Chapter V

FINDINGS
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FINDINGS

➢ It is found that majority of the respondents are female.

➢ It is found that majority of the respondents belong to the age group of 31 – 40.

➢ It is found that majority of the respondents have graduation.

➢ It is found that majority of the respondents are married.

➢ It is found that majority of the respondents are employed.

➢ It is found that majority of the respondents have three to four members in the family.

➢ It is found that majority of the respondents have only one earning member in their family.

➢ It is found that majority of the respondents family income between Rs. 15,001 and Rs. 20,001.

➢ It is found that majority of the respondents purchase from Departmental store.

➢ It is found that majority of the respondent frequently purchase from Departmental Stores.

➢ It is found that majority of the respondents purchase once in a month from the departmental stores.

➢ It is found that majority of the respondents buy both food and non-food item.
➢ It is found that majority of the respondents plan their purchase before going to the departmental store.

➢ It is found that majority of the respondents spend thirty to forty five minutes to do their purchase.

➢ It is found that all the respondents get credit facility.

➢ It is found that majority of the respondents do not get door delivery.

➢ It is found that respondents do not pay any charge for the door delivery.

➢ It is found that majority of the respondents get free gifts.

➢ It is found that majority of the respondents do not get price Discounts.

➢ It is found that majority of the respondents who get price discount get Price discount between 3-4%.

➢ It is found that all the respondents are of opinion 200 (100%) that all types of products are available of all times in departmental stores

➢ It is found that majority of the respondents purchase only from departmental store.

➢ It is found that majority of the respondents get suggestions from family.

➢ It is found that majority of the respondents have given that the major problem they face is “Lack of choice” among the
departmental store. They also have opined that more number of departmental stores should evolve.

- It is found that majority of the respondents’ feel the quality is their primary factor for choosing a store followed by convenience and variety.

- It is found that age, education, occupation and total income have significant influence on the stores.

- It is found that sex, age, occupation, number of earning members and number of members have significant influence on the type of purchase.

- It is found that marital status and Total Income have significant influence on the frequency of purchase in the departmental store.

- It is found that sex, age, education, marital status and Total income have significant influence on the items purchased.

- It is found that sex, age, education have significant influence on the planning of purchase.

- It is found that the male respondents have given first rank for “Convenience of all under one roof”, second rank for “good variety” and third rank for “better quality”.

- It is found that the female respondents have given first rank for “Quality”, second rank for “Good variety”, third rank for “Convenience of all under one roof”.

- It is found that the preferences are different between male and female. Male respondent give top priority for convenience and the female respondents for better quality.
➢ It is found that the respondents up to the age group of thirty have given first rank for "status symbol", second rank for "better quality", third rank for good variety.

➢ It is found that the respondents in the age group of 31-50 years have given "convenience of all under one roof" as the top priority and followed by "Good variety" and "Better quality".

➢ It is found that the respondents who are in 51 years and above have opted for "Better quality" as the top priority followed by "Convenience" and good location.

➢ It is found that the priority of the respondents are divided in different age group but the majority feels convenience and Better quality as the top priority for shopping at the departmental store.

➢ It is found that the respondent having educational level up to plus two have given first rank for "Good variety", second rank for "Competitive pricing" third rank for "Status symbol".

➢ It is found that the respondents, whose educational level is up to UG level have given first rank for "Status symbol", second rank for "Convenience of all under one roof", third rank for "Better quality".

➢ It is found that the respondents having education level up to post graduation have given first rank for "Better quality", second rank for "Good variety", third rank for "convenience of all under one roof".

➢ It is found that the respondents having professional qualification have given first rank for "better quality", second rank for "good variety", third rank for "All under one roof".

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➢ It is found that the respondents who belong to other category includes diploma holders have given first rank for “All under one roof”, second rank for “good location”, third rank for “Better Quality”.

➢ It is found that most of the respondents irrespective of their level of education prefers shopping at departmental store because of the top three factors “All under one roof”, “Better quality” and “Good variety”.

➢ It is found that the respondents who are married have given first rank for “Convenience of all under one roof”, second rank for “Better quality”, third rank for “Good variety”.

➢ It is found that the respondents who are unmarried have given first rank for “Good location”, second rank for “Better quality”, third rank for “Good variety”.

➢ It is found that the unmarried prefer “Good location” and the married respondents “Convenience” as the top most factors for shopping at departmental stores.

➢ It is found that the respondents having less number of members in their family (up to two) have given first rank for ‘Good location’, second rank for “Convenience”, of all under one roof’ third rank for “Better quality”.

➢ It is found that the respondents who are having three to four members have given first rank for “Convenience, of all” second rank for “Good location” and third rank for “Better quality”.

