Chapter 5
Findings, Conclusion and Recommendation

5.1 Findings
1. It's been observed that the age group from 24-35 and 36 – 45 years old visits Consumer Cooperative Retail Store maximum number of times.
2. It's been observed that the customers those who visit Consumer Cooperative Retail Store maximum are married and having 4-6 members in family.
3. Highest numbers of customers are from the service class.
4. Maximum customers are from the average income bracket i.e. 10000 – 30000.
5. Maximum customers go twice in Consumer Cooperative Retail Store for shopping.
6. Most visited Consumer Cooperative Retail Store is Apana Bazaar in Mumbai region.
7. Main reason for customer visit to Consumer Cooperative Retail Store is proximity.
8. Maximum number of customers perceive that products of Consumer Cooperative Retail Store are of good quality.
9. Maximum number of customers perceive that pricing in Consumer Cooperative Retail Store is proper.
10. Customers of consumer cooperative store are satisfied with its service delivery, variety, stock of products and staff behavior.
11. Customers are not satisfied with product display, visual display in the stores.
12. Customer also not happy with discounts offered by Consumer Cooperative Retail Store.
13. Consumer Cooperative Retail Store does not provide credit facility to its customers.
14. On the basis of factor analysis, factors that affect customers while making purchase are store environment, value for money, and pricing.
15. Factors which are most important for making purchase decision are variety, quality, multiple brands, convenience, and affordability.
16. Factors which are somewhat important are store ambience, staff behavior, store display, and deals and offers.
17. Factors which attract customers to visit consumer cooperative stores are product range, multiple brands.

18. Pricing has impact on customers visit because they mainly perceive pricing is less and equal as compare to other private traders.

19. No of visits to consumer cooperative retail store are mainly affected by proximity, pricing, quality, and service delivery time.

20. Customers perceive availability of products, quality of products, weighing system of consumer cooperative retail store is equal to other private traders.

21. Customers perceive price charged in consumer cooperative store is lesser than other private traders.

22. Time taken for service delivery is far more than other private traders.

23. Customers perceive that availability of fresh stock is poor in consumer cooperative retail store in comparison to other private traders.

24. Respondent also perceive that product display in consumer cooperative retail store is poor in comparison to other private traders.

25. Location plays very important role in selecting retail outlet. Hypothesis analysis shows that there is relationship between location of retail outlet and number of visits.

26. Quality of goods offered by retail outlet affects number of visits to retail outlet.

27. Pricing of products affects number of visits to retail outlet. In hypothesis testing its been found that there is relationship between number of visits and pricing of the products.

28. Maximum customers have purchased private label brands form Consumer Cooperative Retail Store

29. Maximum purchase of private label products is 1-3 times in a month

30. Spouse is main influencer while making purchase of private label brands.

31. Customer perceive private label brands of Consumer Cooperative Retail Store as home made, healthy, reasonable, contains less preservative.

32. Factors which are imp for making purchase of private label branded products are taste, flavor, packaging, veg-nonveg information, availability and cleanliness.

33. Product display and different quantities of product i.e. SKU are some what important.

34. Income level does not affect purchase frequency of private label brands

35. Educational level does not affect purchase frequency of private label brands.
5.2 Conclusion

It is true that in terms of numbers, the consumer cooperative stress in India have achieved laudable progress. But if we examine their performance qualitatively, they present a very sad state of affairs. Not all stray attempts to protect consumer interests have permanent & lasting effects. State intervention alone is not adequate to solve the problems of consumers. A permanent solution can be found only in the organization of consumers in which they can access themselves as a consumer. A consumer cooperative society reflects a real consumer consciousness. Moreover, it not only helps its members but also helps the entire population of
the locality in which the consumer cooperative is set up by way of reduction of prices, sale of quality goods & introducing a system of consumer education in a planned manner.

