Chapter -V

Findings, Suggestion, and Conclusion

5.1. Introduction

The present study under the title, “Customers Perception Towards Retail Sector in Gwalior Region: A Comparative Study” was undertaken with a view to understand the various factors which influence the Perception level of customers towards organized and unorganized retail stores and comparative analysis of the customer satisfaction level in organized and unorganized retail stores.

The data collected through questionnaire were classified, tabulated and analyzed (SPSS package) with the help of various statistical tools such as frequency analysis, factor analysis, t–test, ANOVA and multiple regression. The association and relation between several variables were also found. The main findings evolved from the study are summarized in this chapter.

5.2. Findings of the Study

A brief consolidation of profile, shopping habits, Satisfaction level and attitudinal statements are given below.

Profile of the Respondents

- A majority of 59.4 percent (297/500) of the respondents were male consumer.
- Large majorities of 53.4 percent of the respondents were under the age group of 21-30 years, 31.2 percent were below 20 years and 9.4 percent were 31-40 years.
- Majorities of 33.8 percent of the respondents were postgraduates, 25 percent were graduates, 29.6 percent were higher secondary, 9.8 percent were high school and 1.8 percent was higher than post graduation.
Out of the 500 respondents, 69.2 percent were student, 11.8 percent were professional, 11.6 percent were employed in private organizations, 5.6 percent were house wives and 1.8 percent was government employee.

58.4 percent (292/500) of the respondents had a monthly income less than Rs.10000, 26.6 percent of them earned an income between Rs.10001-20,000, 9.6 percent of them earned an income between Rs. 20001-30,000, 3.6 percent of them earned income between Rs. 30001-40,000 and only 1.8 percent earned above Rs.50, 000 per month. Thus, the Majority of 58.4 percent earned monthly an average amount between Rs.10, 000 per month.

Majorities of 71.4 percent (357/500) of the respondents were single, 24.6 percent were married and 4 percent were separated.

Shopping Habits, Preferences and Satisfaction Level of Respondents

A majority of 63.8 percent respondent went for shopping when they have a need to buy something from retail shops, 13.2 percent respondents went for shopping when their friends accompany them, 11.2 percent choose shopping when they are free, 3.8 percent went for shopping when they are free, 2 percent preference shopping when they are on the way and 2 percent of respondents preference shopping due to other reason.

The majority of respondents shops at Organized retail store 1 – 3 times within a month 331 (66. 2%), followed by 4 – 6 times 61(12.2%), do not shop at all 58 (11.6%) more than 6 times 50 (10 %), respectively. The majority of respondents shops at Unorganized retail store 1 – 3 times within a month 228 (45.6%), followed by more than 4 - 6 times 156 (13.2%), more than 6 times 38 (13.6%), and do not shop at all 48 (9.6% ) respectively. The results found that respondents go shopping maximum 1-3 times per month at both Organized and Unorganized retail store. Therefore, respondents go shopping at organized retail stores as much as at unorganized stores.

The majority of respondent spends 30 minutes-one hour per shopping at organized retail store (37.4%), followed by less than 30 minutes (26.6%), spend more than
one hour (24.4 %) and do not spend any time (11.6%) respectively. The majority of respondent spends less than 30 minutes per shopping at Unorganized store (62.4%), followed by more than one hour (17.2%), 30 minutes-one hour (15.8%), and do not spend any time (4.6%) Respectively Therefore, respondents spend more time at Organized retail store than Unorganized retail store.

- The majority of respondent spend 500-1000 per shopping at Organized retail store (38%), followed by 1001 – 3000 (22.4%), less than 500 (18.8%), more than 3000 (11.2%), and nothing (9.6%) respectively. The majority of respondent spends 500 – 1000 per shopping at Unorganized store (40.2%), followed by less than 500 (38.6%), none (9.6%), 1001-3000 (5.8%), more than 3000 (5.8%), respectively. The results from Table respondents spend more money at organized retail store than unorganized retail store.

- In this question, the satisfactions of respondents were asked on both organized and unorganized side. The result reveal that majority of respondents satisfied with organized store are 434 (86.8%). The majority of respondents satisfied with unorganized retail store are 224 (44.8%), so result found that respondents are more satisfied with organized retail store.

