Chapter – VII

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7.1 INTRODUCTION

The chapter concludes the study with all findings and statistical contribution and practical implication for development of modern retail stores based on SEM model and other test of hypothesis the researcher has attempted to portrays the sentiments and expectation of shoppers form this modern retail outlets, The findings and recommendation are considered to be important for store operators to satisfy their expectation and to correct their shortfalls.

Modern retailing and its study till date has confined to metros and shoppers form metro and upper level segments , where these store find early stagnation and dropping revenue forced these operators to look beyond metros to other II tier tows and destination to develop their market and increase there revenue. Many past studies focused on atmospheric constructs such as the Physical attractiveness of the store, whereas more recent studies have examined how specific store environment elements affect customers’ attitudes toward a store using one element at a time. Although each of these studies has contributed for this area in its own right, this study examines the shoppers for tier II and other upcoming area .tourist destination and cities where the new mall culture has started dominating the shoppers. In addition, we examine the influence and impact of un organized and traditional format users. of customer gender on shopping pattern and spending pattern.
7.2 MANAGERIAL IMPLICATION

The analysis and sem model signifies the major assortment and convenience factor that influence and satisfies shoppers which indicates that many respondents in all age group has started recognizing modern retail outlets in the study area. This makes and sends a clear signal to all retail stores operators that if shoppers fell convenient and satisfy will always tent to patronage our store, additionally the study represents that self is the most important and highly influenced in making store choice decision.

The study further specifies that shoppers in the study are in the age group of below 30 and significantly above this. This segment has fast changing behaviour. The store decision makers must design, decorate and arrange the stores in such a way it attracts all and retain them for a long time. Hence the operators should inform and develop shopping convenience and interior ambiences with pleasant music to attract shoppers.

In such circumstances the managers should come along all the attributes and expectation factors of modern retailing to enhance shopping experience and gain moments in doing so.

It is concluded that to satisfy consumer expectation and to motivate them to shop more is the only, way to sustain in the market. This clearly proven that since majority of the market is untapped having more room for others to start and operate more stores, operators who seek to improve profitability and retain the store should take care of all variables in the study. Developing and improving customer satisfaction is the only way for sustainment in market of small town who are prospect for of growing economy.
7.3 CONTRIBUTION OF THE STUDY

The study attempts to provide valuable direction for effective operation of retail stores. Managers who attempt to implement western formats in developing town and economy should consider these factors and make decision to delight and make shopping a joyful one. The study is unique and studies the attitude and expectation of this shopper of small town who are entering and experiencing new formats and lifestyle and focus on area of importance which should be taken care in designing and developing a stores. The result of the study focuses more on convenience and assortment expectation.

7.3.1 CUSTOMER EXPECTATION FROM ORGANIZED RETAILING

Consumer’s expectation and attitude towards shopping had been changing very rapidly and in a phased manner in a fast growing economy, like India. The options and choices had increased due to an increase in the disposable incomes of the consumers and well as due to the changing aspirations and the growing needs of the consumers. The modern Indian consumer is seeking more value in terms of improved availability and quality, pleasant shopping environment, financing option, trial rooms for clothing products, return and exchange policies and competitive prices. This has created a rapid growing opportunity for organized, modern retail formats to emerge in recent years and grow at a fast pace. The study signify that there is a strong relationship with availability of brands and best deals in purchase form organized retail stores, where as this is a problem in unorganized retailing which shopper experiment. Regression analysis stress that design of the outlet, loyalty and operating features are more significant, overall design of the outlet, loyalty, assortment,
merchandise and operating features are most expected in modern retail formats. As per factor study the most important factors are durability, music played, excellent ambience, value for money, reasonable price, fast and accurate billing and delivery time are most expected by small town retail shoppers.

7.3.2 INFLUENCE OF STORE ATMOSPHERE

Managing consumer’s perceptions towards time management inside the store is a very important issue an important strategic decision available to retail managers. One comparatively inexpensive alternative is enhancing patronage intentions is to enhance the store’s atmosphere. Atmospherics can make customers feel light, comfortable less aware of their wait time because they are either distracted or entertained. Retailers have an arsenal of available alternatives in this regard. Stores can creatively use a store’s layout or method of displaying merchandise to alter customers’ perceptions of the atmosphere. Alternatively, they can enhance the store’s atmospherics through visual communications (signs and graphics), lighting, colors, and even scents. An important component of atmospherics is music—the element chosen for this study. It is less expensive to pipe appropriate music into a store to entertain and distract than it is to hire more service people. The shoppers of organized retail have ranked music played with 5.11 which is an important variable in enhancing atmosphere. Where comparing the traditional formats the shoppers prefer modern formats for good store decoration and attributes as there are very important factors of attraction. Even in traditional formats customers felt importance of music to have pleasant and conducive atmosphere, shoppers expect an outstanding exterior and surrounding to be clean with 5.65 and ranked high as No 1 priority.
7.3.3 DEMOGRAPHIC PROFILE OF THE STUDY AREA

The study of demographic variables represents pioneering work on store patronage; we find that the majority of demographic variables have a strong effect, for gender, which remains a key predictor of shopping frequency. With respect to the effects of age and income, The average age of respondents who visit the malls is between 21 to 30 years which is 54.4 percent that constitute 247 respondents with male and female followed by 33.3 percent of respondents who are below 20 years these are the dominating and upcoming generation, where these gap create the existence of organized and unorganized sector to perform they other age group and senior citizen finds it having a different opinion towards organized retail outlets.

The study regarding education qualification, occupation, family size, and family type other salaried members and marital status with frequency of visit has proved significant influence in store choice decision and of respondents.

