8.1 Study in Retrospect

Retailing is one of the predominant sectors in every economy, as it contributes much to the GDP and provides employment to many. It is the last stage in a channel of distribution, and consists of the process involved in the physical movement and transfer of ownership of commodities to the customers. Retailers select goods from various sources, buy in large quantity, and sell in small quantities. Thus, retailing is a marketing activity involved in selling goods and services to customers for their personal and household use. Retailing requires knowledge about the needs and wants of customers as they make the core of every marketing process. Consumers’ needs and wants are fulfilled through a market offering a combination of products, services, information, or experiences offered to a market to satisfy a need or want (Philip Kotler and Armstrong - 2008). Such products, services, information,
promotion and experience are to be offered to satisfy customers. In a competitive market situation, only satisfied customers make further purchases from a store. They may pass messages to other customers on their experience and persuade others to buy. Customer satisfaction is based on the product’s perceived performance and related experiences in tune with their expectations. When the performance of a product and related experiences match with customer expectations, the customer is said to be satisfied. If the performance of a product and customer’s experiences are below expectations, the customer could be dissatisfied. Customer loyalty, and repeated purchase, direct or indirect bonding to a firm are related to customer satisfaction.

The buying behaviour of customers is influenced by a number of factors; psychological and non-psychological. The psychological factors include motivation, perception, learning, beliefs and attitudes and the non-psychological factors include culture, reference groups, age, occupation, economic background, personality and others. Today consumers are not habitual buyers, demanding quality products rather than having little involvement in the selection of products. Buying is the result of a five stage decision making process: a) need recognition, b) information search, c) evaluation of alternatives, d) purchase decision and e) post purchase behaviour. Post purchase behaviour is the base of further purchase from a firm. This is the experience that a buyer accumulates on different aspects about the firm which includes service and product offered. It may motivate or alienate him from the store again. Therefore, every retailer should aim at creating a positive motivation in the minds of customers by offering quality merchandise and services.

The retailing process consists of both offering goods and providing services. It provides most of all, the beneficial utility of a place for purchase
by offering a reasonable number of buying choices. It also comprises the characteristics of the service component such as dealings and responsiveness of staff to the customers, interacting with the customers according to their expectations, and the like. The major issues faced by a retailer are twofold and can be summed up as contriving ways and means to serve customers even by earning a fair profit and managing to retain a core of loyal customers in a highly competitive environment where consumers have so many choices.

Food and grocery retailing is the predominant sector in the retail industry. Its share is more than 60 per cent of world retailing. Large organized retailers are seen to be dominant in most of the developed countries in the food and grocery retailing sector. In India, organized retailing is found to be growing at a fast rate and slowly replacing traditional small-scale retailers. These large retailers offer wide choices, self-service and one stop shopping together with many similar attractions.

The Kerala State Civil Supplies Corporation Ltd (SUPPLYCO) and the Kerala State Co-operative Consumers’ Federation Ltd (CONSUMERFED) are the two chain organized food and grocery retailers functioning under the government of Kerala and they manage a number of Supermarkets all over the state. Of course, they have to compete with Private Supermarkets and Margin-Free Markets in the private sector. Both enterprises shoulder the responsibility of holding price levels of essentials in the state. The present study is concentrated only on the role of CONSUMERFED in retailing.

The Kerala State Co-operative Consumers’ Federation Ltd is the apex body of consumer co-operatives in Kerala, engaged in both wholesaling and retailing of consumer goods. For retailing various consumer goods including essential goods, it has 246 Triveni Supermarkets, about 756 Nanma stores, 123
mobile Trivenis and 7 floating Trivenis (as on 31.3.2013). It has also 101 Neethi medical stores for supplying medicines at lower prices to the public. It runs 8 coffee houses and two restaurants and two stationary stores. At the same time, the firm engages in the wholesaling of consumer goods including medicines. It supplies consumer goods to more than 1200 Neethi stores and medicines to 350 Neethi medicals owned by service co-operative banks and other co-operatives in the state. In the research topic ‘Role of the Kerala State Co-operative Consumers’ Federation Ltd in Retailing’, only the retailing activities of Triveni Supermarkets are considered and studied in detail. The Federation intervenes in the essential goods market with its permanent retailing system and through special stores to hold the price levels of essential goods in the state.

Triveni stores have been established at least one in each assembly constituency of the state with a view to supply consumer goods at reasonable prices to the public. They are self service stores with a range of 2000-3500 sq.ft area and offer a variety of consumer goods. They have computer billing counters and sufficient staff for dealing with customers. CONSUMERFED outlets has about 7 per cent market share in food, grocery and convenience goods retailing when taking based on the average number of customers visiting the stores. As these are medium sized supermarkets, they compete with other Private Supermarkets in the respective areas. In this study, an attempt is made to assess the role of Triveni stores in retailing by seeking the opinion of customers with respect to its effectiveness in retailing and in holding the level of prices of essential consumer goods. An assessment of the level of customer satisfaction of Triveni customers has been attempted in the study followed by a comparative study of Triveni Supermarkets, Margin-Free Supermarkets and other private Supermarkets with selected retail factors.
Against this backdrop, the present study is a pioneer one aimed at evaluating the financial performance of the Federation and assessing the effectiveness of Triveni stores in its retailing activity. Totally, four parameters are utilized to assess the financial performance of CONSUMERFED in addition to the evaluation of growth in sales and net profit, viz. 1) profitability, 2) liquidity, 3) leverage and 4) working efficiency. In order to assess the level of customer satisfaction of Triveni Supermarkets, a total of twenty variables grouped under six indicators, viz. 1) Quality and Attractiveness of Goods, 2) Assortment of Goods, 3) Service and Staff Dedication, 4) Price of Goods, 5) Promotion and Customer Education and 6) Cleanliness and Infrastructure are used. To ascertain possible variations in the level of satisfaction among regions, areas of residence and the income levels of customers, three way Analysis of Variance (Three way ANOVA) is used. Repeated measure MANOVA is used for comparing the performance of Triveni stores, Margin-Free Markets and Private Supermarkets with the six factor indicators.

Before proceeding to the results of the analysis, it will be appropriate to restate the objectives of the study.

8.2 Objectives of the Study

1) To study briefly the essential consumer goods retailing system controlled by the government in Kerala state.

2) To examine the objectives, functions and financial performance of CONSUMERFED.

3) To identify the major customer groups of Triveni stores and assessment of its effectiveness in consumer goods retailing.

4) To evaluate the effectiveness of CONSUMERFED outlets in holding the price levels of essential consumer goods in the state.
5) To assess the level of satisfaction of the consumers of Triveni Supermarkets with selected retail factor variables.

6) To compare Triveni Supermarkets with Margin-Free Markets and other Private Supermarkets in consumer goods retailing with selected variables.

The study is descriptive and analytical in nature. Primary as well as secondary data are used in the study. A multi-stage random sampling was used for arriving at the sample respondents for the study. Quota sampling procedure is followed to arrive at the sample at the last stage of the selection process. From the data collected for the pilot study, the sample size was fixed at 432. As mentioned earlier, the population for the study was the customers of Triveni stores who were using other types of retail outlets such as Private Supermarkets and Margin-Free markets for purchasing consumer goods. Primary data were collected from 432 respondents distributed equally from the central, southern and northern regions of Kerala through personal interview method with the help of a structured questionnaire. Multi-stage sampling method is used for choosing the places for the collection of data. For the purpose of the study, the state has been divided into three regions, viz. south, central and north and from each region, one district each having more number of Triveni stores has been selected for collecting data. This constitutes the first stage of selection. In the second stage, from each districts selected, places were classified as urban, semi-urban and rural. Then, places where Triveni stores, Margin-Free Markets and Private Supermarkets located not too far in between have been identified at random. The aim of this procedure has been to identify the places where common customers of the three outlets reside. Customers were identified at random procedure from the outlets of selected places. 144 samples have been collected from each region (48 samples each
from urban, semi-urban and rural areas from each district) totaling 432 samples from the three regions of Kerala.

Secondary data were collected from various Articles- International and National, Working papers, Theses- International and National, Annual Statements and reports of CONSUMERFED, Kerala State Cooperative Union, Publications of NCUI (National Cooperative Union of India) and NCCF (National Cooperative Consumer Federation of India), State Planning Board-Government of Kerala and Registrar of Cooperative Societies, Kerala. The scope of World Wide Web for collecting data has been exploited well for the study.

The primary data collected have been edited, tabulated and analysed using SPSS version 17. Statistical tools such as frequencies, cross-tabs, graphs and descriptive statistics such as Percentages, Arithmetic Mean Standard Deviation are used to analyse the primary data. The analytical tools used for establishing and analyzing the relation and dependents between variables include Chi- Square test, One sample t-test, Binomial test, One and Three way ANOVA, Multi-Dimensional Scaling- Alscal, Factor Analysis and Repeated measure MANOVA. For the analysis of Secondary data, Ratios, graphs and Compound Annual Growth Rate (CAGR) are resorted. The scheme of the report has been prepared in eight chapters.

