CHAPTER - I

INTRODUCTION

AND

RESEARCH DESIGN
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Decision-making with regard to retail outlet selection is very similar to consumer decision-making on brands where the consumer goes through a process starting from identifying the needs to post purchase issues. There are a few interesting and important dimensions associated with consumer behaviour and retail outlet selection. Consumers around the world vary tremendously in age, income, education and tastes. Hence their buying behaviour differs between individuals who make many buying decisions everyday. Their buying behaviour is viewed as an orderly process where individuals interact with their environment to make decisions.

In recent years, there has been a growing interest in the study of buying behaviour in the world. Because of liberalization and globalisation heavy competition exists between manufacturers. Marketers are studying consumer purchases to find answers to the questions about what they buy, where and how much they buy.

In today’s competitive market, consumers are the kings. They are the decision makers; they are provided with a lot of products in the market. Therefore marketers must take some steps to attract consumers for which analysis of consumer behaviour is important. Hence an attempt
has been made to find out the factors that influence a consumer while selecting a retail store for shopping.

STATEMENT OF THE PROBLEM

Retail establishment sells a wide variety of goods. These usually include ready-to-wear apparel and accessories for adults and children, yarn goods and household textiles, small household wares, furniture, electrical appliances and accessories, and, often, food. These goods are separated into divisions and departments supervised by managers.

Departmental stores carry a wider variety of merchandise than most stores but offer these items in separate departments within the store. These departments usually include home furnishings and household goods, as well as clothing, which may be divided into departments according to gender and age.

Retailing is a business activity that involves selling products/services to consumers for their non-commercial, individual or family use. Normally retailing is the last stage of the distribution process. It is estimated that by 2010, retailing in India will comprise a $300 billion industry if the economy continues to register a growth of 6 percent of the Gross Domestic Product (GDP) annually. The retail industry is ever more attractive now, with scores of players leaping into action and many more testing the waters.
Over the past few years, industrial giants like Tata’s, Eureka Forbes, RPG, Pantaloons, Big Bazaar, Shopper’s Stop and Lifestyle have made a foray into the Indian retail market. The association of these big names with the retail sector has helped in attracting a large number of consumers. Moreover, the resources available with these companies, in terms of capital, personnel and technology, allow them to invest in the retail sector thus ensuring the sustenance of the retail industry. With the growing number of households in which both the wife and the husband are working, the time available for shopping has significantly decreased but their disposable income has increased. Hence, customers are on the lookout for instant products and services that help them to save time. This has opened vast opportunities for retailers to offer an entire range of convenient products, which a typical household requires.

The Indian retail market is in sharp contrast to the global situation. Like the rest of the world, it is large, with sales amounting to $180 billion and accounting for 10-11 per cent of the GDP. However, it is also exceptionally fragmented and unorganized nearing 12 million outlets. Today, India has the largest retail outlet density in the world. However, most of these outlets are with very basic offerings, fixed prices, zero usage of technology, and little or no ambience. These are highly competitive outlets, with cheap labour.
There are multiple causes for this low level of modernization in Indian retail sector. Primary among them are the stifling restrictions on consumer goods and consumerism that existed till the 1990s. As citizens of the world’s largest democracy, people were entrusted with the right to elect their government but were denied, as consumers, the right to choose their products. The consumer industry was suffocated by controls, production was paralysed by a licence system and companies were either forbidden entry or denied manufacturing scale.

Investment in product development withered from lack of incentives while the import of foreign goods was throttled by tariffs that often rose above 15 percent. This was true of fast moving consumer goods as of consumer durables and apparel.

The inability to offer a wide range of product was further worsened by the marketer’s inability to create economies of scale in sourcing. The high fragmentation in suppliers and the supply chain, the restrictions on interstate movement and on stocking, prevented development of scale. Further, the limited set of organized options prevented retailers from negotiating better terms with their suppliers.

The lack of consumer culture, along with low income, prevented the development of formats such as departmental stores that work on superior ambience and design to capture consumers. Limited products put
consumer perpetually on the back-foot. They were reduced to a state where they almost felt rewarded if they were allowed to buy a product. Further, the country was effectively isolated from the world through a tightly controlled television and radio media, and did not share in the growing consumer-oriented culture sweeping the West and other parts of Asia.

