

Customer Perception Towards Traditional and Modern Retailing

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ABSTRACT : *Many developments and changes are taking place in retailing industry. In the backdrop of challenging market scenario it was thought to be befitting to undertake a project study on “Customer Perception towards Traditional and Modern Retailing”. Amidst the competitive and complex market scenario in India, it is difficult to analyze the changing attitudes, likes, dislikes and perception levels of customers. The field is such that only the ending and most outstanding will survive without being checked. The attempt made here is to assess the customer satisfaction towards traditional retail Store and Supermarket.*

KEYWORDS : *Retailing, Traditional retail stores, Supermarkets, customer perception.*

I. INTRODUCTION

Indian Retail Industry is standing at its point of inflexion, waiting for the boom to take place. The inception of the retail industry dates back to times where retail stores were found in the village fairs, melas or in the weekly markets. These stores were highly unorganized. The maturity of the retail sector took place with the establishment of retail stores in the locality for convenience. With the government intervention the retail industry in India took a new shape. Outlets for Public Distribution System, Cooperative stores and Khadi stores were set up. These retail Stores demanded low investments for its establishment. Customer perception depends on a product's perceived performance in delivering value relative to buyer's expectations. If the product's performance falls short of the customer's expectations, the buyer is dissatisfied. If performance matches expectations, the buyer is satisfied. If performance exceeds expectations, the buyer is delighted. Outstanding marketing companies go out of their way to keep their customers satisfied. Satisfied customers make repeat purchases and they tell others about their good experiences with the product. The key is to match customer expectations with company performance. Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promise.

II. INDIAN RETAIL INDUSTRY

India retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing lifestyles, and favourable demographic patterns. It is expected that by 2016 modern retail industry in India will be worth US\$ 225- 250 billion. India retail industry is one of the fastest growing industries with revenue expected in 2014-15 to amount US\$ 520 billion and is increasing at a rate of 15% yearly. A further increase of 12-18% is expected in the industry of retail in India by growth in consumerism in urban areas, rising incomes, and a steep rise in rural consumption. It has further been predicted that the retailing industry in India will amount to US\$ 51.5 billion by 2020 from the current size of US\$ 27.5 billion. Retailers in India are the most aggressive in Asia in expanding their businesses, thus creating a huge demand for real estate. Their preferred means of expansion is to increase the number of outlets in a city, and also expand to other regions, revealed the Jones Lang LaSalle third annual Retailer Sentiment Survey-Asia. Driven by changing lifestyles, strong income growth and favorable demographic patterns, Indian retail is expanding at a rapid pace. The country has 2800 new shopping centers as of 2014. India retail industry is expanding itself most aggressively; as a result a great demand for real estate is being created. Indian retailers preferred means of expansion is to expand to other regions and to increase the number of their outlets in a city. It is expected that by 2015, India may have 1000 new shopping centres. In the Indian retailing industry, food is the most dominating sector and is growing at a rate of 9% annually. The branded food industry is trying to enter the India retail industry and convert Indian consumers to branded food. Since at present 60% of the Indian grocery basket consists of non- branded items.

The organized retailing sector in India is only 6% and is expected to rise to 25- 30% by the year 2020. There are under construction at present around 1025 departmental stores, 600 new malls, and 1500 supermarkets.