8.3 Hypotheses.

The study is mainly focused on four major areas, viz; effectiveness of Triveni stores in retailing, holding price levels of essentials, level of customer satisfaction in Triveni stores and comparison of the stores with Margin-Free Markets and Private Supermarkets with selected variables. Following research hypotheses (alternative) are generated and validated in the study.
8.3.1 Effectiveness of Retailing

To assess the effectiveness of retailing, considered the view of customers on store preference, duration of relationship with retailers, product preference, type of goods purchased, frequency of visit and price of goods. Accordingly, the following alternative hypotheses are generated:-

1) There is association between store preference and the region, area of residence and income levels of customers respectively for the purchase of essential goods.

2) There is association between the duration of customer relationship with Triveni stores and their region, area of residence and income levels respectively.

3) There is association between merchandise preference from Triveni stores and the region of customers.

4) There is association between the type of goods purchased from Triveni stores and the family size of respondents.

5) There is association between the frequency of customer visit and the income levels of Triveni customers.

6) There is no difference between observed distribution and binomial distribution of Consumers’ opinion on price of goods in Triveni Supermarkets with parameter .5.

8.3.2 Holding the Price Levels of Essentials.

Special Triveni stores are also opened by CONSUMERFED during special occasions to maintain the price levels of essentials at different places of the state in addition to Triveni Supermarkets. It is interested to see how consumers feel about the price line and availability. Following research hypotheses are generated accordingly:
1) There is difference between observed distribution and binomial distribution of consumer opinion on the role of Triveni stores and special Triveni stores in holding price levels of essentials with parameter .5.

2) There is difference between observed distribution and binomial distribution of opinion of customers in the supply of sufficient number of goods in regulating price levels of essentials with parameter .5.

8.3.3 Customer Satisfaction

To assess the level of satisfaction of the customers of CONSUMERFED, twenty variables have been identified and applied by using the five point Likert’s scale. These variables are categorized into six retail factors, viz. 1) ‘Quality and Attractiveness of Goods’, 2) ‘Assortment of Goods’, 3) ‘Service and Staff Dedication’, 4) ‘Price of Goods’ 5) ‘Promotion and Customer Education’, and 6) ‘Cleanliness and Infrastructure’. The observed mean scores of these factors are used to assess the level of customer satisfaction in the study. The central values of the factor variables arrived on the basis of number of variables included in respective factors are meant by their standard values. To test the responses of customers, following alternative hypotheses are generated accordingly.

1) There is difference between observed mean of factor variables in the level of customer satisfaction from standard values.


2) There is difference in the level of satisfaction related to factor variables among regions, areas of residence and income groups of customers respectively.
1.6.4 Comparative Assessment among Triveni Supermarkets, Margin-Free Markets and Private Supermarkets.

Six factor variables are used to compare Triveni Supermarkets with Margin-free Markets and Private Supermarkets. They are 1) Service, 2) Availability and Ambience, 3) Facilities, 4) Quality of Goods, 5) Price of Goods, and 6) Discount. For evaluating the responses of customers on the three types of outlets, following hypotheses were generated.

1) There is difference in the means of factor variables among the three types of retail outlets.

2) There is difference in the means of factor variables among regions, area of residence and income groups of customers respectively for the three types of retail outlets.

8.4 Findings of the Study

The following findings have emerged from the evaluation of the role of the Kerala State Co-operative Consumers’ Federation Ltd in Retailing.

8.4.1 Essential Goods Retailing in Kerala Controlled by the Government

For essential goods retailing, around 19,242 outlets function in Kerala under the control of the government. They consist of 14,250 ration retail outlets under PDS, 1511 SUPPLYCO retail outlets named ‘Mavali stores, Labham Markets, Sabari stores and Peoples bazaars’, 1132 CONSUMERFED retail stores called Triveni Supermarkets’ and ‘NANMA stores’, 967 primary consumer co-operative stores, 82 consumer stores of the central consumer co-operatives and 1300 ‘Neethi stores’ run by credit and employees’ co-operatives.
8.4.2 Financial Performance of Consumerfed

To evaluate the financial performance of CONSUMERFED, profitability ratios, liquidity ratios, leverage ratios and operational efficiency ratios, growth of units, change in paid up share capital, working capital and trend in sales are considered.

8.4.2.1 Growth of CONSUMERFED

1) The number of units of CONSUMERFED increased from 20 in 2001 to 1375 in 2012. The number of Triveni Supermarkets increased from 17 to 232 during the same period.

2) The paid up share capital increased to ₹56.32 crore in 2011-12 from ₹20.08 crore in 2005-06 with a CAGR of 11.08 per cent. The working capital of the Federation also increased to ₹591.76 crore from ₹93.81 with a CAGR of 35.93 during the same period. Retail trade requires enormous funds to maintain adequate stock, but the Federation lacks sufficient own fund for managing its large chain of retail stores.

3) The sales turnover of CONSUMERFED for 2011-12 was ₹1540.42 crore, whereas it was ₹300.63 crore in 2002-03. The growth of turnover was at an annual exponential rate of 19.3 per cent from 2003-04 to 2011-12.

4) Considering the growth of sales of Triveni division alone for the period from 2003-04 to 2011-12 an annual exponential growth rate of 20.29 percentage was recorded (₹46.12 crore to ₹257.05 crore), however, the annual sales per store increased only at an annual exponential rate of 3.1 percentage.
8.4.2.2 Profitability of CONSUMERFED

The profitability of CONSUMERFED is evaluated on the basis of the indicators, viz; Gross Profit Ratio, Operating Profit Ratio, Net Profit Ratio, Return on Assets and Return on Capital Employed.

1) The average Gross Profit Ratio of CONSUMERFED for the period from 2003-04 to 2010-11 is found to be 4.6 percentage. The CAGR of gross profit is recorded at 27.17 per cent during the period while the CAGR of net sales is recorded at 20.31 percentages.

2) The Federation had been incurring heavy losses up to 2005-06 and the growth of the Operating Profit Ratio recorded only an average 0.49 per cent for the period from 2003-04 to 2010-11. The CAGR of the operating profit is recorded at 85.81 percentages during this period.

3) CONSUMERFED had been functioning at heavy losses up to the financial year 2006-07 and the next year onwards at a marginal profit. The average Net Profit Ratio of CONSUMERFED is found to be -1.29 percentages for the period from 2003-04 to 2010-11.

4. The average return on assets is observed to be 2.356 percentage for the period from 2003-04 to 20-11, which is considered a very low rate. The CAGR of total assets of the firm is found to be at 23.55 percentage, while Net Profit before Interest and Tax recorded 72.59 percentage during the period, both are considered good rates.

4) The average rate of Return on Capital Employed is recorded at 3.41 per cent during the review period, which is also very low. The CAGR of Net Capital Employed is computed as 24.24 per cent, considered to be a good rate.
5) The operating cost ratio is found very high during the review period. This shows the poor profitability of the firm due to its huge operating expenses. It is observed that the trading and establishment expense of CONSUMERFED has been increasing at an exorbitant rate, which should be controlled. Low margins and high establishment costs reduce the profitability of the firm.

6) Loss due to damage of stock is seen to be increasing every year from 2003-04. The major reasons observed are: a) The stores are not following the principle of ‘the first come first sale’, b) the storage of goods on wet floors, c) mishandling of merchandise at godowns.

8.4.2.3 Liquidity Position of CONSUMERFED

Liquidity of a firm means its ability to meet its financial obligations.

8.4.2.3.1 Short Term Liquidity of CONSUMERFED

The Current Ratio is used to assess the liquidity position of CONSUMERFED. The average Current Ratio for the years under study is 3.23. This seems that the Federation keeps current assets more than the ideal level and the liquidity position of the CONSUMERFED seems good. During the years 2003-04, 2008-09 and 2010-11, the ratio shows a higher value than the average.

8.4.2.3.2 Long Term Liquidity of CONSUMERFED

Leverage ratios such as Solvency Ratio, Debt-Equity Ratio and Interest Coverage Ratio are used to evaluate the long term financial position of CONSUMERFED.

1) The average Solvency Ratio (total assets/ log term debts to outsiders) for the period from 2003-04 to 2010-11 is found to be 1.53:1. This indicates
that the Federation has sufficient assets to cover its long term obligations. The CAGR is recorded at 23.55 percentage in the case of total assets and 21.67 percentage in the case of long term liabilities during the period under study.