**Attitudinal Statement**

- According to the collected data, Frequency count for each attitudinal level and Mean (X) were analyzed by using SPSS program. The statistical analysis present that the respondents agreed with the statements: Organized retail store and traditional retail stores are competing each other (X = 4.15), I know the difference between organized and traditional retail stores (X = 3.96), i enjoy going shopping (X = 3.86), they enjoy going shopping (X = 3.83), retail stores improve consumers’ life style (X = 3.75), government should support traditional retail stores (X = 3.61), i know that Indian government is restricting on organized retail store expansion (X = 3.60), organized retail stores are essential for consumers in Gwalior region (X = 3.58), government should allow free and fair competition (X = 3.52), I care that traditional retail stores are closed down because of organized retail stores (X = 2.95), government should restrict more on organized retail store expansion (X = 2.95).
Factor Analysis

- With Principal Component, analysis eight factors were retained depending on Eigen values and variance explained. The eight factors accounted for 76.171 percent of the variance. Total variance explained (76.171 percent) by these eight components exceeds the 60 percent threshold commonly used in social sciences to establish satisfaction with the solution. These factors are store image, promotional activities, customer services, social factor, variety of product, product quality, price and economic factor.

Regression analysis and hypotheses proving

- In order to determine the relative importance of eight factors, which affect customers perception both in organized, and unorganized sector, they were subjected to multiple regression analysis. Value of F is 805.323, which are significant at 0% level, and value of t is 20.526, which are also significant at 0% level. R square value is .929, which indicates 92.9 % of variance in perception is explained by these factors. The results show that the customers gave importance to all of the retail dimensions in developing perception towards both organized and unorganized store. Promotional Activities has drawn maximum importance followed by Store Image, Economic Factor, Customer Services, Social Factor, Variety of Product, Product Quality and Price. Thus, H1, H2, H3, H4, H5, H6, H7, H8 were accepted.

5.3. Suggestions

On the basis of the findings of the present study, the following are the suggestions made for the retail industry.

- The majority of the customers belonged to the young group of 21-30 year; hence, the retail shops must gear up to the needs, mentality, taste and expectation of this age group.

- The customers in general, shopped only twice a month, hence the retail shops should take care of the availability of products at all times, and no shortage of
goods should be encountered. In addition, the variety of products with different range of prices should be available as most of the customers spend Rs.1000 per visit.

- The retailer should focus on product quality, price and customer services, to develop perception towards retail store.

- The present study found out that, promotional activities, social factor, store image and economic factors are the important factor for developing perception towards retail sector so, both organized and unorganized sector must focus on these factors to increase customer satisfaction level.

- India has multi dimension cultured diversity. Therefore, a critical analysis needs to be done of the customer’s needs from each aspect by the organized retailer before setting their retail formats in India.

- Traditional retailers should also engage in doing primary market research to understand the pulse of consumers, their perception level and about new brands which they are not aware, which will make them aware of their surroundings and help them take corrective measures would help in withstanding competition from the organized retail formats. Traditional outlets should undergo a transformation process, bringing in new changes, which in turn increase their competitiveness.

### 5.4. Implications of the Study

- This study is to be useful contribution to the retailer to understand the customer perception and to identify the key dimensions’, which affect the perception of consumer towards retail sector.

- This research makes useful contribution to the field of retailing and marketing, some new insights been added through the empirical results.

- Study contributes to the managerial decision made by the Indian retailer. They have to focus on the quality factors, which can delight the customers and subsequently affecting their loyalty. From the study retailer can use the perception items to pinpoint which service areas are important for customers and need special attention. This study, result in dimensions, which are specific to both organized and unorganized retail sector in India.
This study find out some factors, which affect customer perception towards retail sector apart from previous factors. These factors are promotional activities, store image, customer services, product quality and Variety of product. A retailer can use this result to develop important strategies or to make necessary changes in existing strategy, which help them to retain customers and to increase their sales.

The findings of the study help the manager to design their store with wide variety of product. This study helps unorganized sector to design their strategies to compete with the organized sector.