A very few barbs were willing to invest in retail, while real estate restrictions made it impossible to access land of reasonable size. The lack of retail-oriented education courses made it difficult to get trained people. Constraints on foreign direct investment prevented the entry of most of the world’s leading retailers. All of this resulted in India having the most basic form of retailing while there were limited signs of evolution, the country lacked and still lacks—departmental stores, hyper markets, warehouse clubs, category killers, catalogue showrooms and any of the other innovative formats that have developed in other markets.

**CUSTOMER PERCEPTION**

Nearer home, because of the liberalization measures introduced in 1991, a scenario is developing wherein customer satisfaction and delight is getting to be the agenda of top management.

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Gone are the days, when customer could be taken for granted. Customers in India in recent times are exposed to what is happening around the world and are demanding attention and value for their money.

Unless industries in India come up with a medium and long-term strategy to satisfy the customer – to start with, by providing quality service/goods at a minimum cost and possibly at a later stage in delighting the customer by providing them services/goods, most importantly with least possible delay at prices comparable to what is prevailing in the global market place, there is no hope of survival and growth for such industries.

Customer perception is changing rapidly in our country even when the door to the Indian economy is just cracking open. One can very well imagine the impact of such changes on our industries if and when liberalization of our economy is carried on to its logical conclusion. In any case, with Indian agreeing to abide fully by the WTO rules and regulations by 2003 or so, the ball game will be a totally different one for Indian industries by then. The short time that is available for Indian industries between now and the deadline for conforming to WTO regulations, should be utilized effectively for preparing to meet the challenges of the highly competitive global market place namely to
supply goods or provide services of highest quality at lowest cost and least delivery time.

Changing Perception of Customer

<table>
<thead>
<tr>
<th>Perception of Customer</th>
<th>Time Period</th>
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<tbody>
<tr>
<td>SERVING THE CUSTOMER</td>
<td>1950’s to ‘60s</td>
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<tr>
<td>SATISFIED THE CUSTOMER</td>
<td>1960’s to ‘80’s</td>
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<tr>
<td>PLEASING THE CUSTOMER</td>
<td>1980’s to ‘90’s</td>
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<tr>
<td>DELIGHTING THE CUSTOMER</td>
<td>1990’s to 2000 AD</td>
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<td>↓</td>
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<tr>
<td>RETAINING THE CUSTOMER</td>
<td>2000 AD and Beyond</td>
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There has been total transformation in the way a customer is perceived ever since the emergence of a global market place. As could be seen from the above illustration the endeavour by most of the business enterprises in the developed world in the 50’s and beyond was just to tolerate the customer and provide him with just the bare product/service. However, during the ‘60’s to ‘90’s, the business world in the Western countries took note of the unfolding competition from Japan which flooded the world market with high quality goods at very attractive and affordable prices. With the emergence of other newly industrialised countries like Taiwan, Korea, Singapore and Hong Kong a little later than the global market place became even more competitive and the business
world of the industrialised countries for the first time recognized the pivotal role the customer played in their prosperity and they went all out to please the customer.

From the ‘90’s onwards, with players like China and Malaysia appearing on the international scene, the corporate world of developed countries realized that even pleasing a customer wasn’t enough to retain their hold on their customer, given the kind of challenges they faced from newly industrialised countries. So, a deliberate strategy of putting the customer on a high pedestal and trying to delight the customer in ever so many ways was put into action.

Of late, efforts are being directed at retaining the customer and the customer base and very creative and innovative ways of dealing with this problem are being hammered out in the board rooms of the corporate world of today. It could be seen even “delighting the customer” is not an end in itself but only a means to an end of achieving the ultimate goal, namely establishing an everlasting relationship with the customer.

