CHAPTER V
FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 OVERVIEW
This chapter is organized into four parts. The first part provides an overview of the major findings and second part deals with specific recommendations. The third part deals with conclusion and fourth part the scope for future research.

5.2 FINDINGS

5.2.1 The 52.1% of the customers who visit the organized store in Kerala are below 30 years followed 34.7% customers in 30-45 age group and 13.2 % of customers belong to the age group of above 45.The young, vibrant and the newly employed are attracted towards Modern Trade Outlets, because it offer leisure, more choice, quality products, time- pass, a break from the busy professional life and enjoyment, where the young enjoy the true spirit of shopping. Furthermore the female customers (61.9%) are higher in representation in shopping at organized retail chains compared to male (38.1%).The higher representation of female in shopping reveals the emerging socio-economic scenario in the state of Kerala. Apart from that, the emergence of nuclear family is one of the reasons for this pragmatic change.

5.2.2 The 53.1% of the customers who visit the organized chains in Kerala is from Corporation, 28.9 % in Municipality and 18% in Panchayat.One of the reason for this break up is that, the more number of outlets are placed at Corporations
followed by Municipality and Panchayat. The other reasons is that the density of population in Corporation is more than Municipality and Panchayat. On the educational background of shoppers, graduates (45.6%), surpasses the other groups in terms of visit to the retail outlets. The reason can be that the Kerala has gone far ahead of other states in terms elementary and higher education due to the policies adopted by the successive Governments.

5.2.3 The salaried (41.1%) constitute the biggest and most important segment of customers who visit the stores followed by business class and professionals. The salaried people get regular income, constitute the biggest segment in the middle class and want to do smart shopping. The average monthly income of customers who visit the store is in between 10001-20000, 20001-40000. Those below 10000 and above 70000 are less in numbers. In conclusion the lower income group exempts the organized stores in the assumption that their earnings not sufficient to make store purchases. Contrary to this the higher income group exempt retail stores due to purchase from shopping malls and hyper markets. In reality the middle income group prefers retail stores.

5.2.4 The average family size of those who visits the store is four. It is the outcome of the successful implementation of the family planning in Kerala and is a role model to other states in India. This has really resulted in increasing the standard of living and led the state to faster progress. More over two third of the customers who visits the store are married.

5.2.5 The 46.5% of the customers who visits the store once in a month only and 24.1%
visits the store once in a week only. Generally the households prefer to visit the store monthly only. It is seen that at the beginning and end of the month the stores gives a large number of offers and the shoppers utilize this opportunity and purchase maximum SKUs. It resembles the buying cycle of customers. At the store, around 45.4% of the customers spend 30-60 minutes at the retail outlet per visit followed by 38.1% spends below 30 minutes. The shoppers who spend half an hour to one hour at the retail outlet are high in representation.

5.2.6 The awareness level and preference level of private label products in organized stores is comparatively good and almost all the shoppers have an idea regarding the presence of store brands in Grocery and FMCG. At the initial stages the store brands are considered to be inferior in quality compared to NBs. But over a period of time, it has created a place in the mind of consumers and the same is reflected in the present research also. At present, the private label products offer value for money and has gone a long way. But on a comparison between store brands and national brands, still shoppers prefer national brands over store brands.

5.2.7 The category wise monthly spending in Grocery shows that, in Flour and Staples majority of people spend money in between 10-20% and showing an increase in purchase of store brands. But in Spices majority prefer national brands. But in Beverage in FMCG not even 1% of people prefer to buy private label product, but in Personal Care, Home Care and Processed Food the graph is showing an increase for private label products and majority spends at least 10-20% of the total spending.

5.2.8 In Grocery, the normal packet size preferred is, for Flour one kg, two kg, Spices 100 gm, 200 gm and Staples one kg, 500 gm in the order of preference. In case of
FMCG for Personal Care, 100 gm, 250 gm, for Home Care 500 gm, 250 gm, for Processed Food 250 gm, 100 gm, 500 gm and in Beverages 01 litre, half litre in the order of preference. It is based on the usage occasion.

5.2.9 The average work experience of employees (store managers, supervisors and sales people) in the store is from one to five years and above five years is limited. It may be due to the fact that organized chains are of a recent origin, the employee turnover is high and salary is low.

5.2.10 On the location wise, the majority of the stores of Reliance Fresh, Spencer and More are located in Corporations. The Corporations in Kerala such Thiruvanathapuram, Ernakulum, Calicut, Kollam and Thrissur are identified by modern trade outlets as the most fertile soil for growth. It may be due to the fact that population density higher in Corporations than Municipality and Panchayat. Moreover the catchment area of Daily Supermarket is within the seven KM radius.