5.5. Limitations of the Research

Limitations are obvious in research or in a study. No study can be fool proof. Similarly, the study conducted by the researcher in the Gwalior region also suffers from some limitations. The limitations of the study is due to its mode of operation.

- The first limitation is the data is collected from Gwalior region, the result may vary the data would have been collected from wider area or region.
- The second limitation is, the data, which is collected, is self-reported and through survey method hence subject to bias.
- The information given by the customers may be under/overestimated so there are chances of biased information.
- The convenience sampling used for research; the result may vary if sampling is random.
- The size of sample is also a limitation. Data collected from about 500 respondents, if sample size is large, the result would be more accurate.
- Customer perception is a Psychological phenomenon where every customers have different perception therefore response gathered varies.
- This study confined to the customer perception and preference towards organized retailing and unorganized retailing, and the factors affecting them. This limitation creates an opportunity for future research study in this area to include psychological and technological variables in the future research. There can be other factors influencing customer perception apart from the factors recommended
in this study, which could be obtained by including more service variables in the study.

5.6. Directions for Further Research

To overcome the above-mentioned limitations and to extend the current body of knowledge in the literature on customer perception towards retail sector, future research recommended in the following areas.

- Further research can be conducted at the national level and large geographical area should cover.
- While this study has been done on consumers, a similar study may be done from the point of view of the retailer, so the retailer themselves can ascertain these measures and apply them in their own perspective in order to increase customer satisfaction and sales.
- Further studies also can be done on the gap between customer perception and satisfaction, as a driver of customer relationship management, Instead of perception as done in the study.
- The present research has considered FMCG sector to measure consumer perception towards organized and unorganized sector. Further research can conduct by including more retail sector viz; type and quantity.
- This research has taken limited number of variables and factors, adding more variables to this further research can be conducted.

5.7. Conclusion

Organized retail business is a comparatively new phenomenon in India, and is still in the process of finding its feet in terms of location, size, format, product ranges, and segment targeting. Organized retail is expected to grow from 5-6 per cent to 14-18 per cent of the total retail market by 2015. In the coming years both unorganized and organized retail will see a massive scaling up of their activities and are set to achieve rapid and sustained growth. Both the government and industry circles are taking efforts to boost the growth of the organized retail sector, but little is done for the growth of the unorganized retailers. In
spite of this indifference, traditional retailers are making efforts to face stiff competition from organized retailers.

It is concluded from the frequency analysis of demographic variable in the study that majority of the respondents was male consumer and belonging to younger age group having income less than 10,000 per month, respondents spend more time at organized retail store than unorganized retail store and customers spend more money at organized retail store than unorganized retail store.

The main purpose of this study is to found out factors that affect perception level of the customers towards organized and unorganized retail stores. After factor analysis With Principal Component, analysis eight factors were obtained depending on Eigen values and variance explained. The eight factors accounted for 76.171 percent of the variance. These factors are store image, promotional activities, customer services, social factor, variety of product, product quality, price and economic factor.

Cause and effect relationship was measured through multiple regressions between the dependent variable and independent variable and result concluded that R square value is .929, which indicates 92.9 % of variance in perception was explained by these factors. The result shows that the customers gave importance to all of the retail dimensions in developing perception towards both organized and unorganized store. Promotional Activities has drawn maximum importance followed by Store Image, Economic Factor, Customer Services, Social Factor, Variety of Product, Product Quality and Price.

From the calculated descriptive statistics it can be summarized that majority of respondents satisfied with organized store are 434 (86.8%). The majority of respondents satisfied with unorganized retail store are 224 (44.8%), so result found that respondents are more satisfied with organized retail store.

It is concluded from the study that all the demographic variable have significant relationship with the perception factors to perceive customers towards organized and unorganized retail stores,

It is concluded from the study that the Indian retailer should focus on the quality factors, which can delight the customers and subsequently affecting their loyalty. This study help the retailers to use the perception items to pinpoint which service areas are important for customers and need special attention. Traditional retailers should also engage in doing
primary market research to understand the pulse of consumers, their perception level and about new brands which they are not aware, which will make them aware of their surroundings and help them take corrective measures would help in withstanding competition from the organized retail formats. Traditional outlets should undergo a transformation process, bringing in new changes, which in turn increase their competitiveness.