There are only a few companies in the developed world, who have been able to establish this kind of an everlasting relationship, having survived and grown over a period of century and a half. In the ‘90’s, however, with the impact of global competition on the corporate scene, a new dimension has been added to ensure customer delight and that is the dimension-time. It has been proved that such of those companies which can provide quality service product at a competitive cost and most
important of all, in the quickest possible time, are the ones who have grown beyond one’s imagination.

**SIMPLIFIED MODEL FOR ENSURING CUSTOMER DELIGHT**

The country has witnessed a retail revolution in recent years. Significant development has taken place in urban areas in the form of organized retailing departmental stores or malls. Actually, the corporate
sector and the government, both have shown keen interest in the retail sector. This business suddenly seems promising to every one. In 2003 alone, a breath taking 10 million sq.ft. of commercial space was picked up by the retail industry.

Departmental stores in India have added significance to the urban shopping experience. The attitudes on shopping are changing. Generally, people are exposed to the world retailing environment where many brands being sold under one roof. People expect convenience, a hang out place that satisfies their notation of a cool ambience.

Today most families prefer to purchase their goods at ‘one stop shops’ where everything is available under one roof. Therefore, departmental stores and malls in organized sector have grabbed the wonderful opportunity to offer a unique shopping experience to this new breed of consumers.

The concept of organized retailing has gained momentum in the last few years. The large corporate houses have displayed more than a fleeting interest in this sector. Big houses like Tatas, Piramals, Rahejas, S.Kumars, Biyaris, RPG have already made their presence felt in organized retailing by investing in either of the format like – malls/big departmental stores/chain stores.

In the recent past, the large format retailing has picked-up like wild fire, thanks to neo-rich, tie starved urban dual income population.
Centrally air conditioned malls like Ansal Plaza in Delhi, Cross Road in Mumbai and Spencer Plaza, Foodworld in Chennai seem to be perpetually crowded everyday. The well-off population, middle level executives, college goers of the city look forward to make shopping, an experience in an unhurried and relaxed air conditioned atmosphere, convenience, ambience, recreation as space to hang around.

In order to probe all these matters, the study has been undertaken by the researcher.

REVIEW OF LITERATURE

A few reviews of literature related to this study is presented here:

Naidu and Datta (1964)\(^1\), in their book stated that the development of department stores by enlarging the size of the retail units so as to bring under one roof, a variety of retails units capable of supplying all the requirements of the customers, is a step in this direction. France is credited with starting the first department stores, i.e, Bon Marche of Paris in 1852.

Court Land and Others\(^2\) in the book ‘Marketing’, have stated that department stores “as a multi-unit retailing operation which cannot be categorized as a departmental stores ownership group or the retail outlets affiliated with a mail order house”, it is rightly said that the chain store system ‘works its inventory harder than many competitors’.
William Zikmund and Micheal Amico (1984)\(^3\) have explained that a departmentalized retail outlet is often large, offering a wide variety of products and generally providing a full range of customer services. In short, discount and other types of stores operators are viewed as formidable competitors for traditional departmental stores.

Kinnear and Bernhard (1988)\(^4\) in their book have pointed out that the use of theories to understand retailing must be supplemented with the knowledge, that retailing is a constantly changing field. This change has dramatic implications for retailers. As Kurt Barnard, publisher of Bernhard's Retail Marketing Report, an industry newsletter, has put it, "Retailers had done so well for the past twenty years almost without paying attention to market changes".

Kohns and Stone (1988)\(^5\) in their book have stated that large departmental stores usually have their own sales promotion staff. Heading the staff may be a sales promotion manager and an advertising manager, and there may be someone incharge of publicity also and someone else incharge of visual merchandising. They have also stated that departmental store usually has its own artists and display specialists and prepares all its promotion material itself.

Davar Sohrab and Davar, (1989)\(^6\) in their book entitled "Salesmanship and Publicity" highlights that, retailers generally employ
two types of salesman, viz., “indoor” or retail stores salesman who works inside the store, and “outdoor” or “traveling” salesman. The indoor, outdoor and their knowledge in convincing the buyers were pinpointed in a sequential order.