5.2.11 Among Grocery, the most preferred PL brand is Staples. It is due the availability PL and traditionally Staples are bought under the name of stores. In FMCG, the most preferred PL is Home Care. It is due to the fact that the in Home Care the price is lower compared to national brands, shoppers are not brand consciousness and PL offered is a quality one. But in case of Beverages, the situation is not up to the mark where PL has not come to a stage where it can compete with multi-national players in terms of quality. The best example is the failure of Cola manufactured by Indian companies. The private label products, in the order of importance, namely, availability of SKUs, brand awareness, packaging, brand image, variety and perceived quality helps to improve the sales of private label
products as per the opinion of experts. More over the promotional attributes such as loyalty programmes, coupons, endorsements, shelf displays, POPs and quantity discounts can also trigger the sales of private label products.

5.2.12 Some of the factors which play an important role in influencing consumer perception towards private label products in Grocery and FMCG are price discounts, pricing of store brand low compared to national brands, store image, packaging, private label offer better value for money and store layout.

5.2.13 There is difference between male and female with respect to in-store promotion of PL. This is due to the fact that females are more engaged than males in purchasing activity within the stores. But there is no such difference between male and female with respect to product feature and store feature of PL. It is due to the fact that product feature and store feature are independent and it is equally acceptable to both categories. In case of consumption pattern of PL, there is no difference between male and female with respect to consumption of essential items. It is due to the fact that consumption is not affected by individual needs and it is influenced by the needs of other family members also.

5.2.14 A difference exists between age group with respect to consumption pattern of private label. The consumption pattern of private label in Grocery in the age group of 30-45 and above are same, but the consumption pattern of private label in Grocery of age group below 30 is different from other two age groups. It may be due to the fact that, in the age group of below thirty, the shoppers are ready to experiment new product and ready to take more risk. The consumption patterns of private label in FMCG in the age group of below 30, 30-45 and above 45 are different. It is due to the taste and preference of different age group is different.
So the private label consumption pattern of essential items Grocery and FMCG varies between different age groups.

5.2.15 The consumer perception of private label varies from domiciles to domiciles. The perception of consumers living in Municipality and Corporation are different with respect to product feature. But the shopper’s perception at Panchayat is a mixture of Corporation and Municipality with regard to product feature. It is due to the buying capacity of customers. The perception of buyers living in Municipality is different than those living in Corporation and Panchayat with respect to store feature. It may be due to the space availability. The In-store promotion mechanism used in organized retail shop situated in Corporation and Municipality are different from Panchayat. This may be due to the fact that, in the Corporation and Municipality, the presences of number of organized retail chains are comparatively more than Panchayat and the level of competition is high. So they may incur more money for promotions.

5.2.16 The consumption pattern of private label is different from place to place. The consumption pattern of PL in Grocery in organized retail outlets located in Municipality is different from Corporation and Panchayat. The consumption pattern of PL in FMCG in organized retail outlets located in Panchayat is different from Corporation and Municipality. It is due to the fact that the purchasing capacity of the customers is directly influencing the consumption pattern of Grocery and FMCG.

5.2.17 The consumption pattern of PL varies according to the occupation of the buyers. The consumption pattern of buyers in business class is different from other classes.
This may be due to the fact that, their styles of living and standard of living have an impact on the consumption pattern.

5.2.18 The monthly income of buyers and their consumption pattern is different in case of PL. It is found in the research that the consumption pattern of buyers whose family income above 70000 and below 10000 of PL in Grocery are different. It is due to the fact that the choice of packet size, quality and quantity will depend upon their net income. The consumption pattern of FMCG is same irrespective of the income group. This arises due to the fact that the FMCG items are highly perishable in nature and in certain cases there exist short shelf life.

5.2.19 It is a reality that there is a difference between store locations with respect to marketing strategy. The marketing strategy of product in Corporation is different than Municipality and Panchayat. It may be due to, product variety, taste, preference and income level of people is different. The pricing strategy used in Municipality and Panchayat are somewhat same. The promotional activities undertaken by the organized chains such as More, Spencer and Reliance Fresh in form of discount pricing, combo pricing, loyalty cards, privilege coupons, slab offers in Corporation is different from Municipality and Panchayat. On the other hand the promotion strategy of municipality is a mixture of Corporation and Panchayat.

