

A Study of Store Environment in Organised Retail Outlet

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ABSTRACT

Retailing in India is an uncharted territory. Retailing in India is gaining attention like never before. Organized retailing especially is creating euphoria amongst India consumers drawing them into malls and trade areas in huge numbers. Retailers are offering newer services dimensions to create unique shopping experience for customers. Shopping for food and grocery products has witnessed a revolution in Indian retail market with the conspicuous changes in the consumer buying behaviour driven by strong income growth, changing life styles and favourable demographic patterns. Most of the food and grocery products reach the consumers through neighbourhood kirana stores which are organized. But the very fast contributed immensely to the growth and development of 'Western' format typologies such as super market, convenience stores, discount stores and hyper markets. This dissertation aimed to explore and examine the predictability of major constructs (i.e shopper attributes, store attributes, information sources and situational factors) on retail format choice behaviour in food and grocery retailing from the proposed model based on the identification of research gaps. This thesis also intended to examine the strong intentions with chosen store formats.

I. INTRODUCTION

According to the report of the Confederation of Indian Textile Industry, the Indian economy will be one of the fastest growing economies with 9.8% compounded annual growth rate (CAGR) between years 2011 and 2020. It's being projected that the Indian retail market will grow at a compounded annual growth rate (CAGR) of 13% with an increase from USD 25 billion in 2007 to USD 124 billion in 2020. The Indian retail market is witnessing a dramatic change in market trends and consumers' buying behaviour, especially in Tier-II and Tier-III cities due to an upsurge in consumerism, increased income levels, fluctuating

consumption pattern and spending habits, and change in lifestyle pattern of consumers. India's organized retail market is rigorously planning to expand the number of stores across the country rapidly; that emerged as the biggest challenge for retailers to position brand image among consumers for gaining competitive advantage over prevailing rivals in the offline market. An attractive retail environment can be a possible way to achieve the advantage. The concept of store environment was addressed and focussed upon by various researchers in recent decades. From the past literature, it has been observed that researchers emphasized on limited store environmental factors. A few researchers constructed a framework by demonstrating in-depth literature review of several store environment variables (Turley&Milliman, 2000; Bohl, 2012) Store Environment – Concept: Various research studies are directed towards this issue and have addressed its influences. Store environment and atmosphere are used interchangeably by several researchers. One of the initial research studies by Kotler, (1973) defined store atmosphere as “the effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability”. Further, he explained the store as the place where consumers buy products and which is more persuasive than the product itself. Recent studies focussed on selecting and developing a few dimensions of retail store environment and its scale. This study attempts to provide store environment scale to measure the consumers' perception of retailers for practical implementation in the retail environment. Following are the objectives of the present study: i. To identify and analyse dimensions of store environment through review of literature; ii. To propose a scale for measuring the dimensions of store environment and its factors; iii. To test the developed scale for reliability and validity, and iv. To implement the developed scale in the retail sector.

Research Objectives

- Understand the importance of store environment
- Learn the key dimensions of store environment.
(E.g. store layout, design and visual merchandising)
- Identify the major difference in terms of store environment between Chinese retail store and Indian retail store.
- Advantages and disadvantages of alternative store layout
- How is store floor space assigned to merchandise and department

SCOPE OF THE STUDY

Retailing has a very wide scope. It is one of the fastest growing industries in India and is providing employment opportunities to many people. Retailing provides employment in two ways. Firstly, it provides entrepreneurship opportunities to the people and secondly, it provides employment to so many people who cannot own the retail stores. With the increase in the purchasing power of the people and the rural reach of the retailers, the scope of retailing has increased manifold. The scope of retailing can be viewed from the two viewpoints. One from the retailer's, i.e., the entrepreneur's perspective. and the other from the employee's perspective.

II. LITERATURE REVIEW

This chapter provides the reader with important facts, theories and models in order to increase the understanding of the area under investigation. Store is a function of materials management in an organization. Hence it is generally found that stores function reports to the materials manager. But in some situations stores function reports to the production function. The earlier type of arrangement is based on the concept that stores along with other functions of materials management can be integrated into the materials organization. This will stream line all materials management functions effectively. The other arrangement is leaning on the fact that production function is very closely linked to stores and a common command can reduce cost and increase effectiveness and also keep material accounting outside the scope of procurement function.

FIFO System.

First in first out system- when the material is issued it is assumed that the one which came first

is going out. Hence the rate pertaining to the first in is applied. To the stock latest price is applied.

When there are several price changes this system becomes complex.

LIFO System.

Last in first out at the time of issue- When the material is issued latest entrant is assumed to be going out. Hence latest prices are applied to the issue. And receipt price is applied to stock. Average cost system: an average is established with price of each item in every shipment taken into account. Total items received and price paid for these items is calculated. And average price for each item from this lot is calculated and applied to the issue and stock.

Research gap

Organized retail is a sector which consists of the companies which are associated with production or sales of goods and services that operates as private limited organizations which are governed by companies' act. The organized retail sector can be characterized as follows

1. The retail setups are owned by companies.
2. Few of the employees on the payroll of the organization with others are on contract.
3. The employees are governed under the act of minimum wages.

Organized retail is associated with customers walking into the stores for the showrooms and buying their necessary products. Huge quantities of goods are stocked up in the retail store and huge discounts which are gained by the company are passed down to the customers.

RESEARCH METHODOLOGY AND DATA BASE

The methodology adopted for the study in discussions with the personnel in india info line ltd. There are several ways of collecting data while doing the project (or) any survey. In this project I have collected from two sources.

1.Primary Sources 2.Secondary Sources

PRIMARY SOURCES

The primary data that has been collected by gathering information about our project from the interaction with the customer through providing the sampling methods. The sampling methods used was basically convenience sampling by providing the customer reviews of the company.