2) The Debt Equity Ratio of the Federation varied from 27.13 to 105 times during the period of study. The average ratio is 61.12:1. This is too high and shows an unfavorable position from the owners’ point of view as it depicts the least claim to the owners on the assets of the firm. The ratio shows a high rate as the total debt of the Federation increased from ₹13462.73 lakh in 2003-04 to ₹64712.29 lakh in 2010-11.

3) The average Interest Coverage Ratio of CONSUMERFED is seen to be 42.02 percentage during the period. This shows that the Federation uses a major portion of its earnings to pay off the interest. Lack of owned capital and inept financial management may be the major causes which paved the way for high interest payment.

8.4.2.4 Operational Efficiency of the Federation

Activity ratios used for assessing the operational efficiency are the Inventory Turnover Ratio, Working Capital Turnover Ratio, Fixed Assets Turnover Ratio and the Expense Ratio.

1) The average Stock Turnover Ratio (STR) is found to be 17.18 times during the period of study. The CAGR of cost of goods sold (19.58 per cent) is found to be at a higher rate than the CAGR of average stock (10.24) during the evaluation period. This indicates that the Federation acquired a high amount of sales with a low amount of average stock.

2) It is found that the average Working Capital Turnover Ratio (WCR) of CONSUMERFED is 3.41 times during the eight year period from 2003-
04. This shows that the firm maintained a good trading level during the period.

3) Fixed Assets Turnover Ratio (FATR) of the Federation varies from 37 times to 63 times during the study period with an average of 59.09 times. This is considered a high rate which shows the efficiency of the Federation to attain high sales with a small amount of fixed assets.

4) The average operating expense ratio for the period is 1. This ratio provides a grave symptom of the poor profitability of the Federation. This is substantiated by the high CAGR of cost of goods sold (19.41) during the period.

8.4.3 Major Customer Groups of Triveni Stores.

The very purpose behind the establishment of an enterprise is serving a specified class of customers. Enterprises must recognize that they cannot appeal to all buyers in the market place. Buyers are numerous, widely scattered and varied in their buying behaviour. CONSUMERFED Supermarkets are established with the objective of distributing quality consumer goods at reasonable prices to the public. But it cannot be an agency to serve all classes of customers in all areas of Kerala. It must identify its customers/ customer groups, and market place and adopt suitable marketing strategies to satisfy them. Based on the profile of respondents, the market place and major consumer groups of Triveni Supermarkets have been identified.

1) The majority of the customers of Triveni stores are found to be females (51.2 per cent). However, the number of male customers is seen to be more in the northern region (54.2 per cent). Considering urban areas, females (53.5 per cent) are seen to be more in proportion than males
(46.5 per cent). However, in both semi-urban and rural areas both males and females are seen to be equally distributed in the use of Triveni stores.

2) The majority of the customers of Triveni stores are found to be moderately educated (graduates and below). It is also found that 18.8 per cent among the respondents are professionals and their number is more in the central region compared to other regions. In short, moderately educated people make the majority of the customers of Triveni stores.

3) Occupation wise, the largest customer group of Triveni Supermarkets are employed persons both in the southern and northern regions (30.6 and 23.6 per cent) but in the central region house wives are the dominant category (23.6 per cent). The second largest group in the central region (17.4 per cent) is employed people, business and self employed (16 per cent category) in the southern region and housewives (20.1 per cent) in the northern region. The use of Triveni Markets is seen to vary with the users’ occupation.

4) Considering age as a norm, the largest customer group of Triveni stores is the one belonging to the age group of 40-50 (29.9 per cent) followed by the age group of 30-40 (28.5 per cent).

5. It was found that medium size families (5 to 7 members) use Triveni stores more than small and large families.

6. On the basis of the income of customers, it was found that the majority of the customers of Triveni stores belong to middle income groups (with monthly income between ₹10000-30000). There are more northern customers in this category. It is seen that only 12 per cent of customers of Triveni stores are from higher income groups. This shows Triveni stores cater to middle class population.
Only 14.6 per cent respondents belong to lower income groups and they are the second largest category of customers, but their number is more in the southern region (20 Percent) than in other regions. This shows that Triveni Supermarkets have failed to attract lower income groups contrary to their claim that they cater to the lower sections of people.

In short, the majority of the customers of Triveni stores are females, the moderately educated, the employed, those belonging to medium size families, and those with monthly income between ₹10000-30000.

**8.4.4 Effectiveness of Triveni Stores in Consumer Goods Retailing**

The effectiveness of Triveni Supermarkets in consumer goods distribution is evaluated on the basis of the consumption pattern of respondents, assortment of goods in Triveni Supermarkets, price and quality of goods supplied, and their competitive skills.

**8.4.4.1 Store Preference of Respondents for the purchase of Essential Goods**

1) Store preference of the respondents were found to be in favour of Triveni stores as 44.9 per cent prefer Triveni stores for the purchase of their daily needs. 40.4 per cent prefer all types of stores, 7.5 prefer to buy from Private Supermarkets, 4.6 per cent like supply co stores and only 2.7 percent prefer traditional stores.

2) Considering region-wise preference, more customers in the northern region prefer Triveni outlets followed by those in the southern region. It was seen that among the customers in the central region, only 16.5 percent prefer Triveni outlets and the rest prefer all types of stores and private Supermarkets. *There is a high degree of association between*
store preference and the region of customers in the purchase of essential goods. (value of Chi-Square 56.661 with p=0.000<0.05).

3) It is found that urbanites (36.1 per cent) prefer Triveni stores more than rural (32.5 per cent) and semi-urban customers (31.4 per cent). Among those prefer all type of stores, semi-urban customers (36.2 per cent) are the prevalent group whereas urban and rural area customers are tied with each other. Rural customers like traditional stores more compared to urban and semi-urban customers. It was found that more urbanites prefer private Supermarkets than other residents. The statistical association of store preference and area of customers is found to be not significant by observing the value of Chi-Square (Chi-Square value 13.202 with p=0.105>0.05).

4) No association is found between store preference of respondents and their income levels. The income groups between ₹10000 and 30000 are the major customers of all kinds of outlets, including Triveni outlets. 77.4 percent from among the respondents who prefer Triveni stores, 65 per cent of those who prefer SUPPLYCO; 67 per cent preferring traditional stores; 78 per cent supermarkets and 69.6 per cent all outlets belong to middle income groups. Other income groups also do not show marked variations except low income groups. Store preference and income levels of customers are not found associated (Chi-Square value 21.248 with p=0.169>0.05).

5) Middle income groups are found to be the largest category among those who prefer Private Supermarkets (78.2 per cent). No low income customers show affinity to private Supermarkets.
8.4.4.2 Affinity of Customers with Triveni Supermarkets

1) 43.2 per cent of the selected customers reported that they have been using Triveni stores for more than five years. This depicts that CONSUMERFED stores have a fairly good number of loyal customers. The central region has the highest number of loyal customers compared to other regions. The number of customers showing 3-5 year affinity is more in the southern region, while the northern region records a maximum of 1-2 years. The association between the duration of customer relationship with Triveni stores and the customer region is found significant by observing the Pearson Chi-Square value 43.823 with p=0.000<0.05.

2) It was found that only 3.7 per cent customers have less than one year relation with Triveni stores. This shows that Triveni stores could not attract a considerable number of new customers even though, it retains a fair number of old customers.

3) There is specific reference to the level of affinity in different areas; urban customers seem to be more associated with Triveni stores in the long run (more than 5 years) while semi-urban consumers show affinity for 3-5 years only. More rural customers are found among new customers. There is a high degree of association between the longevity of relationship with Triveni stores and the area of residence of its customers (the Chi-Square test value 68.273, df 6 with p = 0.000<0.05).

4) While considering the role of the income of the customers on the longevity of customer relationship with Triveni stores, it was found that no degree of association exists between the two factors (p=1.00>0.05) as percentages of different income groups are almost equally spread across all classes. But, there is specific reference to the duration of affinity
based on the income level of the customers; ₹10000-20000 and ₹20000-30000 income groups seem to have the longest loyalty with the firm. May be this is due to the outlets serving more middle class population.

5) Among the higher income customers who visit Triveni stores, a high percentage (58) has long term loyalty with the stores. Similarly, low income groups (71 per cent) also show affinity for a fairly long period with these stores. This clearly depicts that Triveni stores have succeeded in retaining their customers at a high rate.

8.4.4.3 Merchandise Preference from Triveni Stores

1) Considering the merchandise preference of respondents, the majority of customers (70.4 per cent) prefer to buy all type of goods available in Triveni stores. Among them, customers from northern region come first and those from southern region follow. Also customers from southern region stand first among those prefer food grains, bakery, baby food and home care items. Customers from central region are seen to use the facilities for their requirements on provisions and groceries more than those from other regions. The test of independence provides a chi-Square value 75.974 (p=0.000<0.05) which shows the high degree of association between merchandise preference from Triveni stores and the region of customers.