Jack and Kapoor (1990) in their book highlight that department stores are large retail establishments consisting of several parts, or departments, that sell a wide assortment of products. According to the U.S. Bureau of the Census, a department store is a retail store that (i) employs twenty-five or more persons and (ii) sells at least home furnishing appliances, family apparel, and household linens and dry goods, each in a different part of the store.

Pride, Hugest, and Kapoor (1990) in their book have described the department store as a large retail institution that carries out a wide variety of merchandise grouped into well-defined departments, usually with substantial depth for each product line. Items carried out include household linens and towels, family wearing apparel, furniture, home furnishings, appliances, and radios and televisions. Department stores usually offer many services such as credit, delivery, money back guarantees, and personal selling assistance.

The choice of a store is affected by the brand being bought as well as the personal values that the shopper cherishes. Hence, a shopper with
high personal gratification value would attach more importance to store status than a self-reliant intellectual type shopper. The concept of positioning of stores has been captured in marketing literature in the last decade. This study finds that shoppers look for and develop "lit buttons" that help in choosing among stores (Woodside and Trappey, 1992). The shoppers can quickly name the store which provided with these buttons, such as, most convenient or lowest prices, thus reducing the cognitive dimension in the decision problem.

Stanton, Etzel, and Walker (1994) in their book explain that a department store is a large-scale retailing institution that has a very broad and deep product assortment, tries not to compete on the basis of price, and provides a wide array of customer services.

Bovee, Houston and Thill (1995), have said that, a department store is a large retailer carrying a broad variety and wide assortment of general merchandise lines plus many in-store services. Department stores such as May Company and J.C.Penny offer their broad array of products at low price with full service, and they supplement their product lines with extra services such as home delivery and store credit. Products are typically displayed in separate areas on the selling floor, grouped by product line or function. For example, shirts and sweaters are placed alongside pants and belts in the men's department.
Kotler (1996)\textsuperscript{11}, in his book pointed out that department stores carry a diverse assortment of merchandise grouped into departments. Department stores also usually offer services for example: appliance repair, delivery, and gift-wrapping as part of their marketing strategy. Department Stores like John Wanamakers, Macy's and Gimbals got their start in the mid-1800s in the central business districts of major cities in the U.S.

According to the International Association of Department Store\textsuperscript{12}, a department store must have at least 2500 sq. meters of space (26,900 sq.ft.). Furthermore, it must offer a product range that is both wide and deep in several product categories. The Association estimates that there were around 960 such stores in the EU in 1990.

Nimmonrat (1998)\textsuperscript{13}, in her study on “The factors Affecting Demand for Cosmetics From the Departmental Stores in Chiang Mai.” expresses that the decision making for purchasing cosmetics depends on price, income of consumers, brand name, future expected price, sales promotion, quality and price of substitute product. The data gathered for her study was from among the 300 selected sample respondents of cosmetic consumers of a department store and questionnaire was the main tool used for her study and simple percentage was used to analyse the data.
McCarthy\textsuperscript{14} in his words highlights that according to the Super Market Institute, USA, one million dollar is considered the minimum annual sales volume for a store to be classified as a Super Market. A Super Market is defined as ‘a large retailing business unit selling mainly food and grocery items on the basis of the low margin appeal, wide variety and assortments, self-service and heavy emphasis on merchandise appeal’.

Peter and Eric (1998)\textsuperscript{15} in their article “The Pricing of Space in Malls” highlight that consumers are attracted to malls because of the presence of well-known anchors department stores with recognized names. Anchors generate mall traffic that indirectly increases the sales of lesser-known mall stores. Lesser-known stores have a free ride on the reputations of better-known stores. Mall developers internalize these externalities by offering rent subsidies to anchors and by charging rent premiums to other mall tenants. It is estimated that anchors receive a per square foot rent subsidy of not less than 72 percent that which non-anchor stores pay. Anchors pay a lower rent per square foot in larger malls (with several department stores) than in smaller malls (with fewer department stores), even though sales per square foot of anchors are the same in the two types of malls. In contrast, the sales and rent per square foot of other mall stores are higher in super regional malls than in regional malls.
Berman, and Evans (2001)\textsuperscript{16}, in their study, "Retail Management A Strategic Approach" have said that departmental stores are so named according to their store and samples because they present each of their many different kinds of merchandise in a separate area of the department store. A department store usually leads other types of stores in terms of overall status and importance in a community. Department stores provide the "theatre" for retailing.