A basic judgment on the performance of consumer cooperatives based on available literature and data suggested that the consumer cooperative societies in India are suffering from different issues like low membership base, declining unit sales turnover, declining profitability and declining role in public distribution. In order to examine these issues in detail, the present study was conducted by taking Mumbai as a study location. This research was undertaken with the primary objective of understanding customer’s perception towards consumer cooperative retail stores. Several streams of research reports were reviewed and observational work was done. It was observed that Consumer cooperative societies in Mumbai has been developed from the past. Cooperative society like sahakari bhandar, giving itself a modern look in order to compete in market with private traders. Whereas some cooperative societies like Maratha Bhandar, Kendriya Bhandar, Raigad Bazaar still fails to update to reach to the modern look. Apana Bazaar even after being the oldest consumer cooperative society fails to achieve success. Though it has strong customer base but due to lack of proper management still bearing losses. After doing financial analysis to check financial distress by using Zeta Model it showed that the Z score has been declining over the period of ten years indicating the deteriorating financial health of the company. From the year 2003 onwards financials of the company has started weakening. While studying customer’s perception towards consumer cooperative retail stores it is being found that there is strong relationship between proximity and number of visits to consumer cooperative retail store. Frequent shoppers from consumer cooperative retail store are comprise of mid aged shoppers from age group 24-36 year old from average salary bracket, having 4-6 members in the family. Customers are happy with consumer cooperative retail stores for its service delivery, variety offered, stock of products and staff behavior. But customers are not happy with discounts offered by consumer cooperative retail store. When services of consumer cooperative stores were compared with other private traders it was found that product display and availability of fresh stock is poor. Whereas Customers perceive availability of products, quality of products, weighing system of consumer cooperative retail store is equal to other private traders. Factors which are most important for making purchase decision are variety, quality, multiple brands, convenience, and affordability.
While studying customer’s perception towards private label brands of consumer cooperative retail store it was observed that factors which are most important for making purchase decision are variety, quality, multiple brands, convenience, and affordability. Spouse is main influencer while making purchase of private label brands. Customer perceive private label brands of Consumer Cooperative Retail Store as home made, healthy, reasonable, contains less preservative.

Bearing in mind the present challenges for co-operatives & also salient features of cooperative identity, cooperative societies not just in Mumbai but also in India should restructure their business policy & strategies to meet the new economic environment. To achieve overall development, keeping in view the competition from both private & multinational companies they should upgrade themselves then only cooperative can truly say “one for all, all for each”

5.3 Recommendation

In spite of all this tremendous growth of the consumer cooperative movement in India, it is accepted universally that most of the consumer cooperative stores in India have plagued with a multitude of problems. In order to resolve these problems Consumer Cooperative management should take following steps:-

1. Consumer cooperative retail stores should prepare every year sales budget to achieve its goal. So this budget should be prepared before the end of the current financial year. The budget should be realistic and not based on the past. Further the budget should meet the ends and leave reasonable surplus.

2. Traditionally Consumer Cooperative Retail Store are concentrating only on essential commodities where percentage of margin in the business is very thin. Of late the life style of people has changed drastically and people are spending sizable part of their income on industrial and service sector goods. Hence Consumer Cooperative Retail Store should diversify the business. They should add more advertised brand commodities in the
business like building material, hardware, paint, electrical, fast food, IT peripherals etc. but before they go for diversifying their business activities, they should ensure that adequate technical / professional persons are available in the store, for running the show successfully.

3. While fixing up the price scientific method of price fixation is to be adopted in the Consumer Cooperative Retail Store. It should consider the following factors: nature commodities, movement of goods (fast moving, slow moving), size, taxes, packaging etc for retail business.

4. Normally most of the Consumer Cooperative Retail Store do not adopt standardization in assortments. Purchase orders are to be placed for only selected fast moving brands which are contributing sizable percentage in sales.

5. Every Consumer Cooperative Retail Store should have rigid purchase policy. The Consumer Cooperative Retail Store should purchase their requirements preferably on credit terms. While placing order with FMCG Company, the orders should be placed only after negotiation with the concerned representative of the company for rates, consumer offers etc. to derive more profit to the institution. While placing orders the closing stocks, schemes, damages, exact requirement etc are to be taken into account.