2) There is a marked division among family sizes in the relative use of Triveni stores. Medium size families resorted to Triveni stores more than large and small size families for buying all type of essential goods including food provisions and grocery items. Small families buy bakery, baby food and cleaning goods. Large families depend less on these stores, the majority among them preferring to buy all goods offered by the stores. There is a
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high degree of association between the family size of respondents and the type of goods purchased from Triveni stores (Chi- Square value 17.497 with p=0.008).

3) Triveni stores are preferred by urbanites for food grains and all goods available from them whereas rural customers prefer provisions, grocery, baby food and home care items. Any marked difference cannot be seen between semi urban and rural areas in the case of preference for all types of goods supplied by the firm. There is no significant association between the merchandise preference and residential area of the customers of Triveni stores as per Chi-Square test. (Value 7.937 with p = 0.243> 0.05).

8.4.4.4 Frequency of Customer Purchases from Triveni Supermarkets.

1) On the basis of regularity in buying, 81.7 per cent of the sample customers are found to be regular, inclusive of customers who visit at least once a week and the rest visiting the stores occasionally or as and when government subsidy is available.

2) Considering the frequency of customer visit to Triveni outlets, a marked distinction could be observed between regions. Regular customers are more in the northern region while occasional customers and those who visit only when the government subsidies are available are found to be more in the central region.

3) Regarding the relationship between the income level of Triveni customers and their frequency of purchase, it is found that the majority of regular customers, that is 75.9 per cent belong to the middle income groups. 20000-30000 group is more among the occasional customers. No high income group or lower income customer is reported to use Triveni stores as and when the subsidy is available. There is significant association between the frequency
of customer purchases and the income levels of customers of Triveni stores as per Chi-Square test value, i.e. 23.31 with $p = 0.025 < 0.05$.

4) Customers using Triveni stores only for availing government sponsored subsidy are considerably less in number (2 percent) among the respondents.

8.4.4.5 Assortment of goods in Triveni Stores

1) Proper assortment and display of sufficient goods in the racks of a supermarket is essential to satisfy customers. Above 72 per cent respondents responded that Triveni stores supply less number of goods than they required. In contrast, it was observed that Triveni Supermarkets at Punalur and Kozhikode offer consumer durable goods, the sale of which turned out to be a failure.

2) Considering the region of customers, there is no considerable difference in the opinion that Triveni stores supply fewer goods than required. But customers from the northern region stand out among those who favor Triveni for supplying all goods required.

3) Regarding the assortment of goods, 36.6 per cent of rural customers strongly responded that Triveni outlets supply all essential goods when only 33.3 per cent of semi-urban customers and 30.1 percent of urban customers responded the same way. The pattern of opinion in all areas with respect to the outlets supplying fewer goods than required is more or less same. But urban customers are marginally larger in this group. Customers, irrespective of their income and their area of residence are of the opinion that Triveni outlets provide less number of goods than they require. But, the low income group has the opinion that these stores supply the required number of essential goods.
8.4.4.6 Major Reasons for Customers Switching-over from Triveni Stores

1) Customers shifted their priority from Triveni stores to other stores due to various reasons. The main reasons are found to be low assortment of goods (55.79 percent), followed by inferior customer service (2.5 per cent). The northern customers are high in proportion among those switched over from the stores due to shortage of goods.

2) The urban customers are more in proportion among those switched over from Triveni stores due to shortage of goods.

8.4.4.7 Price and Quality of Goods in Triveni Stores

1) While comparing the responses of respondents about the price charged by Triveni stores and other firms, the majority seems to have the notion that Triveni Supermarkets supply goods at cheaper rates than other retailers (binomial test value .98 favoring the notion).

2) The extent of price variation in Triveni stores compared to neighborhood stores is found to be very significant. The customer perception on the price charged by Triveni stores is assessed with seven point scale and found that the stores charge very low prices both for food and grocery items (mean value 2.6597) and other convenience goods (mean value 2.8056) supplied by them. Further, it is seen that the price of food and grocery is comparatively less than the price of other convenience goods offered by them (One sample t- test, sig. level< 0.05).

3) Customers are of the opinion that food and grocery items supplied through Triveni stores are of high quality (mean value 5.187 in the seven point scale). Similarly, the mean value obtained for other convenience goods is 5.331, which is also greater than 4, the central value of the scale. This shows that the quality of other convenience goods is high in
Triveni stores. The quality of other convenience goods is marginally higher compared to food and grocery in Triveni Markets.

8.4.4.8 Customer Preference of Retailers

1) The respondents differ in their opinion in the selection of retailers for buying different types of consumer goods. Customer preferences of retailers are collected from the customers of Triveni stores with respect to five categories of consumer goods and the preferential order of retailers are given below.

a) In the purchase of food grains, Triveni stores stand first followed by all types of stores and SUPPLYCO.

b) In the purchase of provisions and grocery items, the most preferred centre chosen is Triveni stores, followed by private Supermarkets and margin-free stores.

c) In the purchase of bakery items, bakeries are preferred by 40 per cent, 32.4 per cent prefer Triveni stores and 20.6 per cent prefer all stores.

d) With regard to home and personal care items, 46.9 per respondents prefer Triveni Supermarkets, 13.9 per cent prefer Margin-free Supermarkets, 13 per cent prefer all type of stores, 4.9 per cent prefer Supply Co stores, and 4.6 per cent each choose traditional stores and private Supermarkets.

e) Private Supermarkets are the most preferred centers for buying baby food, malt food, nuts, etc. In this respect margin–free shops are second and bakeries are third in rank.
8.4.4.9 The Most Influential Media of Advertisement of Triveni Customers

The most influential advertisement media schemes found as per the MDS (as per both dimensional configurations) are news and public relations and external display and store attractiveness. Flex board advertisement and public notice also influence people. Newspaper advertisement is the least influential one.

8.4.5 Role of Consumerfed in Holding the Price Levels of Essential Goods.

CONSUMERFED has played a significant role in regulating the price level of essential commodities in Kerala since 2000. Regarding the effectiveness of the intervention by the Federation in controlling the price levels of essential commodities market, customer responses were collected, tested and the following inferences are drawn.

1) A high agreement was found in favour of the opinion that permanent CONSUMERFED stores could hold the price level of essentials at their places of operation. Binomial test procedure compared the dichotomous variables and found the consensus significant by observing the favoring proportion of 91 percentage among the respondents.

2) The average retail prices of twenty essential commodities prevailing in the market during 2011 and 2012 were compared with selling prices of these goods in Special Triveni Markets and found that the prices in Special Triveni Markets are less by an average of 32.9 per cent in 2011 and of 30.6 per cent in 2012.

3) Consumer perception favouring the role of Special Triveni Markets in holding the price levels is assessed and observed to be 93 per cent, which is further validated by using binomial test.
4) 79 per cent of customers opined that Special Triveni Markets have not been able to provide sufficient number of items of essential goods to regulate the price levels during festival seasons.

5) While comparing the price levels of the same type of goods in Triveni stores and other government outlets (SUPPLYCO, etc), it is observed that the price levels in Triveni stores are cheaper than those of other government stores and it is significant (observed proportion is 66 percent with p=0.000<.05).

6) 99 per cent of respondents supported the necessary and healthy existence of CONSUMERFED retail consumer outlets to regulate unfavorable market conditions. The majority of the respondents strongly believe that Triveni Supermarkets can compete with private organized retailers.

8.4.6 Role to be Performed by Consumerfed to Strengthening its Retailing Outlets

Triveni stores and Nanma stores of CONSUMERFED are resorted by a large group of customers in the state, they are either middle income groups or poor sections. The stores are not all operating at reasonable profit and their exists will be a great question if they hesitate to follow certain strategies in their retailing arena. For their healthy existence, A very high agreement was observed in favour of the opinion that Triveni outlets can strengthen the PDS in the state with a proportion of 0.95. (binomial test, p>.05)

8.4.6.1 Revamping the PDS

Rationed articles shall be distributed through outlets of the Federation with a direct subsidy transfer to the bank accounts of beneficiaries connected with Adhaar. Through this PDS should be the revamped and the ever-increasing problem of PDS leakage can be curtailed through it. The stores
have sufficient facilities such as internet, websites and trained staff. Majority of the Customers responded favorably to this notion.

8.4.6.2 Measures suggested by the respondents to strengthen consumer goods retailing and to regulate the price levels of essentials

The respondents put forward their suggestions to be implemented by CONSUMERFED to strengthen their retailing activities and to regulate the price levels of essential goods in the following order. Multi Dimension Scaling Technique-MDS is used to identify the most preferred suggestions.