Gayathri(2001)\textsuperscript{17}, in her study on "A study on Customer Perception" has analysed perception of the customers towards food world retail outlet in Tatabad, Coimbatore. This study was conducted by taking a sample of two hundred and fifty respondents.

Abishek Parekh (2002)\textsuperscript{18}, in his article on "Enter the Hyper Market" says that the retail boom is rapidly gaining ground. Companies such as Pantaloon Fashions and S Kumar's are framing up plans to set up hypermarkets in various locations. The Calcutta stores have begun touted as "India's answer to Wal-Mart and Care four" where consumers can get "top quality products at rock-bottom prices in a world-class environment." Hyderabad already hosts Giant, India's first international standard hypermarket, belonging to the RPG group, which opened its doors. Hypermarkets usually compete on price and a wider product range, but they normally lack product depth and service components.
Piquet (2002) in his study on "Retail Marketing in Emerging Countries" highlights that, with the second-largest retail market, ($202.6 billion) among emerging countries, next only to China ($388.6 billion), India is an attractive destination for global retails. However, India has been ranked only sixth in a Global Retail Development Index (recently developed by AT Kearney, Slovak Republic, Hungary, the Russian Federation, Morocco) and, of course, China has been rated as more attractive than India. Ten years ago, the Top 20 global retailers had operations in 11 countries. Today they are present in 82 countries. India is not on that list yet. However, with once promising South America now losing their original appeal due to market saturation and economic risk, India is a serious contender for FDI (Foreign Direct Investment). But that will depend on whether policy-makers will pay heed to the Chinese success and allow FDI.

The concept of Super Market or a Department Store – mistakenly called 'departmental stores' by many – wherein the consumer can buy a good number of items under one roof and in a hassle-free ambience, came into vogue when the Spencer Group set up a chain of such retail outlets in the then big metros like Madras, Bombay and Calcutta. In 1960, various State Governments floated co-operative super markets or super bazaars, when certain consumer goods, became scarce leading to black marketing
by unscrupulous traders. Foremost among such cooperative ventures is the "Apna Bazaar", followed by 'Sharkari Bhandar' in Mumbai.

Suneetha Kaul (2002)\textsuperscript{21} in her article "Fund Apparel by the Hours" expresses her opinion that the emphasis on affordable pricing rises the question of offering right quality. The research carried out by retail division of Mehta's company concluded that the average middle-class consumer was more value conscious than brand conscious and preferred newer brands at more economical prices.

Nirma Sharma (2002)\textsuperscript{22} in the article "Cultivating a New Taste" highlights that interesting food retailing continues to mushroom. As of now, there are three big chains in food retailing – (i) Super Market Chain ‘Food World’ and discount stores (ii) ‘Margin Free Market’ and (iii) ‘Subhiksha’. These are the fairly established ones, which have grown to respectable size in the markets that they operate in. For example, in Chennai, ‘Food World’ and ‘Subhiksha’ are reported to have a market share of over 20 per cent. In Kerala, Margin Free market has a similar share. That leaves ample opportunity for such business ventures in the rest of the country. In recent months, e-tailer Fabmart and department store chain ‘Piramid’ have entered this business. Kishore Biyani of Pantaloon, too, is putting the finishing touches to his foray into food retailing. Those part, small Kirana format retailers, too, are combining
their purchasing power and, in some cases, even the front end, to create new variations of organized chains.

Mohinroo (2002) in an article about super stores entitled “A New Direction, mentions that consumers need parking space and a lot of floor space”. The stores, which are leased, range from 1,500 sq.ft. to 6000 sq.ft. “Consumer acceptance is bound to evolve”. “The consumers want to set up prototypes that will become the standard for technology retailing and then give Indian entrepreneurs the advantage of brand in national and international sourcing”. If a housewife, for instance, wants to learn how to surf the internet, she would feel safe to take an afternoon class at a store such as this, says Chandra. Mohinroo has that on the card as well “Retailing is, after all, a people business”, he says.