6. Most of the super markets are situated in private buildings. Hence adequate ambience is not provided in building which resulted in a less customer traffic in the Consumer Cooperative Retail Store therefore required minimum ambience should be provided to attract the customers, thereby sales can be increased. Further to increase footfalls, CRM (Customer Relationship Management) should be developed by regular meetings, home delivery, maintaining individual customer’s particulars, festivals, discount sales etc.

7. It is an era of IT. Hence all Consumer Cooperative Retail Store should introduce computers for day to day administration. Introduction of computers will definitely improve the business in addition to providing various particulars for improvement of business.

8. Consumer cooperative stores need to attract more members to augment their financial base, as the membership fee is main equity for cooperatives. This will be possible only when they gain the confidence of public by running their business efficiently.
9. Consumer Cooperative management should bring to an end their traditional way of working. They should make organizational working more technically advanced. For that, management should also give adequate training programmes in business methods to their employees & members in order to make better organizational structure.

10. They should also hire well-educated & experienced people in organization so that there will not be any lack of business knowledge & experience on the part of committee members.

11. There should be minimum dependence on controlled commodities as it gives minimum profit margin, which is because of the large number of intermediaries between source & end user.

12. They should also include more private label brands as these products give them maximum profits by keeping higher margin. However, they should not only concentrate into commodity based private label brands. They should also enter in consumer products, food products or personal care products.

13. They can even go for tie-ups with private organization but without diluting, the real objective of cooperatives in order to get more funds that will be helpful in bringing down overhead expenses, adding more diversified supplies and giving facelift.

14. They should spend more on advertising and marketing of the store as it will create buzz about their store in locality for that they should concentrate more on promotional programmes.

15. They should invite private traders in the store for doing promotion of their own products so that they can earn extra money as well as they can provide variety to their customer.

16. They should start loyalty programmes or better schemes for their loyal customer in order to increase customer retention.

17. Visual merchandising is the most important variable in in-store environment. Almost all cooperative retail stores has very dull store ambience. The floor plan and store layout is very poor, unattractive light arrangements, bad aroma and no music makes shopping experience unmemorable. This ultimately shows negative impact on consumer’s store choice decisions. Therefore, application of more attractive visual merchandising materials in their promotions will help to obtain better results. They should also focus on window display and store display along with product display.
18. Consumer Cooperative Retail Store should rent out spaces to company’s to run their promotional program which will help Consumer Cooperative Retail Store in order to raise funds.

19. They have to combine a congenial working environment with latest technology & adopt a scientific approach to managing their units.

20. As youth visits Consumer Cooperative Retail Store maximum there should be more promotional programmes in Consumer Cooperative Retail Store in order to attract this age group.

21. As customers those who are married and having 4-6 members in family are customer base for Consumer Cooperative Retail Store, management of Consumer Cooperative Retail Store should run loyalty program which will benefit the spouse and other family member in order to retain customer base.

22. As customers are mainly from service class, stores opening and closing timings should be for longer hours in order to serve these customers.

23. As customers are from average income bracket more schemes should be introduced in stores.

24. As customers are not happy with discounts offered by store, they should have more tie ups with companies in order to introduce bundle pricing or loss leader pricing schemes.

25. Though customers are happy with pricing of products but it’s a pain for Consumer Cooperative Retail Store, because Consumer Cooperative Retail Store keep minimum margin on products which gives less revenue some times even losses. Consumer Cooperative Retail Store should adopt “active pricing policy”. As per this pricing Consumer Cooperative Retail Store need not disturb the prevailing market price level but confer benefits on members by giving them bonus at the end of the year.

26. Slow moving goods should be sold by clearance sales every year.

27. Stock replenishment must be made from time to time. For this purpose maximum level, minimum level, danger level, record level may be fixed for different commodities. The salesman concerned may be instructed to report the position to the management time to time.

28. Private label brands are purchased 1-3 times in a month, so in order to increase the purchase they should include bundle pricing in the store so that 2-3 new private label
products are bundled with nationalized brands so that customer will try private label brands for the great deal.

29. As customers perceive private label brand as home made and healthy, it should be positioned on the basis of this trait by adding more health supporting ingredients.

30. Packaging of private label brands should be changed. They should clearly mention veg – nonveg information, manufacturing date, expiry date.