1) Ensure the availability of all essential goods used by households through Triveni stores.
2) Ensure the supply of popular brands through Triveni outlets
3) Assure convenient shop size to face competition.

They also suggested further reduction of prices, establishment of new Triveni stores, offer of additional discount to regular customers, introduction of home delivery based on e-orders, development of own brands, enhancement of staff responses and introduction of separate vegetable counters.

8.4.6.3 Suggestions of CONSUMERFED Personnel to Strengthen Its Retailing Business

Store-in-charges of Triveni Supermarkets and different categories of employees have pointed out a handful of problems faced by them. In their opinion, the major reasons for the loss of customers are the shortage of some brands, especially during the second half of every month, increasing competition by private large retailers, starting new stores at the feeding areas of existing ones, selling inferior quality merchandise and unpopular brands, recurring billing problems due to failure of computer networks and unenthusiastic sales personnel. The following suggestions have been
forwarded by them (store-in-charges and sales staff) to strengthen the working of the retail outlets of the Federation.

1) Stop the sale of inferior quality merchandise. Ensure the sale of all popular brands of merchandise.

2) While starting new outlets of the Federation and SUPPLYCO, proper distance from existing ones should be maintained. Opening of new stores may be based on market study instead of political decisions.

3) Sufficient stock of products should always be made available to the stores.

4) Short term training on retailing and related matters should be given to all categories of employees.

5) Own arrangement is necessary for the transportation of goods

6) Enhance the facilities at store godowns (small godowns attached with the store)

7) Problems with computer networking and resultant delay in billing should be minimized by introducing quality software.

8) Staffing should be done through the Kerala Public Service Commission.

8.4.7 Factors mostly influencing the respondents while selecting their favorite supermarket.

The factors mostly influencing the respondents in the selection of their favorite supermarket are in the order of quality of goods, choice available, proximity and convenience of location, price level, staff response, suitability of self service, parking facilities and popularity of the store.

8.4.8 Customer Satisfaction Level of Triveni Supermarkets

To assess the level of customer satisfaction of Triveni customers, twenty selected retail variables applicable to Triveni Supermarkets have been considered and the customer responses on them were collected on a five point
Likert’s scale. The mean scores of the twenty variables depict the satisfaction level of customers with respect to the particular aspect of Triveni Supermarkets. But, for assessing the level of customer satisfaction, these twenty variables have been grouped in a priori factor structure (Confirmatory Factor Analysis Method) into six groups and the observed mean scores of them are assessed and used. The retail factor variables and the number of variables included them are:

1) Quality and Attractiveness of goods (contains 6 variables),
2) Assortment of Goods (contains 2 variables),
3) Service and Staff Dedication (contains 2 variables),
4) Price of Goods (contains 3 variables),
5) Promotion and Customer Education (contains 3 variables) and
6) Cleanliness and Infrastructure (contains 4 variables)

The mean scores of the factors are drawn by adding the mean scores of variables included in the respective factors (Cumulative means of variables). Based on the mean score of these factors, the level of customer satisfaction of Triveni Supermarkets are measured. For assessing and comparing the level of customer satisfaction, the following norm is used in the study. *Mean scores of individual variables and comparative means scores of factor variables above 4 depicts a high level of customer satisfaction, mean value above 3 and up to 4 shows satisfied level, mean value above 2 and up to 3 shows moderate satisfaction level, above 1 and up to 2 shows dissatisfied level and mean value below 1 shows highly dissatisfied level.* Comparative mean scores of factor variables are arrived by dividing the factor means with the number of variables included in the respective factors.
Statistical methods one sample t-test and ANOVA are used for testing the hypotheses in this respect. Region-wise, area-wise and income level variations in the level of customer satisfaction are also assessed with the help of three way ANOVA. Major findings considering individual variables in this respect are given below:

1) Relating to the level of satisfaction of customers on individual retail variables, Triveni customers are highly satisfied with ‘Price of other convenience goods’ (mean value 4.73), followed by other variables, viz: ‘Price of personal and home care’ (mean 4.71), ‘Price of food and grocery’ (mean 4.66), ‘Arrangement of goods in the outlets’ (mean 4.50), ‘Space layout’ (mean 4.48), ‘Attractive display’ (mean 4.33), ‘Quality of Convenience goods (mean 4.32), ‘Freshness of goods’ (mean 4.29) and ‘Quality of food and grocery’ (mean 4.26) ‘Package of goods’ (4.27), ‘Support facilities’ (4.13), and ‘Cleanliness in the store’ (4.10).

In the case of variables ‘Parking facilities’ (3.93), ‘Staff dedication’ (3.73), ‘Range of provisions and groceries’ (3.64), ‘Range of cleaning and toiletries’ (3.59), ‘List of goods and price information’ (3.30) and ‘Responsiveness to customers’ (3.29) have mean values above moderate level or customers seem to be satisfied.

2) Customers are found moderately satisfied with the ‘Customers awareness programmes, discount, etc’ (mean 2.67), and ‘Advertisement about goods and services’ (mean 2.86) of Triveni Supermarkets.

Considering the Retail Factor Variables for assessing the level of customer satisfaction of Triveni Supermarkets, the following elements found very important. The ‘Standard Values’ of the factor variables (cumulative value of the scale mean of the variables included in the respective factor) are
used as test values to arrive whether significant variations exist between the ‘Observed Mean Scores’ of factor variables for assessing the level of satisfaction. The Standard Values: ‘Quality and Attractiveness of Goods’ = 18, ‘Assortment of Goods’ and ‘Service and Staff Dedication’ = 6, ‘Price of Goods’ and ‘Promotion and Customer Education’ = 9, and ‘Cleanliness and Infrastructure’ = 12). For assessing the level of customer satisfaction, the comparative mean scores of factors are considered.

8.4.8.1 Quality and Attractiveness of Goods.

1) The customers of Triveni Stores are found to be at a highly satisfied level with respect to the factor variable ‘Quality and Attractiveness of Goods’ (factor mean score 25.986 for six variables). A significant difference has found between the observed mean and the standard value with t-value 76.716, p=0.000. Among the six variables considered in this factor, the highest level of satisfaction has been derived from the arrangement of goods (mean value 4.50) followed by attractive display (mean value 4.33), quality of convenience goods (mean value 4.32), freshness of goods (mean value 4.29), package of goods (mean value 4.27) and quality of food and groceries (mean value 4.26).

2) A significant difference is found among the southern, the central and the northern regions of Kerala in the level of customer satisfaction on factor ‘Quality and Attractiveness of Goods’. The satisfaction level of customers of the northern region is higher than that in the other two regions. No significant difference is found among areas of residence and different income levels of customers in this regard. This can be found valid in three way ANOVA Post-hoc model with the F values for the observed mean variations as per estimated means tables.
8.4.8.2 Assortment of Goods

1) Regarding the factor ‘Assortment of Goods’ (factor mean score 7.238 for two variables), it is found that the customers are satisfied. A significant variation exists between the standard value and the mean score of the factor with p=0.000. In this factor, customers are more satisfied with the range of provisions and grocery than that of personal and home care items in Triveni stores. The assortment of goods in the central region is reported at a low level (mean 6.502) than that of other regions. This may be because of the central customers having more awareness about different products and their availability. Rural people also reported that the size of assortment is not significant in the stores. The major reason may be the smallness of the stores in rural areas.

2) Considering the variation in the level of customer satisfaction, significant differences exist among regions and residential areas of customers and the differences are not significant among different income levels of customers. Customers of the southern region are found to be more satisfied than those of other regions, while the semi-urban customers are more satisfied than urban and rural customers. This is proved valid statistically by using three way ANOVA with Post-hoc model by considering region-wise, area-wise and income level mean variations of the responses of the selected customers in this regard.

8.4.8.3 Service and Staff Dedication

1) Selected customers are found satisfied with the factor variable ‘Service and Staff Dedication’ (mean value 7.025). Among the two variables included in the factor, ‘Staff responsiveness to customers’ has a low mean, which shows ineffective customer service from the staff.
It is seen that the level of customer satisfaction is more in the northern region than in other regions. Similarly, a significant difference exists between urban and rural, semi-urban and rural areas in this regard. Based on income levels, the difference in the level of satisfaction is not found to be significant. This can be found valid in three way ANOVA with Post-hoc model showing statistically significant values for observed mean variations as per the estimated means tables for regions and areas.

8.4.8.4 Price of Goods

1) Considering the factor ‘Price of Goods’ in Triveni stores, selected customers are found to be highly satisfied as it scored the highest factor mean value (14.109) considering the number of variables included in it. Among them, ‘Price of other convenience goods’ scored more (the highest mean value 4.73) than ‘Price of personal and home care’ (4.71) and ‘Price of food and grocery’ (4.66). This shows Triveni Stores sell goods at comparatively low prices. Their pricing strategy followed by them is comparatively better and is found accepted by the customers.