Pathma Ramnath (2002) in her article on “Spreading the Word” has mentioned that there is a shift in the logistics and supply-chain modes now in retail market. Stores such as Odyssey are taking a new route and shifting the balance of retail margins from the publisher/distributor/retailer model to the point of sale model. Here (in Odyssey) by opting for the local partner for footing all fixed costs, they reap the benefit of the generous margins in the book business.

Vidya Srinivasan (2002) in her article on “What is in Store” has highlighted the impact of liberalization which puts products of various
styles and quality on shop shelves, giving consumers new choices, but it has left the seller to live in a protected environment. Department stores that form the basis of the organized retail industry have no role models to follow except those set by Macy’s, Bloomingdale’s and Marks and Spencer’s in the West, but none of which has adequately fit into the Indian scenario.

Austin Lobo (2003)\textsuperscript{26}, in his article "Keeping in Touch" has expressed that Amuls’ products like ice-cram or pizza, or cheese, or chocolate or any of the variety of products it makes and markets, could easily capture the consumer who operates in department stores. He also points out that the consumer has less time at his disposal than before and would prefer ready to “eat” products rather than the ingredients that go into making a quick meal.

Rajshekhar (2003)\textsuperscript{27} in his article says that, India’s department stores are entering into each other’s markets, and there has been a new era of competition. He talks about the new emergence of department stores in Delhi, Mumbai, Calcutta, Hyderabad and Chennai. The area has become a department store magnet. Roughly a kilometer before, a non descript intersection called Iffco Chowk, Lifestyle and Shoppers’ Stop have come up in malls squarely opposite to each other. About 500 meters away, finishing touches are being put on a third mall. In this property, Kishore
Biyani (the Managing Director of Pantaloon Retail) is opening both his stores – ‘Big Bazaar’ and ‘Pantaloons’. Nearly, three other shopping malls are nearing completion.

Anand (2003) in his treatise entitled on “Grocer’s Day Out” has analysed the food and grocery retail outlet, its demand, sales, and the square area where the stores are located. This study compares the performance of ‘Subhiksha’ with their competitors like ‘Food World’, ‘Sabkha Bazaar’, and ‘Margin Free’ markets.

Chandroo (2004), in his article “Supply Perfect” highlights that, “Lifestyle International” – a member of the Dubai-based Landmark group-threw open its 54,000 sq.ft. Department Store in Gurgaon. Rivals like Shoppers’ Stop, ‘Ebony’ and ‘Westside’ were already well entrenched in the Gurgaon market. The store became a crowd magnet from the day it opened. Today, it is the hottest destination in the Gurgaon market. More importantly, Lifestyle is working on a new format for secondary metros. While the broad format is likely to be the same in the smaller towns, there will be some changes in the size, product categories and economies of scale, keeping in mind the consumer profile. That could well be the second round of Life Style’s India success story.
Skoda, Daniel J.,\textsuperscript{30} focuses on the corporate activities of Federated Department Stores Inc. Discussion on the economies of scale related from the acquisition of May Department Stores Company.

Frazier, Mya\textsuperscript{31} has highlighted the move of luxury brands to reduce dependence on the department store channel and venture into retail stores.

Kapos, Shia\textsuperscript{32} in his article presents information related to Marshall Field store’s conversion to Macy’s department store at the State Street in Chicago, Illionis. Macy’s is owned by Federated Department Stores Inc. According to Ralph Hughes, Macy’s regional vice-president, shoppers will be able to find the store more “with-it” and “forward-thinking”.

Hence, this study on investigation of consumers shopping environment through departmental stores necessitated the researcher to go in detail and analyse the matters relating to consumer behaviour on their purchase.