5.2.20 The customers rate the private label product as good irrespective of the age group. In addition, the acceptance level of private label products is high in young generation compared to the old generation. This reveals that the private label has gone a long way in establishing its credentials. The PL has improved a lot over a period of time and will be an imminent threat to NBs in the coming days.
5.2.21 The factors which influence the shoppers for purchase of private label products are the variety in pack sizes, store layout, quality and availability of the required items of private labels at any point of time. From the stores point of view, some of the factors responsible for generating more sales for PL are quality followed by product variety, packaging, brand image, brand awareness and availability of stock keeping units. It is very natural that quality comes first because without quality no product can survive in the market even if it is a branded one. So it can be conclude that quality, variety and packaging are the first three key elements in generating sales.

5.2.22 The various factors are responsible for increasing the sale of Grocery in PL are the price discounts, shelf display, POPs, quantity discounts, coupons, endorsements and loyalty programmes. These are helpful improving the sales of Grocery in private label. The pricing is the most important factor in shaping the marketing strategy of any PL products. It is due to the fact that the consumers are highly price sensitive towards PL brands compared with NBs. For FMCG, the price discounts, shelf display; quantity discounts, POPs, endorsements, coupons and loyalty programme are helpful in improving the sales of private label. The research is able to establish that there is a positive relationship exists between product and price and between place and promotion.

5.3 SUGGESTIONS AND RECOMMENDATIONS

The higher representation of female customers in shopping at organized chains suggests that the modern trade outlets should give more emphasis to female customers. The promotional strategies should be designed accordingly. On the location wise the majority of the stores of Reliance Fresh, Spencer and More are located in Corporations
such as Thiruvanathapuram, Ernakulam, Calicut, Kollam and Thrissur are identified by modern trade outlets as the most fertile soil for growth. But more than half of the population in India lives in villages it is high time for the organized chains to think shifting the operations to Panchayat to addresses the future needs.

The various factors responsible for increasing the sale of Grocery and FMCG in PL are the price discounts, shelf display, POPs, quantity discounts, coupons, endorsements and loyalty programme. So, more shall be given by More, Spencer and Reliance Fresh to address this factor. The regional preference of customers shall be considered while introducing the product. Across the organized chains it is viewed that products taste and preference are uniform through the country and not addresses the regional aspirations of the shoppers.

As the research has established a strong relationship between perception and consumption of PL in Grocery and FMCG, it is wise on the part of the More, Spencer and Reliance Fresh to introduce, the continuous availability of PL products in Grocery and FMCG combined with creating festival moods and PL days. The product feature such as creating attractive packaging, labelling, value for money and brand awareness and in-store promotion and loyalty programs such as club cards, privilege coupons, slab offers, combo offer and shelf space allocation will act as added advantage. More over the value added services such as efficient store service at the store level, home delivery, gifts and price discounts will further position the PL products in the minds of consumers.

5.4 CONCLUSION

The emergence of organized retail has made the PL a reality. The present research on PL in Kerala addresses the issues related to the perception, consumption of PL and analyses the shoppers age, gender, place of living, education, occupation, monthly income,
marital status, time spend at retail outlet per visit, the preference of PL products, ,the average monthly spending in FMCG and Grocery and packet size normally preferred. Furthermore the work experience, designation of the expert groups along with suggestions how to improve the sale of PL products in Grocery and FMCG is truly showcased in the research. The study is able to establish, how perception leads to consumption and how consumption leads to satisfaction and purchase of PL products. The research suggests how to market the private label products by organized chains in Kerala such as More, Spencer and Reliance Fresh. For the successful marketing of private label, the most essential parameter is quality and availability of PL. When quality and availability are coupled with in-store promotion(product communication) and value added services the marketers can successfully market the PL products. Thus the study has come to an end with achieving the objectives successfully and able to provide valuable suggestions.

5.5 SCOPE FOR FUTURE RESEARCH

The research brings the harsh realities of PL in Kerala. The scope for future research is enormous. Within the Grocery a detailed break up analysis can be made with reference to Flour, Spices and Staples. A comparison of such PL products with the national brands can be investigated. The same is applicable in the case of FMCG also. In Personal Care, Home Care, Processed Food and Beverages a comparative analysis can be made with regard to national brands. The other parameters of PL namely price and quality can be studied in depth in PL itself and in comparison with the national brands in future. The intrinsic and extrinsic cues of PL and its dimension in establishing consumer perception and consumption pattern is another promising area where the study can take the initiated investigators forward. The high rate of attrition of employees affects the sale of PL products. So, the time has come to study extensively what is the reason behind this.
The PL is a new born baby of organized chains; certain inherent limitations are attached to it. The consumer perception regarding the PLs is at a very low key. But even after this limitation the private label penetration in Grocery and FMCG is creating a wave in the marketing arena and it is keenly watched by academicians, consultants and experts from the industry.