It is observed that there exists a significant difference in the level of satisfaction in the factor ‘price of goods’ between the central and the northern, the northern and the southern regions. However, the customers of the northern region are more satisfied on this factor than those of other regions. No significant variation is found among either area of residence or income levels of customers in this respect. This is found significant as per the F values given by three way ANOVA with Post-hoc model. This is further substantiated by the means tables for the regions, areas and income groups of customers.
8.4.8.5 Promotion and Customer Education

1) Customers are moderately satisfied with respect to the variables included in the factor ‘Promotion and Customer Education’ (mean value 8.842 for three variables) measures adopted by Triveni Supermarkets. While considering the variables included in the factor, customers are found to be least satisfied with the higher percentage of discount and the customer education strategies of Triveni stores. No significant variation exists between the observed value and standard value in this respect.

A significant variation in the satisfaction level is found among regions, areas of residence and income levels of customers with regard to the factor ‘Promotion and Customer Education’. The southern customers are found to be satisfied, while the customers in the central and the northern regions are only moderately satisfied in this respect. The urban customers are comparatively more satisfied than rural and semi-urban customers. Considering the income levels of customers, the low income groups are more satisfied with the promotion measures of Triveni stores. Here also, marginal means of factor ‘Promotion and Customer Education’ for the three regions, three areas and five income groups are evaluated and substantiated by the relevant statistical test- three way ANOVA with Post hoc test.

8.4.8.6 Cleanliness and Infrastructure

1) Regarding the factor ‘Cleanliness and Infrastructure’, customers are highly satisfied (factor mean score 16.662 for four variables). Among the four variables considered in this factor, ‘space layout’ has scored more, followed by other indicators like ‘support facilities’, cleanliness in the store’ and ‘parking facilities’ respectively.
Considering regional differences, the northern customers are more satisfied than central and the southern customers. Likewise, significant difference exists between urban and semi-urban, urban and rural, semi-urban and rural customers on the level of satisfaction. But the variation is insignificant when the income levels of customers of Triveni stores are considered. This may be statistically valid in the estimated means tables with the highest mean scores and the significant F values having p=0.000<0.05 in three way ANOVA Post-hoc model.

8.4.8.7 Comparative and Overall Customer Satisfaction

1) While comparing all the six retail factors, customers are highly satisfied with the factor ‘Price of Goods’ (average score 4.70), followed by factors “Quality and Attractiveness of Goods” (average score 4.33), ‘Cleanliness and Infrastructure’ (4.16). In the case of ‘Assortment of Goods’ (3.62), ‘Service and Staff Dedication’ (3.51), customers are found to be satisfied, while they are found to be moderately satisfied with the factor ‘Promotion and Customer Education’ (2.94). Considering all factor variables together, the customers of Triveni Supermarkets stay at a certain level of satisfaction (3.991).

8.4.9 Comparative Assessment of Triveni Supermarkets, Margin- Free Markets and other Private Supermarkets.

Triveni Supermarkets, Margin- Free Markets and other Private Supermarkets perform similar kind of activities: satisfying household needs of customers or serving as food and grocery retailers. In most places, they compete with each other. They offer a large assortment of products with wide choice and self service facilities. To compare the Supermarkets with one another, 18 indicators (variables) are used and each variable is rated separately for the three types of outlets by the sample customers at a 7 point scale based
on their perception. By using Exploratory Factor Analysis method, these variables are categorized into six factors and the mean score of the factors are used for comparing three types of Supermarkets. The major findings are reported below.

1) Six factors are found to be dominant in the comparison of the performance of the three types of retail outlets as per the Total Variance Explained Table. The first factor is named ‘Service’, which includes five variables, viz; Space layout of the store, Quality of packing, Parking facilities, Complaint redress mechanism and speediness in billing. The second factor ‘Availability and Ambience’ carries another five indicators – Customer personal care, Availability of fresh stock, Brands available, Location advantage and attractiveness in display. Another three indicators to assess the outlets, namely, Cleanliness in the shop, facilities for customers and working hours are named ‘Facilities’ factor. The fourth factor, ‘Quality of Goods’ includes two variables, viz; Quality of food and grocery and Quality of other convenience goods. Price of food and grocery and price of other convenience goods are categorized into the fifth factor ‘Price of Goods’ and the sixth factor ‘Discount’ carries only one variable, viz; discount offers of supermarkets.

2) While considering the three outlets individually as separate categories and the region-wise ratings by the respondents, it is found that there is significant difference in the mean scores of all retail factor variables of Private Supermarkets and Triveni Supermarkets among all the three regions, while only one factor (Price of Goods) shows significant variation in the case of Margin-free Markets. This shows that there exist significant regional variations in the perception of customers on the
performance of the two outlets. This can be found valid in the One way ANOVA tables for regions with significant F values with p<0.05.

3) The mean scores obtained for retail factors except ‘Price of Goods’ of Margin-Free Markets, are found not significantly varying among regions. The region-wise difference of factor variables is validated by using the One way ANOVA with significant values.

4) From the comparison between the three types of outlets, it is found that a statistically significant difference exists among the means of all factor variables for the three types of consumer retail outlets. The findings show that the respondents clearly distinguished the consumer outlets by the performance perceived by them. In considering factor variables, the comparative position of the three types of retail outlets, are shown below:

a) Private Supermarkets stay at the top in four retail factors, viz:- ‘Service’, ‘Availability and Ambience’, ‘Facilities’ and ‘Quality of Goods’ followed by Triveni Supermarkets. Margin-Free Markets scored the least on all the four factors. The mean scores of the four factor variables clearly indicate that in comparison to Private Supermarkets, Triveni Supermarkets and Margin-Free Markets are far behind in the performance of retailing in Kerala.

b) Considering factors ‘the Price of Goods’ and ‘Discount’, Triveni Supermarkets are found the best, they sell goods at low prices than Margin-Free and Private Supermarkets. They also offer a higher discount to the customers. Margin-Free Markets are perceived by the customers to be the second low pricing outlets and Private Supermarkets charge high prices for the goods and offer low
discounts. Therefore, Triveni Supermarkets supplied goods at low prices, which is one of the major objectives of Supermarkets. The findings are found to be valid and statistically significant by observing the retail factor group means tables of the outlets with the highest mean scores and significant ‘F’ ratios (Pillai’s Trace and Wilks’ Lambda) with p=.000<.05 in the Repeated measure MANOVA test (Multivariate Test for within-subjects).

5) It is found that regional and income level differences of customers interacted with the changes in the mean scores of retail outlets. There is difference among the means of all factor variables for the three types of retail outlets among different regions and income levels of customers. This shows that there is significant difference among three regions as per customer perception in the performance of the three types of outlets. This is the same considering the five income groups of customers. This is also found valid as per region and income-wise group means tables of the three retail outlets and the significant ‘F’ ratios with significant level (p>0.05) reported in the Repeated measure MANOVA test (Multivariate test for between subject main effects, regional and income level effects) for region and income levels.

6) Considering the opinion of customers on the basis of area of residence, there is significant difference in the performance of outlets perceived by them with regard to the factor indicators ‘Service’, ‘Availability and Ambience’, ‘Quality of Goods’, ‘Price of Goods’ and ‘Discount’ (p<0.05). But no significant difference is found in the responses of respondents on the factor ‘Facilities’ while considering their residential area (p>0.05). This is substantiated by the Test of between Subject Effects under Repeated measure MANOVA with ‘F’ ratios and significant ‘p’ values.
8.5 Conclusion

Retailing is the predominant sector in India as well as in most other countries in the world. The retailing sector has recorded a fair growth of more than 5 per cent globally even during the recent financial meltdown. 15 among the largest 100 companies (as per Forbes Magazine) in the world during 2012 were from the retailing sector. But most of them are food retailers including Wal-Mart, world’s giant in retailing. Organized retailing is prevalent in most of the developed countries and it accounts for about 50 to 70 per cent of their retail turnover. Indian retailing is considered to be one of the fast growing sectors and it is estimated to grow by US$ 637 billion by 2015. The size of Indian food retail is estimated at 60 per cent of the total retailing and it is seen that the rural market grows at double pace to urban Markets in the country. Traditional/mom and pop stores have been prevalent in Indian retailing. But, the format and size has started to change since the beginning of the past two decades. Now large retailers seem to have conquered the market by offering a large number of commodities under one roof. They are either chain or individual retailers and are called organized retailers.