➢ It is found that the respondents who have members from five to six in their family have specified “Convenience” of all under one roof as their top priority followed by “Better quality” and competitive pricing.
It is found that the respondents who have more members in their family (Above six) have opted for “Better quality”, “Good location” and “Convenience” as the top three factors for shopping at Departmental Store.

It is concluded that “Convenience”, “Better quality” and “Good location” as the very important factors for choosing shopping at departmental store.

It is found that the respondents who are employed have given first rank to “Convince of all under one roof”, second rank to “Better quality”, third rank to “Good variety”.

It is found that the respondents who are doing business have given first rank for “Better quality”, second rank to “Status symbol”, third rank for “Good variety”.

It is found that the respondents who are professionals have given first rank for “Good location”, second rank for “Better quality”, third rank for “Good variety”.

It is found that the respondents who are housewives have given first rank for “Better quality”, second rank for “Good location” and third rank for “Good variety”.

It is found that the respondents who are housewives doing agriculture and Business opted for better quality, Professionals for good location and Employed for convenience to shopping at Departmental Stores.

It is found that in those respondents families where the earning member is one have given first rank for “Good location”, second rank for “Better quality”, third rank for “Competitive pricing”.

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- It is found that in those respondents family where two members are working have given first rank for convenience of “All under one roof”, second rank for “Good location” third rank for “Better quality”.

- It is found that the respondents who have three earning members in their family have opted better quality followed by “Good location” and “Convenience” for shopping at Departmental store.

- It is found that the respondents who have one earning member opted for “Good location” to shop at Departmental stores.

- It is found that the respondents whose earning is upto Rs. 10,000 have given first rank for “Convenience of all under one roof”, second rank for “Better quality”, third rank for “Competitive pricing”.

- It is found that the respondents who earn is in between Rs. 10,001-Rs. 15,000 have given first rank for “Good location”, second rank for “Better quality”, third rank for “Good variety”.

- It is found that the respondents whose earn is in between 15,001-20,000 have given first rank for “Good location, second rank for “Good variety” third rank for “Better quality”.

- It is found that the respondents whose earn is above Rs.20001 have given first rank for “Bette quality”, second rank for ‘Good variety”, third rank for “Convenience of all under one roof”.

- It is found that the table shows that in those respondents families where the earning member is one have given first rank for “Good location”, second rank for “Better quality”, third rank for “Competitive pricing”.

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It is found that the family where two members are working have given first rank for convenience of “All under one roof”, second rank for “Good location” third rank for “Better quality”.

It is found that majority of the respondents have given high scores for eight attributes namely Quality of goods, availability of goods, correctness of goods, reasonable of price, quality of price for all, Acceptance of return or exchange of goods and credit facility.

It is found that there exists a significant gap between the level of perception between the customers and the Departmental Stores. The significant ten attributes are Parking facility for four wheelers and two wheelers, Moving space within the store, Efficiency and helpfulness of the sales person, Courtesy of the sales person, Reasonableness of Price, Acceptance of returns or exchange of goods, Facilities like free gift and price discount, Physical comfort like fans, toilets, seats. Convenient with regard to working hours and Service at the billing counter.

PROBLEMS

The retailing as an industry is yet to be recognised in our country. Therefore, the industry is being in development stage with very few players trying to create a new paradigm. To become a flourishing industry by attracting leading Indian and foreign players, Departmental stores need to cross following hurdles:

- Automatic approval is not allowed for Foreign investment in retail.
- Regulations restricting real estate purchase and cumbersome local laws.
- Taxation which favours small retail businesses.
- Absence of developed supply chain and integrated IT management.
- Lack of Trained Work force.
• Low skill level for retailing management.
• Intrinsic complexity of retailing - hundreds of SKUs, rapid price changes, and constant threat of product obsolescence and low margins.
• Lack of big players.
• Only metros are focused, small towns are neglected.

SUGGESTIONS

Departmental stores in India have to learn both the art and science of retailing. The best way to learn is to understand how Departmental stores in other parts of world are organising, managing, and coping up with challenges offered by retailing.

a. Retailing format

There are no standard formats used by retailers. Each of them has evolved their distinct identity over a period of time. The focus should be on innovation and being different. Moreover the format is also dependent on the type of retail outlet i.e. supermarket, departmental store, specialty store or the premium store.