**OBJECTIVES OF THE STUDY**

The following objectives have been framed for the study.

i) To identify the socio economic status of the sample respondents selected for this study.

ii) To study the various facilities available in the departmental stores viz., customer care, discount offer, quality of products, fast service,
credit period, average monthly purchase by respondents, replacement of product, distance, media influence to name a few.

iii) To analyse the level of awareness about departmental stores with respect to place, age, sex, martial status, educational qualification, occupation, family income and size of family.

iv) To find out the ways in which the consumers are utilizing the departmental stores by taking various independent variables like place, age, sex, martial status etc.

v) To know the factors influencing the attitude of the consumers while making purchases.

vi) To offer suitable suggestions to the consumers for their easy, convenient and economical shopping.

HYPOTHESES

➢ There is no significant relation between the level of awareness about departmental stores and demographic variables.

➢ There is no significant association between the level of satisfaction in the utilisation of departmental stores and demographic variables.

➢ The respondents have equal preference towards the facilities offered by the departmental stores.

➢ The buying behaviour of the respondents depends on the functioning of departmental stores.
SCOPE OF THE STUDY

Store choice is classified in literature as primarily, a cognitive process. Store choice behaviour of the shopper has been found to be similar to brand choice, the only difference being the importance of the spatial dimension. While the brand choice is devoid of any geography, the choice of a store is very much influenced by location. It is as much as information processing behaviour as any other purchase decision.

Shoppers who had higher level of pre-purchase information generally shopped at the speciality store, whereas the shopper with low pre-purchase information bought at departmental stores. This is mainly attributed to the customers adopting a risk reduction policy with regard to their impending purchase. The importance placed on the customer’s familiarity with the store, will depend upon the perceived risk in making an erroneous purchase and the importance of the product category to the shopper.

METHODOLOGY

All items in any field of inquiry constitute a ‘Universe’ or ‘Population’. A complete enumeration of all items in the population is a census enquiry. It can be presumed that in such an enquiry, when all items are covered, no element of chance is left and highest accuracy is obtained. But in practice this may not be true. Even the slightest element
of bias in such an enquiry will get larger and larger as the number of observation increases. Moreover, there is no way of checking the element of bias or its extent except through a resurvey or use of sample checks. Besides, this type of enquiry involves a great deal of time, money and energy. When the field of enquiry is large, this method becomes difficult to adopt because of the resources involved. At times, this method is practically beyond the reach of ordinary researcher.

Further, many a time it is not possible to examine every item in the population, and sometimes it is possible to obtain accurate results by studying only a part of total population. In such cases there is no utility of census survey. Under census method, each and every unit of the population or universe is studied. Census method will give more representative, accurate and reliable results. Since it involves enormous amount of time and money, this method was not used for this research.

**SAMPLING**

Instead of obtaining information from each and every unit of the universe, only a small representative part is studied and the conclusions are drawn on that basis for the entire universe or whole population. Hence, this research uses sampling method for collecting data. For this research convenient sampling is used for collecting the data.

This sampling is convenient as the interviewer can select the first few sample items quickly rather than going through the laborious process
of obtaining a random sample. Samples are chosen simply because they are most readily available or accessible or easy to measure. Convenient sampling is a non probabilistic sampling technique.

In order to study the consumer’s attitude towards departmental stores in urban and rural areas of Salem District, 750 (500 from Urban and 250 from rural) sample respondents have been selected from the various taluks of Salem District.

<table>
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<th>Urban Area</th>
<th>No. of Respondents</th>
<th>Rural Area</th>
<th>No. of Respondents</th>
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INSTRUMENTS FOR DATA COLLECTION

One of the main research instruments for collecting primary data is questionnaire. Questionnaire method helps in fulfilling several purposes, like measurement, descriptions and drawing inferences. The primary data is collected through the well framed questionnaire comprising optional type and Likert’s five point scales. The questionnaire is divided into six major sub divisions namely personal details, awareness about departmental stores, buying behaviour, level of satisfaction, impact of advertisement and problems faced.
SOURCES OF DATA

Two types of data have been used for the study viz., Primary data and Secondary data.

Primary data refers to those data which are collected first hand by the investigator. Such data are original in character and are generated in a large numbers of surveys conducted, mostly by government and also by some individuals, institutions and research bodies. There are several methods of collecting primary data like survey method, observation method to name a few. In this project, survey method is used to collect the primary data through a well designed questionnaire.