Hundreds of supermarkets and hypermarkets started functioning during last few years at various parts of Kerala and they began to replace traditional retailers at a fast rate. These large retailers offer a wide range of products with the facility of self service. Their price level is low when compared to traditional small retailers. Their services to the customers are considered much better than that of small food and grocery retailers. The SUPPLYCO and CONSUMERFED are two prominent organized retailers functioning in the state for supplying essential commodities and they are controlled by the Government. The study concentrates on the retailing activities of CONSUMERFED only. The study intends to identify the major customer
groups of Triveni stores, their effectiveness in retailing and the role performed by them in holding the price levels of essentials. It is also aimed at assessing the financial performance of the Federation, and the level of their customer satisfaction in the context of a comparison of Triveni Supermarkets with Private and Margin-Free Supermarkets.

**Financial Performance of CONSUMERFED**

It is seen that the sales turnover of the Federation increased to ₹ 1540.42 crore in 2011-12, from ₹ 300.63 crore in 2002-03 with an annual exponential rate of 19.3 per cent. Considering the sales of Triveni stores alone, the annual sales per store has increased only at an annual exponential rate of 3.1 percentage. It started to make profits from 2007-08 onwards but the NP Ratio is very low. The liquidity position is good but the debt-equity ratio and the interest coverage ratio is found to be not ideal while considering leverage ratios of the CONSUMERFED. The indicators to assess the profitability of the firm – GPR, OPR and Operating Cost Ratio are found not satisfactory during the period of reference.

**Identifying Major Customer Groups, the Market Place of Triveni Stores and its Effectiveness in Retailing.**

Considering gender, the majority of Triveni customers belong to the female group. However, in the northern area male customers are prevalent. It caters to moderately educated people and the largest customer group seems to be the employed category both in the northern and the southern regions and housewives in the central region. It is seen that medium size families make the major customer groups of Triveni stores considering the family size of the respondents. The monthly income groups ranging between ₹ 10000-30000 use the facilities more than low and higher income groups. Customers of the northern region prefers the stores more than those of other two regions,
Similarly, customers from urban areas like to acquire their daily needs more from Triveni stores than rural and semi-urban customers. The northern customers are the largest group among those who buy all goods offered by the outlets. They are also the largest among those who are regular customers.

In the course of assessing the effectiveness of Triveni Supermarkets in consumer goods retailing, the store preference of respondents are found favoring the firm (43.8 per cent). Though it has succeeded in attracting a large number of middle class customers to the stores through various promotion strategies such as display, public relations, etc., it has failed to create a favorable impression among the low and high income groups.

43.3 per cent of the customers reported that they have been maintaining relationship with Triveni stores for more than five years. This shows that the outlets have been effective in retaining a large number of loyal customers. Triveni stores are found to have failed in attracting new customers. Among the customers of Triveni stores, a vast majority uses the stores for buying all goods offered by it. Considering the regularity of buying, more than 80 per cent of the respondents visit the outlets at least once a week for buying their commodities for their daily needs. Their efforts seem to have failed in attracting the public availing government subsidy on various counts. One of the major complaints raised by the customers is the shortage of goods in Triveni stores. The customer responses favour both permanent and temporary Triveni outlets in their capability to hold the price levels of essentials. But the number of goods they offered with the objective of controlling the price level is reported to be insufficient in number.

Customer Satisfaction

Six factor indicators are used for assessing the customer satisfaction level of Triveni Supermarkets. They are ‘Quality and Attractiveness of
Goods’, ‘Assortment of Goods’, ‘Service and Staff Dedication’, ‘Price of Goods’, ‘Promotion and Customer Education’, and ‘Cleanliness and Infrastructure’. The level of customer satisfaction is found to be the highest in the case of the price of goods. This shows that Triveni stores charge low price to the goods supplied by it. Customers seem to be highly satisfied with all the other factors except Promotion and Customer Education. The level of customer satisfaction is at a moderate level with regard to the factor promotion and customer education. Variation in the level of satisfaction is significant in the case of all factors across regions and areas of customers.

Comparative Assessment of Triveni Supermarkets with Margin-Free and Private Supermarkets.

Eighteen variables which are grouped under six factors were used to compare Triveni Supermarkets with Margin-free Markets and Private Supermarkets. Significant variations exist among the three regions of Kerala (southern, central and northern) while considering the means of all factors in the case of Triveni and Private Supermarkets. But, considering the six factors, the factor ‘Price of Goods’ only has significant variation among regions in the case of Margin-Free Markets. For this purpose one way ANOVA is used.

For comparing Triveni Supermarkets with Private Supermarkets and Margin-Free Markets, means of factor variables are used. Considering the mean scores of all the six factors, three types of outlets viz; Triveni, Private Supermarkets and Margin-free Markets differ from one another. This is found statistically significant by validating the group hypothesis with Repeated measure MANOVA. The Private Supermarkets are the best in the factor variables- ‘Service’, ‘Availability and Ambience’, ‘Facilities’, and ‘Quality of Goods’. In this respect, Triveni Supermarkets stand the second and Margin-Free Markets have the third position. However, Triveni Supermarkets are the
best outlets when considering the factor variable ‘Price of Goods’ as it is seen that they sell goods at lower prices than Margin-Free and Private Supermarkets. Considering the factor variable ‘Discount’, Triveni Supermarkets offer more discount to the customers than the other two types of outlets. Margin-Free Markets have been chosen the second best type of consumer outlets in both the factor variables, ‘Price of Goods’ and ‘Discounts’, and Private Supermarkets occupy the third position.

8.6 Suggestions

Based on the findings of the study, some ways for improving the performance of consumer goods outlets of CONSUMERFED may be suggested.

A. To Increase Owned Capital Base of CONSUMERFED

Paucity of funds is the most harrowing problem faced by CONSUMERFED, blocking the expansion and modernization of its retailing activities. To avail of adequate fund at comparatively low risk, the owned capital base of CONSUMERFED must be enhanced and borrowed capital reduced. This is also needed both for regulating the huge interest payment on borrowed capital and to avail of the benefit of Trading on Equity. The following measures may help to collect more owned capital:

a) Issue equity shares to all consumer co-operatives and credit co-operatives which operate consumer outlets.

b) Steps should be taken to avail of interest-free and subsidized funds from central and state governments, agencies like NABARD, World Bank, etc for poverty alleviation; nutrition programmes, rural development schemes etc.
c) Avail long term capital through the issue of redeemable debentures with the permission and guarantee of the government.

d) Increase the share capital contribution of state government and central government.

e) Submit proposals to receive aid and subsidies from central government to CONSUMERFED to act as an effective agency of PDS.

f) Measures should be taken immediately to get the subsidy amount receivable from the government reimbursed.

B. To Reduce Establishing and Operating Expenses

a) Operating expenses (transportation and holding expenses) may be reduced by introducing planned logistics systems including the re-location of godowns at suitable places.

b) In procuring space for showrooms and gowdowns, it can resort to leasing arrangement with local self government bodies and co-operatives at reduced rent payments.

c) The number of mobile Triveni stores may be reduced as they incur huge operating expenses considering the cost of the vehicle and running expenses against the revenue earned from them.

d) Sales based remuneration system shall be introduced to promote sales and reduce operating expenses. Employees will be recruited and placed based on a meticulous and scientific work load study.

e) The number of staff in the southern region should be reduced, it is seen that the number of personnel is in excess in the southern region than in other regions.
C. To Strengthening the Retailing Activity of Triveni Supermarkets

CONSUMERFED may open more Triveni Supermarkets in the northern region since the customers of the region prefer these stores more than those from other regions.

a) As females seem to be the major customer base of CONSUMERFED and they are the decision makers in household purchases, advertisement on television and women’s journals may increase the sales of CONSUMERFED.

b) Triveni stores must concentrate only on the sale of convenience goods including food and grocery since it has acquired special expertise in this respect only.

c) While starting new Triveni stores, following suggestions should be observed.
   - Ensure an optimum distance between two Triveni stores.
   - Proper distance may be ensured from the stores of Supply co and Neethi stores.
   - The size of the showrooms must be based on the norms prevailing at a particular place.

d) Stock sufficient number and quantity of commodities by ensuring choice in each category of goods.

e) Extend credit facility to employed customers with the guarantee of the employer.

f) Sell goods on credit to institutional customers like government departments, private hotels, etc. based on appropriate guarantee.

g) ‘Triveni Smart Card’ should be issued to customers and additional discount/ premium offer may be given to smart card holders based on both the amount of sales and the frequency of visit.
h) Sales by telephone and internet should be encouraged. Door delivery should be promoted. A large proportion of customers recommended to adopt these measures and aged people tended to prefer door delivery. These new steps will certainly accelerate the sales of Triveni Supermarkets.

i) Mobile and moving Triveni stores should be made available to resident areas at specified times in consultation with residents associations.

j) Start vegetable counters with existing Triveni Supermarkets. It has been observed that customers prefer to buy all essential items from a single store.

k) Start only little Triveni stores at rural areas with low-key assortment of 300-400 items having 3 or 4 choices.