• Use innovative retail formats to enhance shopping experience
• Incorporate eating out and entertainment options in retail formats
• Understand regional variations in consumer attitudes to retailing
• Focus on basics like convenience but do not ignore ambience

b. Retail marketing

Marketing again is different in the context of retail as it revolves around the in store activities for example merchandising, point of sales material, promotion and discounts etc.
• Stock a wide variety of popular brands but start building store brands too.
• Build loyalty by identifying regular shoppers and offer benefits to them
• Track and segment customers, and focus on managing high value customers
• Use advertising, promotions, Net, email and tele-shopping to drive customers to your stores

c. Retail management

Being a complex process, understanding and managing each process is the key to success. Use of IT in managing the integrated retailing is assuming greater importance.
• Monitor customer needs and adapt the retail experience to suit them
• Use IT to enable front and back office applications to up efficiency
• Build an IT enabled network with marketers to exchange information
• Use customer level information to drive harder bargains with retailers

The retailing process

The retailing as a process is least understood in India. For a start up, it is important to have a comprehensive view of what retailing means and where he wants to focus on. Most of the world players like Wal-mart, K-mart, Circuit city, Sears have developed in house expertise in each of these processes. Others have set up specialised shop to cater to one or more of these processes like The Retail design
group, various trading houses etc. Many have out-sourced these due to lack of expertise. The Indian organised sector needs to understand how to manage each of these processes and success will be contingent upon mastering them.

The proper process to be taken in starting a Departmental store.

- **Site selection**: Market selection, site selection, site acquisition, store design, store construction and store upgrading and remodelling
- **Assortment planning**: Choice of target assortment, product development, vendor management, outsourcing merchandise management
- **Manufacturing and sourcing**: Buying raw material, manufacturing, buying finished goods, arranging delivery, payments
- **Logistics and distribution**: Ordering and allocation, freight forwarding, warehousing, distribution, inventory management and replenishment
- **Marketing and branding**: Marketing definition research, brand strategy, pricing, developing advertising strategy, organising support events, marketing monitoring
- **In store operations**: Creating store environment, recruiting, training labour, managing store operations, selling to and serving customer, handling after sales services.

It is also suggested that Departmental Stores need to concentrate on the external environment. In today’s growing traffic, customer prefers to buy from a particular departmental store based on the ample and safe parking facility provided by the departmental store. So it is mandatory for any departmental store to provide proper parking facility for four wheelers and two wheelers.
Departmental should also concentrate on providing sufficient moving space within the store. This will make the customers move freely within the departmental stores which will induce them to spend more time within the store, which in turn will make them to buy more.

It is suggested that Departmental Stores adopt proper "Customer Relationship Management" training to the salesperson. This technique will improve the efficiency and helpfulness of the sales person. The Departmental Stores can institute an award for the most courteous salesperson of the year, which will motivate the sales person to work with commitment and efficiency and will also be very courteous.

It is also suggested that that Departmental Store should sell their products at reasonable price, which will induce more customers to purchase from the Departmental store. It is also suggested that departmental Stores should adopt various customer loyalty programmes and recognize the loyal customers by providing them discounts, free gifts and so on.

It is suggested that Departmental Stores should provide Physical comforts like fans, clean toilets and proper seats.

It is suggested that the Departmental stores should be open until midnight; this will induce the customers to do their purchase in leisure. This is a very important problem identified during the study. Due to change in the working culture in India, families with duel income hardly find time to do their shopping. It is suggested that it is time for the departmental stores to keep their stores open till midnight for more customers to do shopping through Departmental Stores.

The major bottleneck in most of the departmental stores is found in the billing counter. It is suggested that more counters can be opened. It is also suggested that Departmental Stores can adopt new store technologies like self-check out lane, Computer Kisok, Portable hand held Scanner, which can reduce the bottle neck in the billing counter.
CONCLUSION

'India remains one of the last frontiers of modern retailing. Conquering the retailing in India will be a challenge, given the problems of the supply chain and consumer readiness as well as the prodigious complexities of so vast a market. The Departmental Stores play a central role in most economies, and the development of the retail industry typically benefits several stakeholders. At the most basic level, organised retail will improve the consumers' quality of life by offering them superior products at better price points in a comfortable environment, customer focused will also act as a force for change by simplifying supply chains and increasing the efficiency of distribution. It will provide an impetus for the growth of consumer goods manufacturers, increase the value realisation for farmers, simplify tax collection for the government and benefit ancillary industries like tourism.

Modern retail formats like Departmental stores and hypermarkets provide customers with a broad product range, low prices, pleasant shopping ambience and, finally, the convenience of finding everything under one roof. American Departmental stores for instance, offer consumers three times the number of products available at traditional outlets at prices that are 5 per cent lower.

