

“Consumer Preference Towards Organized Retailing Purchase” At Big Bazaar, Vadapalani – An Analysis



Management

KEYWORDS :

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ABSTRACT

The project titled “The study on consumer preference towards organized retailing with reference to BIG BAZAAR” clearly states that how the consumers prefer the organized retailing (Big Bazaar) for their purchase. The main objective of the study is to analyze why the consumer prefers the organized retail shops for their purchase instead of an un-organized retail shops and their level of satisfaction. For the purpose of the study a questionnaire was constructed and survey taken from a finite number of customers as consider them as samples where the total population was infinite in nature. The research design used for the study is descriptive research which will analyze the current market status and consumers. The collected data is analyzed and interpreted with the help of suitable statistical tools and accordingly the findings, suggestions and recommendations are constructed which is consider to be the important part of the project.

INTRODUCTION

The Indian retail market is estimated to exceed US\$ 750 billion by 2015, according to the India Retail Report 2013 (IRIS Research), presenting a strong potential for foreign retailers planning to enter India. Until 2011, the Indian Central Government denied Foreign Direct Investment (FDI) in multi-brand retail, forbidding foreign groups from any ownership in supermarkets, convenience stores or other retail outlets.

Even single-brand retail was limited to 51% ownership and a bureaucratic process. In late 2012, the Government of India passed a Foreign Direct Investment policy which allows foreign retailers to own up to 51 per cent in multi-brand retail and 100% in single brand retail. It is expected that these stores will now have full access to over 200 million urban consumers in India, approximately 47% of which are below the age of 30 with high levels of consumption.

Country	2012 Rank	2011 Rank	Change
Brazil	1	1	0
Chile	2	2	0
China	3	6	+3
Uruguay	4	3	-1
India	5	4	-1
Georgia	6	Unranked	N/A
United Arab Emirates	7	8	+1
Oman	8	Unranked	N/A
Mongolia	9	Unranked	N/A
Peru	10	7	-3

Sources: Euromoney, Population Data Bureau, International Monetary Fund, World Bank, World Economic Forum, Economist Intelligence Unit, Planet Retail; A.T. Kearney analysis.

The Indian Retail Market

Indian market has high complexities in terms of a wide geographic spread and distinct consumer preferences varying by each region necessitating a need for localization even within the geographic zones. Delving further into consumer buying habits, purchase decisions can be separated into two categories: status-oriented and indulgence-oriented. CTVs/LCDs, refrigerators, washing machines, dishwashers, microwave ovens and DVD players fall in the status category. Indulgence-oriented products include plasma TVs, state-of-the-art home theatre systems, iPods, high-end digital camera, camcorders, and gaming consoles. Consumers in the status category buy because they need to maintain a position in their social group. Indulgence-oriented buying happens with those who want to enjoy life better with products that meet their requirements. When it comes to the festival shopping season, it is primarily the status-oriented segment that contributes largely to the retailer's cash register. While India presents a large market opportunity given the number and increasing purchasing power of consumers, there are significant challenges as well given that over 90% of trade is conducted through independent local stores.

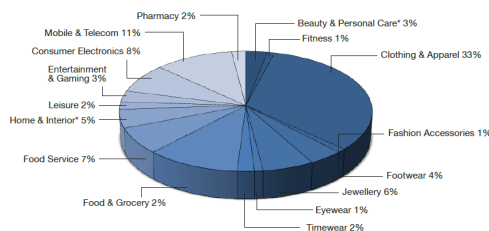
Growth of Indian Retail

India retail industry is the most promising emerging market for investment. An increasing number of people in India are turning to the services sector for employment due to the relative low compensation offered by the traditional agriculture and manufacturing sectors.

Scope of the study

This report will help the organization to know about their customers and the reputation of their shop in the market. It can be used to know about the organized retail pattern and helps the customers to know about the benefits in organized retail like Big Bazaar. It also tells us about the value of each and every customer who are coming to the shop with trust and the purpose for which the customers prefer the organized retailing for their purchase. This study is done in Big Bazaar; the main aim of the study is to know why the consumers prefer organized retail

Share of Different Retail Verticals in Modern Retail



The modern retail is close to 8% of the total retail market. The pie-graph shows how each category of modern retail fares against total modern retail.

According to A T Kearney's Global Retail Development Index (GRDI) 2012, India is the 5th most favorable destination for international retailers (Fig 1). Of the total Indian retail market, 8% constitutes the organized retail segment which is estimated to grow at a rate of almost 30% by 2015, and hence at a much faster pace than the overall retail market which is forecast to grow by 16% in the same period. Clothing & Apparel make up almost a third of the organized retail segment, followed by Food & Grocery and Consumer Electronics. India currently has a small penetration within the organized retail segment as compared to other emerging markets such as China, which has a penetration of more than 20% within organized retail. Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc. In India, a shopkeeper of such kind of shops is usually known as a dukandar.

shops..

Objectives of the study

Primary objective to study the consumer preference towards organized retailing with reference to Big Bazaar. Secondary objective to understand why the consumer prefers organized retailing (Big Bazaar). To identify the factors influencing the consumers towards Big Bazaar. To study the features of organized retail shops. To know the satisfaction level of customers in organized retailing (Big Bazaar).

Research Methodology

Research Design

The research design followed by the researcher "Descriptive Research". The descriptive research is to find out the existing facts by means of conducting surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as exist at present. The main characteristic of this method is that the researcher has no control over the variables; he can only report what was happened or what is happening.

