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A COMPARATIVE STUDY OF SELECTED ORGANIZED APPAREL RETAIL STORES IN TIRUCHIRAPPALLI CITY

Article Particulars

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Abstract

Todays' trend in shopping people has an attitude to spend time in organized shopping malls and retail stores. To hang on the customer inside a Retail Store is very important for growing organized retail outlet based on the customer satisfaction. This study focuses on retail customer profiling and measuring level of satisfaction in the selected retail stores in the Tiruchirappalli city. Structured questionnaire has been used to collect primary data. Word of mouth by friends, family, colleagues and Advertisement, influences majority of customer. Majority of respondents came for spending time with their friends, shopping with family members, spending time in game corner with their children and hang out. When compare to Lifestyle, Pantaloons and Westside, Tiruchirappalli city customers satisfaction is high in Femina Retail outlet.

***Keywords**: Organized Retail outlet, Apparels, Shopping*

Introduction

India is one of the most attractive destinations for retail business. The growth of the retail stores has been tremendously changed. The statistical report says modern retail stores increase from 11,192 in 2006 to 67,100 by 2016.

Landscape of the Retail Sector in India

One of the major opportunity and challenges that characterize the Indian retail sector is its structure. While it has developed over the years, it is still highly disjointed, with an estimated 12 to 15 million outlets. Its overall size is estimated to be USD534 billion in 2013-14, which is much higher than the growth of the Indian GDP in the same period, Going forward, the overall retail sector growth is likely to witness 12-13 %, which would be worth USD 948billion in 2018-19.

With over 92% of the business coming from the disjointed unorganized sector, such as kirana shopes, the Indian retail sector offers enormous potential growth. The income generated from organized retail was USD 15.5 billion in 2009, in 2012 USD 41.4 billion and is expected to continue growing at an remarkable rate to a projected USD 94.8 billion by 2019.

2016 Global Retail Development Index™

2016 rank	Country	Market size (25%)	Country risk (25%)	Market saturation (25%)	Time pressure (25%)	GRDI score	Population (million)	GDP per capita, PPP	National retail sales ($ billion)
1	China	100.0	61.2	36.2	92.5	72.5	1,372	14,190	3,046
2	India	53.7	54.3	75.8	100.0	71.0	1,314	6,209	1,009
3	Malaysia	81.2	83.4	23.5	50.4	59.6	31	26,141	93
4	Kazakhstan	56.4	37.3	61.9	70.2	56.5	18	24,346	48
5	Indonesia	64.3	38.9	50.2	68.9	55.6	256	11,112	324
6	Turkey	85.9	46.4	31.9	53.1	54.3	78	20,277	241
7	United Arab Emirates	95.2	100.0	1.3	18.0	53.6	10	66,997	69
8	Saudi Arabia	91.2	64.9	21.3	31.5	52.2	32	53,565	109
9	Peru	47.3	52.8	50.4	57.2	51.9	31	12,077	70
10	Azerbaijan	33.9	30.8	80.9	59.3	51.2	10	18,512	17

Sources: Euro money, Population Data Bureau, International Monetary Fund, World Bank, World Economic Forum, Economist Intelligence Unit, Planet Retail; A.T. Kearney analysis

Apparel Retail Store

India has a large sector of middle class of 75 million households or 300 million individuals. Over the years, the disposable income of middle class Indian consumers has drastically changed, which is leading to an extensive change in their spending habits for the products like Electronics, Personal care, Home appliances, FMCG. The retail apparel industry generated more than USD 304 billion revenue in 2009. The most profitable segment in women's clothing is 53% of total revenue. Selling apparel is a very seasonal business, with a majority of sales coming during the holidays and when kids are going to school after their vacation.