In this method, the enumerator makes personal contacts with the informants either directly or indirectly and collects the required data. Various devices such as telephone, mailed questionnaire are used to collect information. As the enumerator is personally involved in collecting data, the information is more reliable and accurate.

The data which are not originally collected, but collected from either published or unpublished sources are called secondary data. In this research secondary data is also used.

TOOLS USED

The study results were analysed by using various statistical tools. The data collected from the respondents were analyzed and presented in the form of tables. Bar charts are used at various places as a statistical
tool. The results are compared and analyzed by using descriptive analysis, average score analysis, chi-square analysis, weighted average analysis, t-test, Analysis of variance and discriminant function analysis.

Descriptive analysis

Descriptive analysis, also termed as percentage analysis, was used for each question contained in the interview schedule mainly to ascertain the distribution of respondents in the urban and rural areas under each category. Diagrams and charts are mainly used for clear understanding of the data collected in pictorial form. Pie-charts and bar charts were used for this purpose.

Average score analysis

After converting the qualitative information into a quantitative one using a three point scale, the average scores were obtained on various issues to determine the level of awareness, satisfaction over availability, opinion on price and influence of advertisements towards the preference of departmental stores.

Chi-square analysis

The Chi-square analysis is used to test the significance of association between two attributes and to test the homogeneity or the significance of population variance. In other words, this technique is used
to test the significance of the influence of one character over the other. All the test were carried out at 5 per cent level of significance.

**Non Parametric Friedman Test**

The Friedman test is a nonparametric alternative to the repeated measures of analysis of variance. It is the non parametric equivalent of a one-sample repeated measures design or a two-way analysis of variance with one observation per cell. Friedman tests the null hypothesis that k related variables come from the same population. In order to ascertain the factors that will influence the respondents towards the attitude have been classified into two dimensions. They are “facilities offered by the departmental stores and satisfaction factors”. Friedman non parametric test is used to identify the factor which is more influencing the respondent towards the attitude.

**Test for Mean Score**

Parametric test of two sample t-Test and One way analysis of variance for more than two groups are applied to for judging the significane of difference between means scores of level of awareness and level of satisfaction after testing the normality by Q-Q plot.
Discriminant function analysis

The objective of discriminant function analysis is to predict an object's likelihood of belonging to a particular group based on several independent variables. It provides a predictive equation, measures the relative importance of each variable and is also a measure of the ability of the equation to predict actual class-groups (two or more) concerning the dependent variable.

PERIOD OF STUDY

The period of study was three years from 2005 to 2007. The data were collected from 750 respondents. This study reveals shoppers preferences, their knowledge, customs, attitude, motivations and their behaviour. It pertains to shopping behaviour of the consumers in departmental stores in Salem District.

LIMITATIONS OF THE STUDY

1. The study is limited to Salem District only.

2. Totally 750 samples were taken under convenient sampling method. Therefore the findings of the study may not be applicable to the universe.

3. The findings are drawn on the basis of information supplied by the respondents. Hence, there is a chance for bias.
4. Data are collected from all cross sections to understand the perception of the shopping behavior and to draw effective conclusion about the retail store selection.

SCHEME OF CHAPTERISATION

The entire study is divided into six chapters.

First chapter is research design consisting of introduction, statement of the problem, review of literature, objectives, hypothesis, scope of the study, methodology, sampling design, instruments for data collection, statistical tools, period of study, limitations and chapterisation.

Profile of Salem District which is selected by the researcher for his study is presented in the Second Chapter.

A review of the retail sector in India and abroad is given in a detailed manner in the Third Chapter.

The Fourth Chapter gives an idea about consumer behaviour and their perception on shopping patterns.

The Fifth Chapter deals with analysis and interpretation of data. Different types of statistical tools were used for analysis and interpretation of the data collected by the researcher.

The Sixth Chapter is a concluding one which highlights the major findings of the study and offers few suggestions.
End Note:


2. Cundiff and Still, Basic Marketing, P.102.