Additionally, the rise of a modern retail format in the neighborhood boosts the performance of local traditional stores, which are forced by the competition to upgrade their stores and service. Traditional players will need to think about differentiating themselves if they want to survive. They could do this either by focusing on niches or providing a different kind of service. This has been seen to happen elsewhere - which is why we see gourmet cheese stores next to Departmental sores and mom-and-pop stores.
that stay open round the clock. In addition to differentiating their offer, traditional stores will also have to squeeze inefficiency out of their operations (better purchasing and use of labour) to offer competitive prices to consumers and maintain their earning levels, available. On the regulations front as well, it is likely that several important changes will take place, e.g., foreign investment will be permitted into the sector bringing in global competitors, other regulatory constraints impacting the sector will be relaxed, etc. This transition will, however, be gradual. In this scenario, the industry is likely to grow to around $350 billion and with organised retailers accounting for 10-15 per cent of the value ($35-50 billion).

This is similar to where China is today - in terms of standards of living, spending and modern retailing. In its tier 1 cities, China already has nearly 40 hypermarkets, over 4,100 supermarket / convenience stores and 220 department stores, and this figure is expected to increase rapidly. Visualising a similar scenario for India would suggest that India would probably have an average of 2-3 hypermarket in each of its top 15 cities, each with 2-3 Departmental stores chains. China has achieved this position with a more complicated supply chain and strong operational constraints, though with a higher income level and the advantage of global expertise. Even in Poland, Departmental stores have grown from a negligible figure to 10 per cent in less than ten years. In this scenario, then, the leaders in the grocery and apparel markets with market shares of 5 per cent would be around $1-1.5 billion and in apparel $200-250 million in sales. Electronics would also boast of at least one or two large retailers with sales of $100-200 million each.61

It is be very difficult to predict which, if any, of these scenarios come true. What is certain is that the opportunity is large and that retailers who wish to capture it need to begin working towards it immediately. And, even though there may be easy pickings, the large opportunities will require significant effort, bold investments and government support.

If retail continues along its current growth path in India, sales are likely to touch $300 billion by 2010, with 6-7 per cent of this flowing through modern channels ($18-20 billion). Given the moderate-income growth (6 per cent GDP growth) and the slightly easier operating environment, modern retailers would tread cautiously and certain businesses and formats might fail. If the leaders, who would also be expanding conservatively, were able to capture a share of 5 per cent of the organised sector in grocery and apparel, India would have companies ranging from $450-500 million in size in grocery and $90 million in apparel (up from $40-45 million currently).

Now, imagine this. It's 2010; the second phases of India's economic reforms are successful and per capita incomes are growing by 9-10 per cent, leading to similar growth in spending levels. Retailing is now a recognised industry. In addition, the sector has been unshackled - supply chain constraints have been eased, global retailers permitted to compete in India and real estate markets made more organised. In the future, retailing in India could be as large as $450-500 billion and organised formats could account for a 20-25 per cent share (around $100-125 billion). This would be similar to where

retail in Indonesia is today and would imply a slightly slower pace of change than that witnessed in Thailand. This share of modern formats would imply that 40-50 per cent of purchases in urban centers would switch to organised channels and that these channels would be able to capture a substantial part of demand from the middle income categories. In this aggressive scenario, the leaders in the grocery and apparel markets with market shares of 5 per cent would be $2 billion and in apparel $350-400 million in sales.64

All significant innovations in retailing from the departmental stores to the malls were responses to the key environmental developments of the time. Coimbatore has not witnessed a major growth in the departmental store inspite of being an increase in the number of Departmental stores (except a few in the departmental stores which is better than the Kirana shops) segment. But the shopping experience derived by the customers had not change significantly. The potential of Coimbatore is huge and people of Coimbatore are known for their buying habits but their desire has not been full filled in providing a world-class shopping ambience. By taking advantage of changes in consumer preferences, emerging technology and other market realities, strategic developments altered the character of retailing, but not much in Coimbatore. Such a significant change can happen if the retailers start looking this avenue as a huge opportunity. Currently there are no national players in this business as of today. The scope of departmental stores is tremendous.

What is realistic lies somewhere in between these two scenarios. Incomes and consumer demand are likely to grow at a faster pace as the economy performs well, lifestyles continue to

change and better product and shopping options become inevitable.

Gaining a good understanding of customers means learning as much as possible about how they define and perceive value when they choose between offerings. The emphasis here is on perceived value because that is what matters most. As marketing strategist Jack Trout has said, “Marketing is not a battle of products; it’s a battle of perceptions”. Likewise retailing is not just selling of products its selling of perceptions. Expert have been talking about customers’ desired outcomes since the first time someone declared that consumers do not buy drill bits – they buy the ability to make holes.