A number of large, popular branded retailers make up a mass of the apparel market, but many smaller business, such as boutique and niche apparel stores, are part of the market. The larger apparel retailers have a benefit over small retailers since they get better pricing from vendors because they purchase such large quantities of apparel. Their profit margin is high and they can offer better retail pricing to their customers. Small Apparel retailers make up for the high pricing they pay for wholesale retail apparel by selling convinced types and styles of clothing rather than offering everything for everyone like large apparel stores. One of the major trends affecting the retail apparel industry is the increase in people who like shopping for apparel on the Internet from the comfort of their home rather than shopping at a traditional store. Emerging technology such as mobile applications are changing the way of retailers to do their business. Other mobile trends include creating mobile point-of-sale application to make it easier to purchase and offer services such as virtual fitting rooms. Social media will be a important helping tool for small apparel retailer to improve their business.

Hurdles/Rivalry

To attract apparel shoppers, the retailer should stay on top of the latest styles of clothing, footwear and accessories. Otherwise you end up with too much inventory, or your brand suffers. Another hurdle is the large quantity of retail apparel shops on the internet since these may attract local shoppers, causing you to lose income. On top of the Internet threat, building and operating a organized retail store is a costly venture. If money is a big concern, neutralize these costs by solely selling apparel through the Internet and eliminate the need for a costly storefront and staff.

Review of Literature

Organized retailing will guide to affect the traditional unorganized retailers. In addition the comparative analysis regarding the acceptability of mall concept and the impact of shopping malls on the general living standards of the society is being considered. There is an increased customer shopping patterns which has led to emergency of big retail chains in metros, mini metros and towns now becoming the next target. There is a drastic change in the customer's tastes and preferences leading to drastic change in their life style and the spending pattern there by giving rise to new business opportunities. This generic growth, driven by changing life style and strong increment in income is to be supported by the constructive demographic patterns. The development of mega malls in India is adding a new dimension to this booming retail sector. The groups of visionary corporate working constantly to improve upon urban shopping experience through the shopping malls concept is the latest move in the retail sector.

India is a nation of shopkeepers as well as shoppers. It is a common practice that retailers and marketers often strive to learn how and why people shop. The decision making regarding purchase of goods and services as become more complex and includes a number of factors which are important for customers. There are wooed by advertising, news articles and direct mailings providing information in this IT age along with the mixed messages. The addition of a number of variety stores, goods stores and shopping malls with the availability of multi component products and electronic purchasing capabilities have played a crucial role in widening the choice for customers and have complicated decision making. (Halfstrom et al 1992).

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. (Piyali Ghosh 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 behavior, 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).

Objectives

- To present a concise profile of customers in the apparel retail outlets.
- To know the customer's level of satisfaction in the selected organized apparel retail stores.
- To encompass a comparison of purpose of visit in selected organized apparel retail stores.

Inspiration for Study

In spite of accepting that customer's level of satisfaction with the retail store also influence customer selection of a store and sales, very few studies were found investigated customer level of satisfaction in apparel retail sector. Moreover, most of the studies were in global context and lack of comparisons in organized retail sector. Pantaloons, Lifestyle and Westside are the most required after retail stores from the perspective of customer. Understanding the level of satisfaction of customers in these stores is critical for the betterment of customers. Moreover, it becomes necessary for a retailer to understand the critical role of the profile of retail customer for accelerating purchases. Apparel sector is on the edge for the growth in domestic and international markets due to liberalization. With the rapid growth of organized retailing in India there is a awful need to understand these, explore reasons behind it and create managerial challenges.

Scope of Study

This study is undertaken to know the profile of customers visiting emerging trend retail outlets like Lifestyle, Pantaloons, Femina and Westside stores. To know the customer's level of satisfaction of the present day retail outlets in a city like Trichy where the demographic and psychographic profile of the shoppers will be quite different as compared to the metropolitan cities like Mumbai, Bangalore, Chennai and Kolkata.

Methodology

- A Structured questionnaire was used to collect primary data.
- Convenient random sample of 224 respondents from Femina, Lifestyle, Pantaloons and Westside store were asked to fill the questionnaire consisting of both open-ended and closed questions.
- Five-point Liker scale was used to measure the satisfaction level of customer.
- Primary data was analyzed using percentages and inferences were drawn.

