A STUDY ON CUSTOMER PROFILE AND CUSTOMER BEHAVIOUR WITH SPECIAL REFERENCE TO FEMINA, TIRUCHIRAPPALLI

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ABSTRACT

The Indian retail market, which is the fifth largest retail destination globally, has been ranked as the most attractive emerging market for investment in the retail sector by AT Kearney's eighth annual Global Retail Development Index (GRDI), in 2009. India is an attractive emerging retail market: a potential goldmine. According to a research, the share of retail trade in India's gross domestic product (GDP) was between 8–10 per cent in 2007. At present, that is 2008 – 2009, the share is 12 per cent, and it will certainly reach 22 percent by 2010. Though lacs and lacs of retail shops available in India, contributing to its GDP, the movement from unorganized sector to organized sector, causal for competition among them, is inevitable. The present study reveals that how the factors like price, quality, offers, sales force conduct, shelf arrangement, discounts, packing facilities and customer care, brand choice and availability of a variety of products affect the behaviour of the customers and their level satisfaction at Femina. The research has been conducted with an aim to help the retailer – Femina to adopt suitable strategies to improve their share in the retailing industry. Though it is newly established in Tiruchirappalli, it has been far and wide welcomed by the public. The findings of the research prove this truth. Nearly 125 customers were studies using convenience sampling. Almost majority of the customers are willing to go for repeat purchases from Femina.

Keywords: Retailing, GDP, Customer Behaviour, Customer Profile.

Introduction:

The Indian population is witnessing a significant change in its demographics profile. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working-women population and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in India.

The largest industry in India is Retail. It accounts for approximately 8 percent of the employment opportunities in India. Retail industry in India is at the crossroads. Retailing in India is gradually inching its way toward becoming the next boom industry. Retail industry has emerged as one of the most dynamic and fast paced industries with several players entering into the market. This industry requires heavy initial investments. Because of this, break even is difficult to achieve and many of the players have not tasted success so far. However, the future is promising; the market is growing, government policies are becoming more favorable and emerging technologies are facilitating operations.

Modern retail has entered India as seen in sprawling shopping centres, multi-storeyed malls and huge complexes offer shopping, entertainment and food all under one roof. The Indian retailing sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory.

Overview of Retailing:

a) Size:

India is one of the 10 largest retail markets in the world. Retail sales were US$262 billion in 2006, constituting over 30% of India's GDP. "Organized Retail" constitutes only 4.6% of total retail sales - about US$12 billion p.a. It has been growing at over 40% p.a. in the last 2 years.

b) Structure:

The Indian retail sector is highly fragmented: mostly owner-run "Mom and Pop" outlets. There are over 15 million such "Mom and Pop" retail outlets. Retail chains such as Pantaloon, Trent and RPG Retail have been growing rapidly; while Reliance, Bharti and Aditya Birla Group have announced investments of over US$9 billion in the sector. Dairy Farm, Metro, Shopritem, Wal-Mart and Marks & Spencer are some of the major international retail chains that are already present or in the process of entering the market. More than 100 international luxury brands are planning to set up shop in India.

c) Policy:

100% FDI is allowed in Cash and Carry Wholesale formats. Franchisee arrangements are also permitted in retail trade. 51% FDI is allowed in single brand retailing. The government is examining further liberalization of FDI in retail trade.

d) Top Players in the Retail Industry :

PLAYERS	Revenues for 2006 – 07 (in US$ millions)	Retail Space as May 2007 (Sq. ft.)	Format
Future Group (Pantaloon Retail)	821.0	6,630,000	F&G, Specialty
Raheja Group (Shoppers' Stop)	219.7	1,590,000	F&G, Specialty
Tata Group (Trent, Infiniti Retail)	145.2	880,000	Specialty, Retail, Electronics, Hyper Markets
RPG Retail	146.0	810,000	F&G, Specialty
A V Birla Group	61.0	890,000	F&G

Source: TSMG

e) Indian Retail Market:

Market Size: US$270 billion in FY 2006
Food, Grocery & General Merchandise – 63.7%
Clothing, Textile & Fashion Accessories – 8.5%
Durables – 4.1%
Eating Out – 4.1%
Home Décor & Furnishings – 3.9%
Others – 15.8%

Source: TSMG Analysis

Statement of the Problem:

As Indian retail industry is progressing well, both the retailers and the Indian government have to make a combined effort to enhance further growth of the Industry. It is very important to understand the customers in terms of their purchasing behaviour, their profile, perception, expectations, level of satisfaction, etc in order to meet out the intense competition existing in the Indian Retail Industry. The present study has directed towards dealing with understanding the customer profile, behaviour and satisfaction with special reference to Femina, Tiruchirappalli. Two sets of factors have been derived for the purpose of study. They are **expectation factors** - expectation factors like price, location, brand image, brand choice, crowd management, assistance provided, and customer care, and ambience, discounts, packing facilities and parking facilities and **satisfaction factors.**

Objectives:

- ✓ To understand the customers' profile & their behavior at Femina
- ✓ To examine the factors influencing shopping behaviour of customers at Femina
- ✓ To know the level of expectation and satisfaction of customers at Femina
- ✓ To study the influence of demographic variables on the level of expectation and satisfaction
- ✓ To analyze the service quality gap between the level of expectation and satisfaction

Scope of the study:

This research gives a broad frame work of the Femina customers and an analysis of their profile and buying behavior. This can be used as a guideline in the future business plans and making changes in the current activities. It gives an idea of the areas, which need emphasis and development. This study has been conducted in Tiruchirappalli city covering all the areas falling within this zone with a sample size of 125 respondents. The respondents' responses were analyzed using some of the statistical tools.

