide information regarding their understanding, experiences, opinion and perception towards marketing practices adopted by supermarkets.

The store managers are respondents who provide information regarding the decisions, drawing & implement-

ing plans to achieve the goals for their organizations. The questionnaire incorporated different scaling techniques as demanded by the study.

The questions and the responses were codified and Quantitative data analysis was carried out. Correlations and co-efficients were calculated using non-parametric techniques. Hypotheses were validated using the appropriate statistical tools. Data analysis was carried out using SPSS (Statistical Package for Social Science).

**ANALYSIS & INTERPRETATION OF DATA
DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS**

The term demography indicates the general and allied information about population, which helps to understand the age, gender, occupation, income group, educational qualification as well as other cultural factors, which the marketers use it for formulating the strategies thereby attaining the ultimate goal of profit maximization.

Age group	Male	Female	Total	Percentage
Age upto 20 yrs	30	16	46	9 %
Age Between 20-25 yrs	115	48	163	32 %
Age Between 25-35 yrs	127	66	193	38 %
Age Between 35-45 yrs	40	26	66	13 %
Age between 45-60 yrs	19	21	40	8 %
Total	331	177	508	100 %

32 % of the respondents belong to the age group of 20-25 yrs. 38% of the respondents belongs to the age group of 25-35 yrs.

PREFERRED TIME FOR SHOPPING

Preferred day of the week	Preferred time in a day			Total	Percentage
	Morning	Afternoon	Evening		
Beginning of the week	24	09	28	61	12 %
Midweek	13	19	65	97	19 %
Weekends	23	11	316	350	69 %
Total	60	39	409	508	100 %

69% of the respondents visited the shops on weekends that too in the evening 19% of the respondents prefer mid of the week to shop.

SHOPPING COMPANION

Preferred companion status for shopping	No.of Respondents	Percentage
Alone	101	20 %
With friends	193	38 %
With family members	214	42 %
Total	508	100 %

42% of the respondents prefer to visit supermarket with

family members, 38 % of the respondents prefer their friends to be a shopping companion.

ATTRACTING FACTORS (3 point Rating scale method)

Factors	Not Attractive	Attractive	Most Attractive	Total
Credit policy	304 (60%)	154	50	508
Ambience	99	285 (56%)	124	508
After sales service	38	315 (62%)	165	508
Parking space	25	73	410 (80%)	508
Collection of products	23	365 (72%)	120	508
Leisure / time spent	336 (66%)	80	42	508
Branded products	50	265 (52%)	193	508
Attractive offers/ schemes	50	308 (60%)	150	508
Helpful & Courteous staff	68	320 (63%)	120	508

KEY DECISION INFLUENCERS FOR PURCHASE IN DIFFERENT CATEGORIES OF PRODUCTS

There are different types of decision making parameters for selection and purchase of products. The roles of family members in buying of these products also change due to time, place and product specific utility. It becomes essential to find who is the key decision influencer for buying of variety of product on different occasions. A data of responses collected is presented in the following table.

Key influencers	Biscuits & Chocolates	Health Drinks	Body Care	Oral Care	Washing items	Veg-etable & Fruits	Oth-er Util-ities
Self	266	270	313	348	341	228	203
Friends	158	92	93	50	3	4	1
Parents	165	59	66	171	186	81	28

SHOPPING HABITS

In order to verify the effect of shopping habit on consumer behaviour in supermarkets, set of statements exhibiting different aspects of shopping habits has been listed below.

Shopping Habits	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Not Responded
Make purchases only when there is need not an impulse	112	153	122	77	21	23
Like to shop at supermarkets to collect loyalty points	50	73	102	130	142	11

Prefer to shop in stores that offer a wide selection of products	132	229	76	41	25	05
Like to go to stores to see what's new	56	178	132	97	41	04
Like to experiment with products	67	122	80	146	76	17

Type of Customers	Yes
Status Conscious	4
Fashion Conscious	2
Quality Conscious	15
Price Conscious	4

PERCEPTION OF SUPERMARKET MANAGERS ABOUT CONSUMERS BUYING PATTERN.

STRATEGIES DESIGNED BY STORE MANAGERS TO ATTRACT CONSUMERS ON WEEKEND AND HOLIDAYS

Strategies	Yes
In-Store Advertising	08
Frequent Shopping Programmes	06
Special offers on weekend / holidays	07
Special event on weekend / holidays	02
Targeted Direct Mail	02

STIMULI OF SUPERMARKET THAT ATTRACTS CONSUMERS AS RATED BY SUPERMARKET MANAGERS.

STIMULI	1	2	3	4	5
Reasonable Price	9	10	12	137	340
Point of Purchase display	31	15	138	274	50
Quality of Product	0	0	0	51	457
familiarity with Retailer	50	58	102	135	173
Ambience	2	3	122	190	191

MANAGERS OPINION ON DIFFERENT MEANS USED TO COMMUNICATE WITH THE CUSTOMERS

Communication tool	Rating				
	1	2	3	4	5
Advertising	17	26	33	127	305
Sales Promotion	8	40	65	125	270
Publicity	43	66	28	153	218
Personal selling	153	81	72	138	168

Conclusion

Formulating the strategies focused on customer orientation will evolve business processes and the customers on other hand will be benefitted as their needs and wants will be satisfied and ultimately shopping will become a pleasure at the supermarkets. The managers of the superstores even before starting the activity of retailing do scout for locations for setting up the stores that cater to the profiled customers.

The managers are experts in societal marketing, as they have opined that the consumers aspire to shop at the supermarkets because as the customers feel they belong to higher class of the society when they shop at supermarkets.

There is a continuous and significant change in the approach of consumers towards organized retail. The change

is witnessed in a phased manner from curiosity to attraction and from attraction to action.

The customers should collect adequate and necessary information as to which type of supermarket they intend to visit. Before selecting supermarket, the consumer should confirm what they intend to buy.

The managers have to look at the market from both the point of view as an opportunity and as a challenge. The crux of the situation is promotion. In marketing, noting works like a good promotion. It is necessary for the marketing managers to design the most suitable, acceptable and influential promotional program.