Finding

Lifestyle and Femina retail outlet was preferred by the age group of 30-40 and their average income was 20,000 to 30,000. This is because the average billing per customer is Rs 800. The shoppers entering into Femina Retail outlet most of them were married and coming with their children, whereas the teenagers prefer shopping apparel in Pantaloons, Lifestyle and Westside. Frequency of visit was during weekends in most of the cases followed by first time shoppers and people who come to stores rarely. Advertisement were found to be the most influencing followed by family and colleagues. As most of the people were salaried classes, single and shopping in the evenings, friends accompanied them during shopping in case of Femina retail outlet and lifestyle whereas in case of Westside and Pantaloons, as most of the people were married, family accompanied them during shopping in the evening. Most of them bought apparel followed by accessories.

Table 1: Comparison of Respondents Stores W.R.T Demographic

Demographic Variables		Femina Retail outlet	Lifestyle	Pantaloons	Westside Store	Combined
Age	15-20	8	18	7	1	34
	20-30	32	21	8	4	65
	30-40	42	26	14	3	85
	40-50	7	13	0	2	22
	Above 50	9	8	1	0	18
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Occupation	Students	11	7	5	2	25
	Salaried	13	17	4	2	36
	Business	18	13	4	2	37
	House Wife	36	28	10	2	76
	Student	20	21	7	2	50
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Yearly Income	10K	14	6	7	2	29
	20K-30K	42	39	15	6	102
	30K-40K	24	25	5	2	56
	40K-50K	18	16	3	0	37
	Above 50K	18	16	3	0	37
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Marital Status	Single	38	34	15	7	94
	Married	60	52	15	3	130
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Purchasing Slot	Morning	24	28	11	6	69
	After Noon	26	36	9	1	72
	Evening	48	22	10	3	83
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Visit Frequency	One Time	20	24	8	3	55
	Week End	26	20	10	2	58
	Monthly	19	13	4	2	38
	Daily	23	21	6	1	51
	First Time	10	8	2	2	22
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Influencing Factor	Friends	12	6	6	0	24
	Relatives	13	12	4	2	31
	Colleague	18	11	3	1	33
	Family	23	20	6	1	50
	Advertisement	32	37	11	6	86
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Shopping Companion	Friends	29	25	12	3	69
	Relatives	11	20	4	1	36
	Colleague	28	16	6	2	52
	Family	17	13	3	2	35
	Alone	13	12	5	2	32
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Mobility	Two Wheeler	37	24	14	7	82
	Car	28	22	5	1	56
	Auto	9	11	4	0	24
	Public Transport	12	19	4	1	36
	Walk	12	10	3	1	26
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Time Spent	Less one Hour	33	33	8	2	76
	1-2 hours	48	39	18	6	111
	Above 2 Hours	17	14	4	2	37
Demographic Variables		**Femina Retail outlet**	**Lifestyle**	**Pantaloons**	**Westside Store**	**Combined**
Mode of Payment	Cash	49	37	9	7	102
	Credit Cards	18	23	8	1	50
	Debit Cards	31	26	13	2	72