Research Methodology:

The study is of descriptive in nature. This study describes the observations and perception of the customers about Femina. The sampling design consists of sampling method and sample size. The sampling method used is convenient method of sampling since the population is infinite. The sample size is 125 respondents from the customers of Femina in Tiruchirappalli city. The method used to collect primary data is through questionnaires. Secondary data is collected through company manuals, records, journals, magazines and web sites. The statistical tools used for analysis are: Percentage analysis - Percentage analysis is used to describe the profile of the respondents and buying behavior of the customers

of Femina. Chi – square analysis - Chi – square analysis is used when two variables are to be compared. In this study, chi-square analysis is used to make a comparison between the level of expectation and satisfaction of customers of Femina. Mean score analysis - Mean Value is used to identify and rank the factors which influence the level of expectation and satisfaction of the consumers. Paired sample't' test - This test is used to find out the significant difference between the two variables. In this study t-test is performed to find the gap between the level of expectation and satisfaction.

Inferences and Findings:

After having analyzed the collected data from the respondents, it can be understood that a very large young working population with median age of 26 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the services sector are the key factors in the growth of the organized sector in the study area. Such people show a positive attitude towards the services rendered by the retailer Femina. It is also inferred from the study analysis that the price factor is felt as very important by the respondents which carries the highest mean score of 2.678, the other factors in this order of importance are quality, shelf arrangements, brand choice, availability, crowd management, ambience, discounts, brand image, packing facilities, customer care, billing, location assistance provided and parking facilities. One of the objectives of the study is to know the level of satisfaction of the customers with respect to certain factors. The study revealed that brand choice is the factor which is felt very much satisfactory by the respondents and the other factors in the order of satisfaction are availability, discounts, packing and parking facilities, customer care, assistance provided, brand image, billing, ambience, quality, location, price and arrangements. With the help of Chi-Square test, at 5% level of significance, the influence of demographic variables on the level of expectation and satisfaction is tested. For which the null hypothesis stated is there is no significant impact of demographic factors on the level of expectation and satisfaction. From the study, it is very clear that the demographic factors like age and size of the family do not significantly affect the level of expectation and satisfaction of the customers. Here the hypothesis is accepted at the significance level. But gender, educational qualifications, monthly income of the respondents and occupation significantly affect the level of expectation and satisfaction of the customers. In this case, the hypothesis is getting rejected. Paired Sample t-test is used to study the gap between expectation and satisfaction of the customers. For which a hypothesis is formulated as below: The null hypothesis goes that there is no significant gap between the expectation and satisfaction with respect to a number of factors. From the study, it is known that there is significant gap between the level of expectation and satisfaction with respect to price, quality, location, brand image, shelf arrangements, assistance provided, billing and parking facilities. In addition to it, the study reveals that there is no significant gap between discounts, brand choices, availability, packing facilities and customer care.

Demographic Profile of the Customers:

Most of the respondents belong to the age group of 31 – 40 (39%), 30% of the respondents belong to the age group of 21 – 30, 25% of the respondents belong to the category <20 years and the remaining 6% belong to the category of > 50 years. 67.2% of the female with their family members and 32.8% of the male visit the shop for purchasing their daily requirements. 33.4% of the respondents are home makers, 32.6% of the professionals and employees put together, 30.4% of the respondents are business people and the remaining 3.6% of the respondents belong to the student category. 52.7% of the respondents are undergraduates, 30.8% are post graduates, 12% of the respondents are HSC and 4.5% of the respondents are of SSLC school level education. 46% of the respondents belong to the income level between Rs.10001-20000, 40.2% of the respondents have income level between Rs.20001-30000, 6% of the

respondents have an income level above Rs.30000, 3.3% of the respondents belong to the category of Rs. 30,0001 and above and 2.5% of the respondents have an income level below 10000.

Purchasing Behaviour and Purchasing Pattern of the Consumers:

Viral Marketing is the major means through which most of the consumers came to know about the quality of products and services provided by Femina. Thus the behaviour of the consumers has been molded only through the information they have collected from various sources.

Buying Behavior of the Consumers:

70% of the respondents have come to know Femina through friends & relatives, 43% of the respondents visit the store between 15 – 30 days, 48% of the respondents spend between Rs.1001 – 3000, 47% of the respondents feel that Spencer's Plaza is the closest competitor of Femina.

Level of expectation and satisfaction :

Most of the respondents felt that the price factor very important and the other factors are quality, shelf arrangements, brand choice, availability, ambience, discounts, brand image, packing facilities, customer care, billing, location, assistance provided and parking facilities. Brand choice is the much satisfying factor followed by availability, discounts, packing facilities, customer care, arrangements, assistance provided, brand image, billing, ambience, quality, location, price and parking facilities.

Level of Expectation Vs Satisfaction: Gap analysis:

There is significant gap between the level of expectation and satisfaction with respect to price, quality, location, brand image, Shelf arrangements, crowd management, assistance provided, and ambience, billing and parking facilities. And it can also be seen that there is no significant gap between brand choices, availability, customer care, discounts and packing facilities.

Recommendations :

Femina can develop new marketing strategies to concentrate on the almost all the age groups and income groups of people since new stores are coming up as competitors.

Findings show that most of the respondents purchase groceries, and other products need to be properly positioned to attract more consumers.

Efforts should be taken to reduce the gap between expectation and satisfaction level in the case of factors like price, quality, location, brand image etc. This will lead to arrest the customer attrition and defection.

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