Consumers Attitude Towards Organised Stores in Palakkad District.

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Abstract

The study attempts to find out the attitude of consumers towards organized and unorganized sector in the district of Palakkad. It also attempts to find out the psychological factors that influence the buying behavior of consumers. An analysis of the collected data is done using descriptive statistical measures and independent sample t test.

Introduction

The Indian retail industry is now beginning to evolve transformation that has swept other large economies. There is a vast change in Indian retail, the liberalization of the consumer goods industry initiated in the mid-1980's and accelerated through the 1990s has begun to impact the structure and conduct of the retail industry. The concept retail, which includes the shopkeeper to customer interaction, has taken many forms and dimensions, from the traditional retail outlet and street local market shops to upscale multi brand outlets, especially stores or departmental stores.

Retailing in Kerala is a subject too subtle and relevant; as Kerala is known of more as a consumer State rather than a producer State. The introduction of Margin Free Markets has turned out to be a grand success resulting in it becoming one of the largest retail chains in the country. The future of retailing looks bright with the proposed entry of many major organized retailers. There are many who argue that small traders will be badly hit. Others argue that the farmers in the State will stand to benefit, while there will be choices plenty for the consumers. However, the government in the State is in favour of the thousands of small retailers who are united under the banner of KVVES.

Objectives of the Study

1. To find out the attitude of consumers towards organized stores in Palakkad District.
2. To compare the attitude of consumers towards organized and unorganized retail sector

Research Methodology

Convenience sampling has been adopted to select the respondents. The sample size consists of 70 respondents from the district of Palakkad. A well structured questionnaire has been prepared for primary data collection. Secondary data has been taken from websites, books, journals and other reliable sources.Likert five point scale has been used for scaling.

Review of Literature

According to PawanKumar in the era of globalization economy has changes rapidly in which retail sector also changing from traditional or unorganised to organized retailing. Due to changing in the scenario of world's economy the retail sector attracts attention of scholars to make some efforts relating to study of opportunities and challenges. The changes in the retail sector make the contribution in the growth of GDP of the country.

The phenomenal growth of retail in India is reflected in the rapid increase in number of super markets, departmental stores and hyper markets in the country. However, this unpredicted growth trend has been challenged by the shadow of the current economic slowdown, which has raised a fair of dip in consumption and slow down of growth for Indian organized retailers. At a time when consumer spending is on decline, success will lie with those retailers that can drive customer loyalty by responding to the demands of the customer. (PiyaliGhosh et al).

The developing economies, specifically India are appearing on the world retail industry radar due to the size and potential of their markets. As organized retail presents enormous business opportunities, big names such as Reliance, Birla's and Tata's along with the Foreign Super Market Chains (in partnership with Indian companies) have been making an entry in to the sector. Fearing loss of business and employment, traders and hawkers have held large –scale protests in various parts of the country. In the light of this, the Ministry of Commerce and Industry commissioned the Indian council for research on international economic relations (ICRIER) to analyze the impact of organized retailing on unorganized retail, formers and intermediaries as a possible input to future policy- making. (Sujana Krishnamurthy).

According to the author the process is classified into following frame: (i) focus on customer concerns, (ii) enquiring front line employees so that the customer's are properly treated, (iii) express sincere understanding of customer's desires, wants and means, (iv) apologize and rectify the situation where the customer feels that the retailer was wrong. (Jeff Mowatt).

Unless and until a retailer understands a specific class of factors that influences customers satisfaction, induces to develop this loyalty towards a particular retail format and liking for a particular buying behaviour, a retailer cannot succeed in attracting consumers loyalty as well cannot retain a large number of customers for a long period.(Ellen Garbarino et al).

Modern marketers are rediscovering the ancient mantras for success in corporate world and blending them with contemporary marketing practices. Long term survival and competitive advantage can only be attained by establishing an emotional bond with the customers. A shift is taking place from marketing to anonymous masses of customers to developing and managing relationships with more or less well known or at least some identified customers (Gronroos, 1994).

Analysis of Data

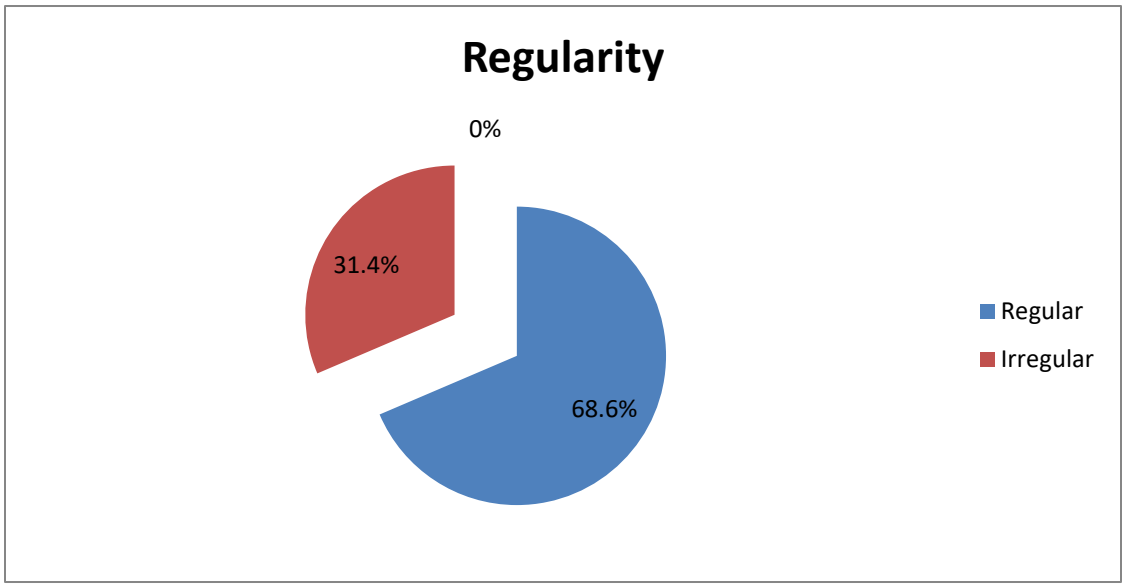
The demographic factors such as gender, marital status, age, education, occupation, annual income and family size have been considered for the study

The following table shows the regularity of customers selected for the study.