Data collection

Primary data: It has been collected from the customers through structured questionnaire, which are fresh and for the first time and thus happen to be pertaining to the current research process.

Secondary data are the supporting material for the research, which the researcher collects through various sources like journals, company records, documents, books, magazines, newspaper and from internet.

Sampling Technique: Convenient

Sample Size : 250

Research Hypothesis

1. There is no difference in opinion among the respondents regarding the price level of products in Big Bazaar.
2. There is no difference in expenses of the family and the price level of the products in Big Bazaar.

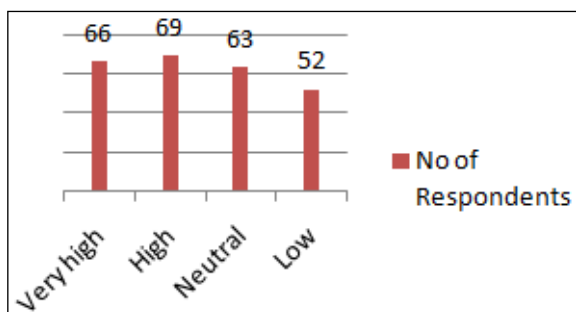
Analysis of data

1. Percentage Method
2. Chi square Test
3. Weighted Average Method

Table 1

S.No.	Price level	No of Respondents	Percentage
1	Very high	66	26.4%
2	High	69	27.6%
3	Neutral	63	25.2%
4	Low	52	20.8%
	Total	250	100%

From the above table it is inferred that 26.4% of the respondents say that the price rate of big bazaar is very high. 27.6% of the respondents say high. 25.2% of the respondents say neutral and 20.8% of the respondents say low.



Testing of Hypothesis

Chi square test

Hypothesis 1

There is no difference in opinion among the respondents regarding the price level of products in Big Bazaar.

Chi square test was used to test the hypothesis and the value calculated was 7.815. Since calculated value is less than the table value ($2.7 < 7.815$) $((fo-fe)/fe) = 2.7$

Table : 2 Showing the opinion of consumers on prize level of Big Bazaar

S.No.	Opinion of consumers on Price level of Big Bazaar	Oi	Ei	Oi - Ei	(Oi-Ei) ²	(Oi-Ei) ² /Ei
1	Very high	66	62.5	3.5	12.3	0.2
2	High	69	62.5	6.5	42.3	0.7
3	Neutral	63	62.5	0.5	0.3	0
4	Low	52	62.5	10.5	110.3	1.8
Total						2.7

Hence there is no significant difference in opinion among the respondents regarding the price level of products in Big Bazaar.

Hypothesis 2

There is no significant relationship between the expenses of the family and the price level of the products in Big Bazaar.

Table 3 : Showing the relationship between the expenses of the family and the price level of the products in Big Bazaar.

Expenses	Rs.5000-10000	Rs.10000-15000	>Rs.15000	Total
Very high	24	32	10	66
High	18	27	24	69
Neutral	14	22	27	63
Low	8	7	37	52
Total	64	88	98	250

Sl.No.	Observed frequency	Expected frequency	Oi-Ei	(Oi-Ei) ²	(Oi-Ei) ² /Ei
1	24	16.9	7.1	50.41	2.98
2	32	23.23	8.77	76.91	3.31
3	10	25.9	-15.9	252.81	9.76
4	18	17.7	0.3	0.09	0.005
5	27	24.3	2.7	7.29	0.3
6	24	27.04	-3.04	9.24	0.34
7	14	16.13	-2.13	4.54	0.28
8	22	22.8	-0.8	0.64	0.028
9	27	24.7	2.3	5.29	0.214
10	8	13.31	-5.31	28.19	2.12
11	7	18.3	-11.3	127.7	6.97
12	37	20.4	16.6	275.56	13.5
Total					39.80

Weighted Average Method

Weight = Total score / No. of respondents.

$$= 924 / 250 = 3.7$$

Hence it is inferred that the organized retail shop (Big Bazaar) ranked to 3.7 as per consumers feedback.

Table 4

S.No.	Satisfaction level	No of respondents	Rank	Total Score
1	Highly satisfied	64	5	320
2	Satisfied	106	4	424
3	Moderate	35	3	105
4	Dissatisfied	30	2	60
5	Highly satisfied	15	1	15
	Total	250		924

Findings

- From this research the satisfaction level of consumers feedback shows that the organized retail shop (BIG BAZAAR)

ranked to 3.7 .

- The overall satisfaction rated by the respondents for various levels is almost satisfactory.
- There is no significant difference in opinion among the respondents regarding the price level of products in Big Bazaar.

Suggestions

- Big Bazaar has been maintaining good reputation due to the factors such as quality and cost effective. They should take continuous effort to maintain this in present growing competition scenario.
- Big Bazaar could consider more advertisements pertaining to its producer's special and seasonal discounts. That will create awareness about its prices and will provide an opportunity to compare with other unorganized retail shop pricings.
- Big Bazaar can appoint more number of field sales staff to improve the service quality to satisfy the customers.

- Big Bazaar can hang up display boards to exhibit products shelves properly.

Conclusion

The present study confirms to know the preference of the consumers towards organized retailing (Big Bazaar). The result of the study reveals the brand preference of Big Bazaar. The consumers have good opinion on the factors such as price, supply, quality and brand image. However, the consumers feel the quality has to be improved and price has to be cut down the good and well. As per current situation organized retailing is growing well and the expectations of the consumers also developing a lot on organized retail shops. If all the retail outlets identify and satisfy the consumer expectation means organized retail shops will become more in future and most successful business of our country.

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