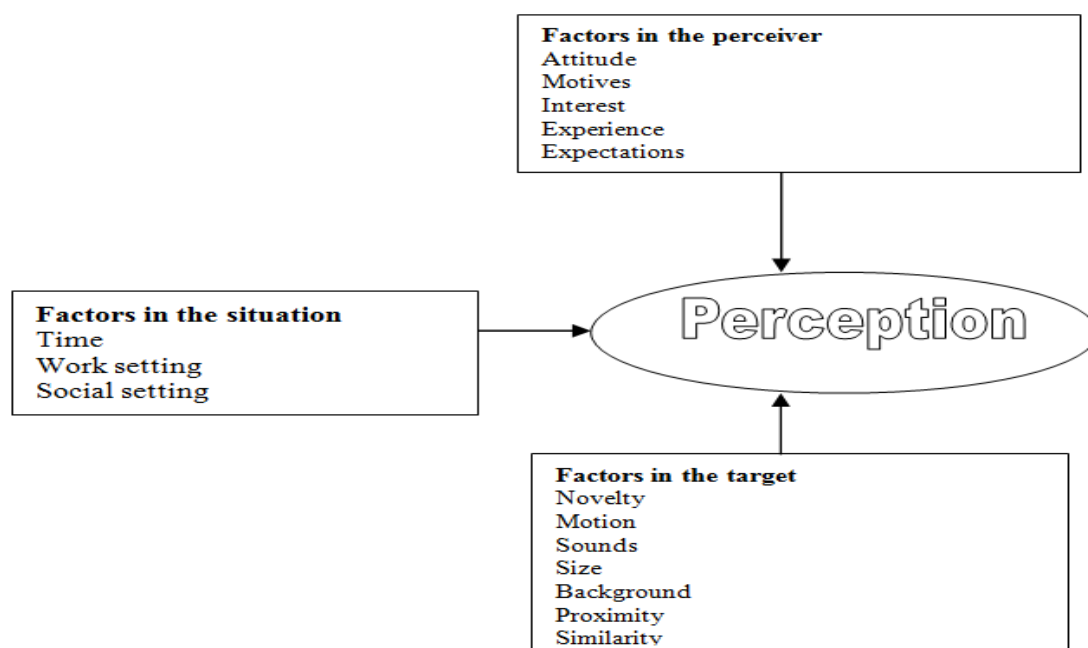
This proves that there is a tremendous scope for growth in the Indian retail market. The growth of scope in the Indian retail market is mainly due to the change in the consumer's behaviour. For the new generation have preference towards luxury commodities which have been due to the strong increase in income, changing lifestyle, and demographic patterns which are favourable. The invitation for FDI in retail industry act as the further boost for retail industry, the growing requirement of investment can be fulfilled by foreign retailers.

III. CUSTOMER PERCEPTION

A customer is a person or an organizational unit that plays a role in the consummation of a transaction with the marketer or an entity. Under the modern concept of marketing, marketing activities are customer oriented supply becomes a function of demand. In other words production is carried out accordance with dealers demand. Demand is the central controlling factor. Demand management involves four interrelated activities. Perception is a process by which individuals organize and interpret their sensory impression in order to give meaning to their environment. Perception is the process by which organisms interpret and organize sensation to produce a meaning full experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue or skin. Perception on the other hand better describes ones ultimate experience of the world and typically involves further processing of sensory input. In practice, sensation and perception are virtually impossible to separate, because they are part of one continuous process. According to Bender, "perception is in reality, the perception you give is the perception you have". The old saying used to be, "perception is reality". The new saying is "reality is reality".

- Perception means it is a process by which we become aware of change (through the sense of sight, hearing, etc).
- Perception is the act or power of perceiving.
- The customer's perception survey also asks for open-end feedback on questions.
- Determine awareness of price differences, perceptions about price-quality-quantity relationship, affordability thresholds and other aspect of pricing.

FACTORS INFLUENCING PERCEPTION: A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver in the object or target being perceived, or in the contract of the satiation in which the perception is made. When an individual looks at target and attempts to interpret what he or she sees, that interpretation is heavily influenced by the personal characteristics of individual perceiver, personal characteristic that affect perception include a person attitude, personality, motives, interest, past experience and expectations. Characteristics of the target being deserved can affect what is perceived. Loud people are more likely to be noticed in a group than quite ones. So too are extremely attractive or unattractive individuals. The contact in which we see objects or events is also important. The time at which an object or event is seen can influence attention as can location, light, heat or any number of situational factors.



II METHODOLOGY

Supermarket and traditional retail stores are growing day by day. Comparative to their sales in supermarket and traditional retail stores are gaining more turnovers on an average. This study will help the supermarket and traditional retail stores to ascertain their customer perception levels. This will further help in analysing the way the customers think about the supermarket and traditional retail stores. The study is conducted in Bangalore The researcher has taken out 200 samples randomly from the total population (i.e.50 respondents who purchase from traditional retail store and another 50 respondents who purchase from supermarket). To select sample from the population, 95% as a confidence level is taken.