l) The sale of subsidized products of low quality at separate counters following queue system must immediately be abandoned. Instead, the same type of goods should be offered to all type of customers and subsidy should be given to the eligible ones either by reducing from the bill amount or by crediting it to their bank accounts with online arrangements.

m) The government may select the consumer outlets of CONSUMERFED and SUPPLYCO for supplying subsidized items offered by the government with the subsidy transferred to the bank accounts of the customers.

n) Rationed articles in the PDS should be distributed through CONSUMERFED outlets and the direct transfer of subsidy to the beneficiaries’ accounts connected with the Adhaar should be introduced, which will revamp the PDS and will reduce the ‘PDS Leakage’ in the state.
Summary of Findings, Conclusions and Recommendations

o) Sufficient stock of products should always be made available to the stores.
p) Short term training on retailing and related matters should be given to all categories of employees.
q) Own arrangement is necessary for the transportation of goods
r) Enhance the facilities at store godowns (small godowns attached with the store)
s) Problems with computer networking and resultant delay in billing should be minimized by introducing quality software.
t) Staffing should be done through the Kerala Public Service Commission

D. To Solve the Problem of Shortage of Goods the Following Suggestions are Made;

a) The purchasing policy may be tailored on the basis of the demand and supply conditions of different commodities. There should be a mechanism for assessing the monthly/quarterly demand for all types of goods dealt by Triveni stores.
b) The present Purchase Mechanism followed by the Federation is to be modernized by E-tendering methods, direct purchasing from manufacturers and growers, etc. They can resort direct purchase from farmers from the states such as Madhya Pradesh and Rajasthan as there exists auction system at ‘Mandis’ controlled by the state agricultural corporations. ‘Mandis’ are places where farmers sell their products and traders are permitted to buy through auction system controlled by the government.
c) Follow a quick purchasing procedure with the regular purchase system.

d) Ensure a system for the speedy distribution of goods from nearest godowns.

e) Follow a transparent purchasing procedure for the purchase of all goods.

f) Store level purchases with strict monitoring must be entertained for the sale of certain local items and highly perishable items.

g) The pricing of products and entering them to the computer network for sale should be done quickly so as to expedite sale in the showrooms.

E. To Retain Existing Customers and Attract New Customers to Triveni Supermarkets.

a) Triveni should make available high quality goods with a wide choice of brands.

b) Ensure quality individual customer service, home delivery and provide parking facilities.

c) Create customer data bases to enhance customer relationships and ensure personal interaction with the customers.

d) To help easy selection of products through self-service, Triveni stores should arrange and display products on the basis of category and display the names of category in a visible manner.

e) Customers with a highly positive attitude towards the store should be identified by attitude and behaviour analysis and they have to be treated at the individual level to retain them as they are potential regulars to the store.
Summary of Findings, Conclusions and Recommendations

f) Introduction PDS through retail outlets of CONSUMERFED with direct subsidy transfer to the bank accounts of beneficiaries.

F. To Improve Service to Customers, the Following Recommendations are Made

a) Provide adequate and appropriate training to employees in retailing activities.

b) Assign specific duties to all the staff, generate a sense of responsibility among them and closely monitor their performance.

c) Ensure store cleanliness.

d) Staff responsiveness should be improved in helping the customers in locating the products and ensuring speed billing and delivery.

e) Introduce Customer Relationship Management by collecting customer information.

f) Introduce Employee Stock Option Scheme in CONSUMERFED to increase employee loyalty and performance.

g) Facilities to the customers like providing drinking water, sufficient billing counters, sufficient parking areas, baggage space, 9 am to 8 pm working hours, etc are to be assured.

G. Measures which Will Popularize Triveni Stores

a) Supply fresh and quality products with wider choice.

b) Follow a low pricing policy through direct procurement from growers and manufactures, long term contracts with reputed suppliers and value added services like sorting, grading and mechanized packing in the godowns of CONSUMERFED.

c) Sell popular brands.
d) Offer quality private brands at low prices.

e) Good complaint redressal mechanism.

f) Use push sales services for own brands through advertisements.

H. To Improve Customer Satisfaction

a) Both the width and depth of the assortment of goods in Triveni stores in the central region and rural areas should be increased.

b) Staff dedication in the central region and the rural areas should considerably be improved.

b) Promotion and customer education in the northern region, semi-urban and rural areas may be strengthened.

c) Awareness shall be created among the customers on the rate of discount offered at Triveni Supermarkets.

d) Unethical practices of certain employees tend to make the stores fail. A social audit is imperative in this respect.

e) Professional retail management training should be imparted to all store in-charges, regional and godown managers, and other managers who are at the managerial cadre in the Federation.

I. For Effective Control of Price Levels of Essentials

a) More items shall be included in the list of subsidized goods for controlling the price levels of essentials in the state.

b) Include all retail stores of CONSUMERFED in the list of outlets that supply ration items under PDS.

J. General Suggestions

a) The pro forma followed by registered companies in India for the presentation of Profit and Loss account and Balance Sheet shall be
followed by CONSUMERFED. This is a needed for comparing the financial performance of other chain retailers with the firm.

b) The audit of the Accounts General of India is needed to be introduced in the co-operative sector also for getting the audited statements in time and to assess critically the performance of co-operative institutions.

c) Government and local bodies shall take initiatives to strengthen CONSUMERFED by extending financial aid, buildings and other facilities for supplying quality goods at low rates.

d) The Vacancies of CONSUMERFED shall be filled by a public recruitment process of Kerala Public Service Commission.

e) Managing Director, Regional Managers, purchase managers, and store in charges shall be persons who have degree in retail management discipline.

8.7 Contribution of the Researcher

a) The findings of the study give an exact picture of the financial performance of CONSUMERFED in each indicator, its strengths and weaknesses. The study revealed the need for effective plans to improve the financial performance of the Federation.

b) The researcher identified the major customer groups and market place of Triveni Supermarkets, which is crucial for store positioning.

c) The effectiveness of Triveni Supermarkets in the consumer goods distribution is studied by the researcher with a number of variables, which is crucial to frame strategies to improve its performance in future. The level of customer satisfaction of Triveni stores with a
vast data base is a pioneer one in this respect, which will be a base for assessing and improving the effectiveness of all types of consumer outlets.

d) Comparison of Triveni Supermarkets with the Margin-Free and Private Supermarkets will enable one to understand their present position and the satisfaction level of customers in different indicators. This information portrayed their relative positions which are crucial to frame marketing policies and to improve their performance.

e) The retail factor indicators used in the study is a comprehensive one to evaluate the customer satisfaction level of retail firms and to compare competing firms from customers’ point of view.

f) There is a need for social audit at store levels to rectify the inefficiency, problems and to identify the good points relating to the stores.

g) The findings suggest the immediate need for professional training in retailing management to all store in-charges and other managers.

h) It points out the necessity for evaluating the financial performance of cooperative institutions at regular intervals to make them more effective in future.

i) The study emphasizes the customers’ need for strengthening the PDS of the country for revamping the system by entrusting the distribution of rationed articles to responsible agencies such as CONSUMERFED as they have facilities and trained personnel. It enables the transfer of direct subsidy to the beneficiaries without leakage.
8.8 Scope for Further Research

It may be observed that there are problems relating to the effective management of CONSUMERFED. Management inadequacy seems to be prevalent in both purchase and logistics. So a further study may be required to examine the managerial effectiveness of CONSUMERFED critically analyzing its purchasing and logistics management. Supermarkets vary in names and basic features like Supply co, and organized chain Supermarkets. Specific studies are required to the comparison of CONSUMERFED with respect to Supply co and other chain Supermarkets. In spite of the current expansion of the retail marketing, the unorganized retailing is still a major component of the retail business. At the same time, leading retailers are also staking their claims in India. So, these provides a very high scope of further research directed towards balancing organized and unorganized retailers with the information available in this study. Hence, a list of topics may be suggested.

1) Managerial effectiveness of The Kerala State Co-operative Consumers’ Federation Ltd.

2) A critical analysis of purchase and logistics management of the Kerala State Co-operative Consumers’ Federation Ltd.

3) A comparative analysis between SUPPLYCO and CONSUMERFED.

4) Performance evaluation of the selected organized chain Supermarkets in Kerala.

5) Customer perception on organized and unorganized retailers in Kerala.

6) Impact on the upcoming supermarket culture in India.
7) Role of the National Consumer Co-operative Federation in strengthening the consumer co-operatives in India.

8) Role of Neethi stores in price holding of essential goods market in Kerala.

9) Role of Neethi medicals in the pharmaceutical distribution market in Kerala.

10) Problems and prospects of consumer co-operatives in India and strategies to improve their performance.

11) Co-operatives: An alternative to Private Public Partnership.

12) A critical analysis of co-operative auditing in India.

Reference