7.3.4 KEY DRIVERS OF SATISFACTION IN ORGANIZED RETAILING

Corporate today calculate more on making profit by any mean and attempt many schema and deals in order to attract them. But only satisfied customer will stick on to our formats where relation builds and relationship marketing is more important for today’s market. Since retaining customer is always cheaper than developing one. Only satisfied customer will spend more money and time in our stores.

The study signifies that shoppers today expect cleanliness in the store, surrounding and exterior decoration as most important and they should be satisfied with the availability of proper retail mix It’s clear that the store should work towards
individual satisfaction by having through understanding there expectation and requirements, design and decorate the store as expected the key area for satisfaction is stacking of good as per demographic requirements making choice of good easy and simple. It also shows that the relative importance of significant predictors is determined by looking at the standardized coefficient. Loyalty and Operating feature of the store dimensions have the highest standardized coefficient with the lowest significance. This means that these dimensions are the main predictors for overall satisfaction of customers.

7.3.5 FACTORS INFLUENCING PATRONAGE DECISION

Retailers have certain amount of control over factors that influence consumers’ patronage decisions. Having a desirable product assortment and affordable price are fundamental retail strategy. Yet other, less obvious factors can influence customers’ purchase intentions. In this study, we examined the impact of several factors that we expected would influence purchase intentions. We did so at the point of patronage, that is, while customers are in the store but before they purchase merchandise. Specifically, we examined the relationships among three in-store cues wait expectations, store atmosphere evaluation, and patronage intentions. The study prove that their entire shopping is joyful they may be satisfied and most likely to recommend this to others followed by speedy check out and price factors plays an important role in store patronage decision.
7.4 FINDINGS OF THE CONCEPTUAL MODEL

Path analysis on impact of independent variables on overall satisfaction and leading to patronage decision. Structural equation modeling (SEM) has been used to test the measurement and structural Models. SEM is a group of statistical models that attempts to explain the relationships among independent and dependent variables.

In other words, the regression weights for reliability and empathy is impact on assurance dimension in the prediction of Overall satisfaction which is significantly different from zero at the 0.001 level (two-tailed). The assurance dimension of assortment and loyalty is one of the main mediation factors which lead to positive effect on overall satisfaction of the customer’s expectation in modern retail outlets. In model estimation output, chi-square value of 0.051 is significant at the p<0.001 level.

The seven variables are major mediation factor which leads to positive effect on Overall Satisfaction of the Retail customer expectation in the study area. The operating features and pt8 are negative to customer’s expectation. The critical ratio index can be used as a guide for eliminating the existing paths. In the SEM model totally two structural paths are eliminated, because CR values are less than 1.96.

7.5 SCOPE FOR FURTHER RESEARCH

The dynamics of customer experiences in small and second Tier cites over time has gained little attention in retailing research. The present study is exploratory, qualitative and it is based on a convenience sample. Further the studies explore the relationships between format and overall strategies that could be used in similar situation, our study offers greater understanding of the general strength and variability of the relationships and the conditions that moderate those relationships. A retailer can
enhance consumer patronage behavior by identifying and implementing an appropriate marketing strategy, which must start with a good understanding of the many factors and dimensions that influence shoppers’ choice behavior. Managers may also recognize that shopping frequencies tend to be associated with shopper characteristics, so they should tailor their marketing communications to frequent shoppers, which will increase the likelihood that they experience positive returns from their promotional efforts. Future research should seek to understand what marketing and management strategies will optimize the brand customer experience interaction and what strategies will have the most positive influence on — and financial returns from — customer experience over time. A useful starting point for such investigations is to conduct descriptive research to understand the customer experience management strategies currently in use and to develop typologies of such strategies. Such research needs to be followed up with empirical research on the link between customer experience based retail strategies and retail performance metrics.

7.6 LIMITATION OF THE STUDY

Limitation is an integral part of any study which has to be considered in all decision making. The researcher has a few limitations that were experienced during the course of the study.

1. The study attempts to explore the expectation of an upcoming town the inferences and conclusions drawn by the study may be applied to the study area.
2. The study is based on the data collected only from the shoppers’ who come from shopping and reside around the study area. Therefore the findings of the study may different opinion elsewhere in Tamilnadu.

3. Since the study has completely focused on major organized and unorganized sector in the study area in the town. The other supporting and other intermediate industries are excluded, from the scope of the study.

7.7 CONCLUSION

The study attempts to unearth key store attributes which have significant impact on the store selection and patronage decision. To achieve this objective, the researcher collected and analyzed responses from 463 shoppers of all age and sex segment for 5 stores with 26 attributes and extracted 5 representative factors through factor analysis. In India, while organized retail has yet not been accorded the status of an industry, it is witnessing a large number of formats emerging in the market at a very fast pace. Indian organized retail is moving with an exponential rate that no other sector has witnessed. Ample opportunities are present as 94% of the Indian retail is still unorganized. In the present scenario, making the biggest malls with top class retailers is not the key to success. A cool and refreshing environment is required which makes the shoppers to forget all worries of the day. Malls are here for putting smiles on the face of shoppers. It is non-crucial whether a purchase is made or not, entry into the mall has given the right to courtesy. It should be the USP of the malls as the window shopper of today is the prospective customer of tomorrow.
Further, malls should commune a feeling of oneness-with retaining the individuality of each store. Thus, malls should be designed in a manner that the new and innovative aspects can be added later on to keep up the consumer's delight. Successful malls are those that will adjust its mall culture with the consumer sensitiveness and preferences. Managing consumer attitude and innovation are the keys to stay afloat amid competition. But malls managers are performing the tasks with ease. Malls- with a bouquet of value propositions like value for time, value for quality, value for experience, value for money is boosting India in becoming a SHINING STAR of GLOBAL RETAIL