III DATA ANALYSIS AND INTREPATION

The sample contain a respondents of 200 out of 52 % are female respondents and 48% are male respondents. It is found that out of total respondents28% are students,26%are professionals and 25%are house wife's so there is equal number of response from all category of people. The customer's visits supermarkets and traditional retail stores once in a week and twice in a week are more with 35% and 32% and. The customer's visits once in fortnight and first time are less of 7%. The 14% customers visit once in a month and 12% of customers visit occasionally. Majority of the customer visit supermarkets and traditional retail stores for i.e. 31% buy food products. About 23% buy home products and 22% buy garments. Electronic and accessories sold at 10% and 9% respectively. And remaining percentage of customer will buy other things.About 88% of respondents are satisfied with the range of products available in the tradition retail store and 12% of respondents are not satisfied with the range of products available in the tradition retail store. And 92 % of respondents are satisfied with the range of products available in the supermarket and 8% of respondents are not satisfied with the range of products available in the supermarket. About 84% of respondents said that tradition retail store provide free home delivery and 16% of respondents said that tradition retail store does not provide free home delivery. And 60% of respondents said that supermarket provide free home delivery and 40% of respondentsAbout 68% of respondents have returned the dissatisfied products and 32% of respondents have not returned the dissatisfied products in tradition retail store and that 90% of respondents have not returned the products and 10% of respondents have returned the product in super market The above collected data reveals that 8% of respondents said excellent, 40% of respondents said good, 20% of respondents said satisfactory and 32% of respondents said bad. Some of respondents rated that parking facilities of supermarket is satisfactory because only few supermarkets like Big Bazaar, etc provide parking facilities and some of the respondents rated that parking facilities is bad because supermarkets like Food World, Monday to Sunday, etc has been located in main road and no parking facilities at all.

About 88% of respondents rated affordable and 12% of respondents rated cheap in tradition retail stores and 84% of respondents rated affordable, 8% of respondents rated exorbitant and 8% of respondents rated expensive in supermarkets.About 76% of respondents rated price deduction on the total bill amount and 24% of respondents did not agree that price deductions were given. From the above analysis it is evident that most of the respondents rated as tradition retail stores provide price deduction on total purchase. It is one of the reasons why the respondents prefer to go the provision store.About 44% of respondents are satisfied with the offers and 56% of respondents are not satisfied with the offers in supermarket From the above analysis it is found that supermarkets do not provide offers like free gifts, discount regularly.

IV FINDINGS AND SUGGESTIONS

TREDTIONAL RETAIL STORE: About 44% of respondents are satisfied with the offers and 56% of respondents are not satisfied with the offers in supermarket From the above analysis it is found that supermarkets do not provide offers like free gifts, discount regularly.

SUPERMARKET:

- Customer demand free home delivery than what is currently available.
- Pricing of the products can be improved.
- Customer demand refund of money of dissatisfied goods.
- Price reduction on total purchase is required by customer.
- Customer demand better service from salesperson than what is currently available.
- Catalogue of supermarket is required by customer..
- Supermarket is not successful in delivering on time as required by certain customer.
- Customer need regularly offer like discounts, free gifts to add to their benefit.
- Customer demand extended the duration of working hours..
- Supermarket must encourage the customer to return the dissatisfied products.

V CONCLUSION

The research shows that for one or the other reason the respondents go to traditional retail store because of a wide variety of products, price deduction on total purchase, free home delivery, good packing, and excellent services from salesperson. If the traditional retail is located around the locality, it also offers a convenient option of purchasing items that are required immediately. The traditional retail stores are also open for long hours and sometimes on all days. Traditional retail offers a friendly personal service, customers are known to the retailer, therefore allows small credit, self-service without making the customers wait for long. The research shows that the respondents go to supermarket because of a wide range of products including their own brands and good packing facilities. The research also shows that some of the benefits supermarket lacks to provide to customer are restricted shopping hours on holidays, requires immediate payment and are inconvenient to purchase a small number of items. From the research, it can also be concluded that it is very comfortable and convenient for some respondents to purchase the products from traditional retail store rather than from the supermarket.

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