ABSTRACT

Retailing is one of the important contributors to Indian economy. Post liberalisation, since 1991, organised retailing has become very attractive for both the Indian companies and the Multinational companies. In the organised retailing of Food and Grocery category, convenience store, supermarket and hypermarket formats are very popular in India. Like other major cities in India, Coimbatore too had attracted these organised retailers in the Food and Grocery category. The real growth in supermarkets happened in Coimbatore only during 2006 – 2008, when subhkshsa, More and Reliance Fresh chains of stores were opened and Nilgiris and Kannan expanded from one store to 7 stores each. This new breed of modern supermarkets which are about 2000 – 5000 sq. ft., air conditioned with good ambience and computerised billing system has changed the way people in Coimbatore shopped for Food and Grocery items. Between 2008 and now, not all the supermarket chains did well. In fact, Subhkshsa closed all their stores in 2009, all the More stores were closed by 2011 and Spencer’s Daily stores were reduced to 2, as these supermarket chains struggled to fine-tune their retail marketing strategies. This has motivated the researcher to undertake this study entitled “A Study on the Shopping Behaviour and Customers’ Perception about Selected Modern Supermarket Chains in Coimbatore”. The review of related literature has shown that, even though, studies have been conducted on
the shopping behaviour of shoppers at the supermarkets, supermarket choice
criteria, store choice, store format choice, store perception / store image, etc.
in the U.S. and Western European countries, since organised retailing is in the
nascent stage in India, studies relating to modern supermarket chains are rare
and hence, this study was attempted.

The important objectives of the study are, to find out the shopping
behaviour of the customers of the selected supermarket chains in Coimbatore,
to find out the factors influencing the customers of the modern supermarket
chains in their supermarket choice and the influence of demographic variables
of the customers on the level of importance given to different factors
influencing the supermarket choice and to find out the customers’ perception
about the performance of these selected supermarket chains in Coimbatore.

Descriptive research design was used for the study. Survey method
was used to collect the data from the respondents. A structured questionnaire
consisting of closed-ended and open-ended questions was developed.
A two-stage area sampling method was used to select the respondents, first
the residential areas were selected and then within the residential areas the
individual respondents were selected, based on non-probability convenience
sampling. The respondents were adult-men and women, 20 years old and
above and shopping frequently at any one of the supermarket chains viz.
Spencer’s Daily, Reliance Fresh, More, Nilgiris and Kannan. The sample size
was 450. The respondents were personally contacted in their homes and the data were collected. The data collected were entered into the SPSS 20 software package and then analysed. Mean, Garrett Ranking, Cross-Tabulation, Chi-Square Test, Factor Analysis, Z Test and One-way ANOVA (Analysis of Variance), Multiple Regression Analysis and Correspondence Analysis were the specific tools used for the analysis.

The study has shown that Accuracy of Billing, Product Quality, Product Availability, Product Variety, Speed of Billing, Location, Parking Facility, Price, Product Return / Exchange Policy and Courteousness of Customer Service Persons are the top 10 attributes influencing the customers in their supermarket choice. For all the top 10 attributes, the Mean Performance Scores are less than the Mean Importance Scores. This indicates that the modern supermarket chains on the whole are falling short in their performance on all the top 10 attributes. The factor analysis conducted for this study has shown that, to be successful, the modern supermarket chain operators should provide three things – first they should locate their stores closer to the customers (closer to major residential areas), second they should offer products that are of better quality, wider variety and better availability and third they should offer accurate and faster billing service and better parking facility. Of the five modern supermarket chains studied, Nilgiris has been rated the best on 10 attributes, Kannan has been rated the best on
4 attributes, Reliance Fresh has been rated the best on 2 attributes and Spencer’s Daily and More have been rated the best on 1 attribute each.

The findings of this study related to the factors influencing the supermarket choice, would help the managers of the modern supermarket chains to understand the important factors influencing the customers in their supermarket choice. Providing these factors / attributes to the expected levels of the customers would result in more customer satisfaction and would ultimately lead to more customer loyalty. This knowledge would also help supermarket chains to devise their retail marketing strategies – segmentation, targeting, positioning, location, product mix, pricing, communication and in-store / pre-sales / post-sales services (retail mix). This study should be done periodically to understand whether there are any changes in the importance given to different factors by the customers. Also, periodically monitoring the performance level / customer satisfaction level of these important factors / attributes and comparing them with the competing supermarket chains would help in continuous improvement leading to more customer satisfaction and customer loyalty.
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