Table 2: Comparison of Purpose of visits W.R.T Demographic Variables

Demographic Factors		Shopping	To Refresh	To Enjoy	To Spend Time with Friends	Hangout	Total
Age	15-20	8	10	0	15	1	34
	20-30	26	21	5	12	1	65
	30-40	39	23	10	8	5	85
	40-50	8	8	2	4	0	22
	Above 50	10	3	1	3	1	18
Demographic Factors		**Shopping**	**To Refresh**	**To Enjoy**	**To Spend Time with Friends**	**Hangout**	**Total**
Occupation	Student	12	7	2	3	1	25
	Salaried	10	14	2	8	2	36
	Business	15	13	3	5	1	37
	House Wife	30	23	6	14	3	76
Demographic Factors		**Shopping**	**To Refresh**	**To Enjoy**	**To Spend Time with Friends**	**Hangout**	**Total**
Marital Status	Single	31	39	5	18	1	94
	Married	60	26	13	24	7	130
Demographic Factors		**Shopping**	**To Refresh**	**To Enjoy**	**To Spend Time with Friends**	**Hangout**	**Total**
Purchasing Slot	Morning	24	25	4	12	4	69
	After Noon	35	18	6	12	1	72
	Evening	32	22	8	18	3	83
	First Time	10	2	2	8	0	22
Demographic Factors		**Shopping**	**To Refresh**	**To Enjoy**	**To Spend Time with Friends**	**Hangout**	**Total**
Influencing Factor	Friends	10	6	2	4	2	24
	Relatives	10	12	2	5	2	31
	Colleague	13	11	4	4	1	33
	Family	18	16	5	10	1	50
	Advertisement	40	20	5	19	2	86
Demographic Factors		**Shopping**	**To Refresh**	**To Enjoy**	**To Spend Time with Friends**	**Hangout**	**Total**
Shopping Companion	Friends	32	20	5	10	2	69
	Relatives	11	13	5	5	2	36
	Colleague	25	12	2	11	2	52
	Family	7	14	4	9	1	35
	Alone	16	6	2	7	1	32
Demographic Factors		**Shopping**	**To Refresh**	**To Enjoy**	**To Spend Time with Friends**	**Hangout**	**Total**
What did You Buy	Apparel	42	30	12	11	3	98
	Cosmetics	33	27	6	19	1	86
	Accessories	13	4	0	9	4	30
	Others	3	4	0	3	0	10

Table 3: Customer Satisfaction of selected stores with its comparison (5 Point Likert Scale)

S.No	Attributes	Femina Retail outlet		Lifestyle		Pantaloons		Westside Store	
		Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
1	Store has the most convenient location	**3.63**	1.311	3.59	1.305	3.23	1.357	2.90	1.287
2	Store has adequate parking space	**3.65**	1.293	3.58	1.315	3.40	1.221	3.10	1.101
3	Store has good ambience	3.31	1.280	3.24	1.371	3.43	1.223	**4.10**	.876
4	Merchandise sold is of high quality	**3.51**	1.151	3.45	1.343	3.43	1.223	3.30	1.418
5	I am satisfied with the Price of Products I purchased	3.45	1.228	3.36	1.264	3.10	1.269	**3.80**	.789
6	Store gives a feeling of prestige to shopper	3.41	1.242	3.35	1.437	3.33	1.295	**3.50**	1.354
7	Store has the widest selection of multi brand merchandise	**3.63**	1.069	3.38	1.390	3.17	1.262	3.30	1.567
8	Store has the most convenient layout	**3.46**	1.430	3.38	1.382	3.40	1.221	2.80	1.229
9	Store offers discounts during festivals	**3.59**	1.346	3.47	1.335	3.30	1.291	2.80	1.229
10	Staff is helpful	3.26	1.318	3.14	1.424	3.47	1.224	**3.80**	1.317
11	Store offers great variety	3.39	1.249	3.41	1.392	3.27	1.311	**3.70**	1.252

Customer Satisfaction

In Femina customer was satisfied in easy accessibility, adequate parking facility, offering multi brand in case of apparel, good layout, discount offered during festival seasons, and followed by that Westside offers good ambience, proper lighting arrangements, price satisfaction, great variety of accessories apparel and cosmetics

Conclusion

The study concluded that in most of the attributes like convenient location, parking space, Merchandise sold is of high quality, widest selection of multi brand merchandise and discounts during festivals was preferred by shopper is Femina Retail outlet, whereas shopper prefer Westside for ambience, Price of Products and prestige. It is not that other retail out let Lifestyle and Pantaloons was not preferred by shoppers. Lifestyle and Pantaloons can concentrate on sale promotion, advertising and pricing strategies.

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