Table showing whether the respondents are Regular customers

Regularity	Number	Percentage
Regular	48	68.6
Irregular	22	31.4
Total	70	100

Diagram showing whether the respondents are Regular customers



Interpretation

Majority of the consumers (68.6%) are regular while others (31.4%) are irregular.

Frequency of visit to the shop

The study also attempts to know about the frequency of visit to the shop whether it is weekly, fortnightly, monthly or occasionally.

Table showing the frequency of visit to the shop

Frequency of Visit	Number	Percentage
Weekly	16	22.9
Fortnightly	07	10
Monthly	36	51.4
Occasionally	11	15.7
Total	70	100

Attitude of Consumers towards Organised and Unorganised Sectors.

To know the attitude of consumers towards the traditional and modern outlets, eight statements were provided to the respondents giving equal importance to both the sectors. The opinions were collected using Likert Scale and analysed using mean and standard deviation.

Table showing Attitude of Consumers towards Organised and Unorganised sectors

Sl.No	Variables	Mean	Std. Deviation
1	More number of big shops should be opened in the state	3.79	.720
2	Big outlets are essential for the development of the town	3.96	.788
3	Big outlets can eliminate the exploitation by middlemen	3.44	.958
4	Small retail shops are essential in the economy	3.99	.860
5	Both small scale and organised sector should be given equal importance.	3.93	.822
6	Small scale shops should be given adequate support by the government	3.93	.906
7	Small shopkeepers have close relationship with customers than big shops	4.26	.912
8	Commercial banks are providing financial assistance to the small outlets.	3.37	.904

Interpretation

Though the consumers like to purchase from big outlets, they are having a soft corner towards small scale retailers. It is clear from the above table that the statement that "the small scale shopkeepers have close relationship with customers than big shops" is having highest mean 4.26 with 0.912 as standard deviation. The statement that "small retail shops are essential in the economy" is also having high mean value of 3.99 with standard deviation 0.86.The consumers reacted positively to all the statements as all of them having mean value of more than 3.

Testing of hypothesis

The difference in the attitude among male and female respondents regarding different statements was conducted as part of the study. Independent Sample t test was used to check the significant difference. Both t value and p value were calculated for each statement and on the basis of the p value decisions regarding hypothesis were taken. Eight hypotheses were formulated to check the significance difference in the attitude.

Opinion regarding more number of Big Shops to be opened in the State.

H_0: There is no significant difference in the attitude among male and female respondents regarding the statement that more shops should be opened in the state.

H_1: There is significant difference in the attitude among male and female respondents regarding the statement that more shops should be opened in the state.

Test Statistic Used: **Independent Sample t test**

Table showing Mean, t and p values regarding opening more number of Big shops in the State

Mean Value Male	Mean Value Female	t value	p value
3.8	**3.75**	**0.298**	**0.767**

Interpretation

Since p value>0.05, H_0 accepted. Both male and female respondents having same opinion regarding opening more number of organized shops in the state and there is no significant difference among their opinion.

Opinion on Big Outlets Eliminating the Exploitation by Middlemen

H_0: There is no significant difference in the attitude among male and female respondents regarding the statement that Big Outlets are eliminating the exploitation by middlemen.

H_1: There is significant difference in the attitude among male and female respondents regarding the statement that Big Outlets are eliminating the exploitation by middlemen.

Test Statistic Used: **Independent Sample t test**

Table showing Mean, t and p Values on Opinion regarding Bigoutletscan eliminate exploitation by middlemen

Mean Value Male	Mean Value Female	t value	p value
3.33	**3.67**	**1.423**	**0.159**

Interpretation

Since p value>0.05, H_0 accepted. Both male and female respondents think big shops eliminate exploitation by middlemen and there is no significant difference among their opinion.

Findings

- Among the ten psychographic factors considered for analysis, it can be inferred that the feeling that 'only high class people shop there' influence the consumers highly in purchasing from big outlets having a mean value of 3.8 with standard deviation 1.016. Most of the respondents do not care about sharing their experiences with friends and relatives and that factor is showing the lowest of 2.87 mean with standard deviation 1.115. All the other factors like sense of belongingness, excitement, fun in shopping, security, price, shopping with friends and family etc are influencing consumers and they are showing mean value between three and four.
- Most of the respondents are of the opinion that more number of big shops should be opened in the state.
- They feel that the organised outlets are essential for the development of town.
- The respondents also feel that the organised outlets can eliminate the exploitation by middlemen

Suggestions

- Both the sectors are essential for the development of the state,so they should be given equal importance.
- The organised sector provides more employment opportunities.
- It is the responsibility of the local authorities to make sure that the localites are benefitted by the opening of the outlets.

Conclusion

The average consumer like the shopping experience and the wide range of products offered by the big outlets.They prefer to go shopping with their family to such shops. They feel that high class people shop there and enjoy the respect and excitement over there.But still,they consider the small shops are essential for the economy and the government should provide adequate support for the survival of the traditional groups.

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