SECONDARY SOURCES

The secondary source data has been collected from the journals, magazines and by generating database of recipients of other

companies. The methodology adopted in the procedure followed in order to give the project its shape is inquiring and looking into the practicalities of reviews to have the correct insight of process adopted. Finally compiling the primary sources and secondary sources data gathered, that making a study of option available.

RESEARCH TOOLS AND TECHNIQUES

The technique used for analysis are

- Tables
- Graphs
- Since Sample size is only 100 the information collected

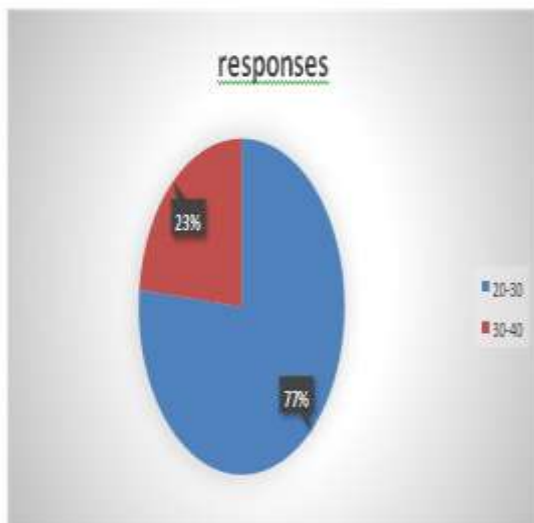
TOOLS USED FOR DATA COLLECTION:

The data was collected through structured questionnaire. Questions can be categorized into multichoice and open-ended questionnaires were designed for consumers. Care was taken to ensure that the questions framed were compatible with research objectives.

DATA ANALYSIS AND INTERPRETATION

GENDER

Particulars	Responses	Percentages
Male	70	69.76%
Female	33	32.03%
Total	103	100%

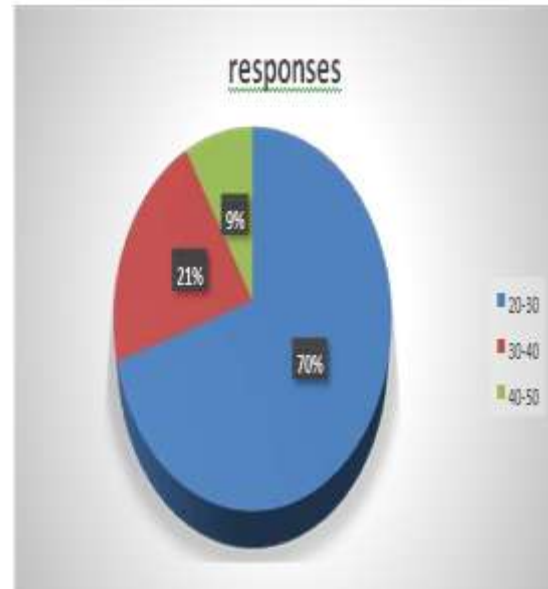


DATA INTREPRETATION:

From the above figure we can clarify that out of 100%. 70 male and 33 are female respondents are done while doing the survey.

Age Group

Particulars	responses	percentages
20-30	72	69.90%
30-40	22	21.35%
40-50	9	8.73%
Total	103	100%

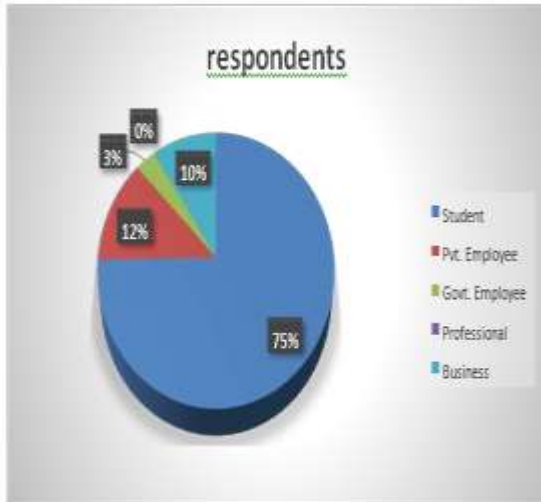


DATE INTERPRETATION

From the above study the result is 72 respondents between 20 – 30 age, 22 respondents between 30 – 40 ages, 9 respondents between 40 – 50 age. During the survey

Occupation:

Particulars	respondents	Percentages
Student	77	74.75%
Pvt. Employee	13	12.62%
Govt. Employee	3	2.9%
Professional	0	0%
Business	10	9.70%
Total	103	100%

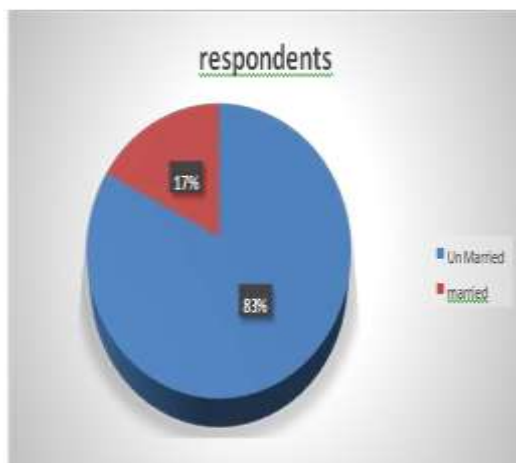


DATA INTERPRETATION: -

From the above study we can see that out of 103 respondents, 77 respondents are students, 3 respondents have public sector job, 13 respondents have pvt. Sector job, 0 respondents are professionals, 10 respondents are Businessman,

MARITAL STATUS

Particulars	respondents	Percentages
Un Married	85	82.52%
Married	18	17.47%
Total	103	100%

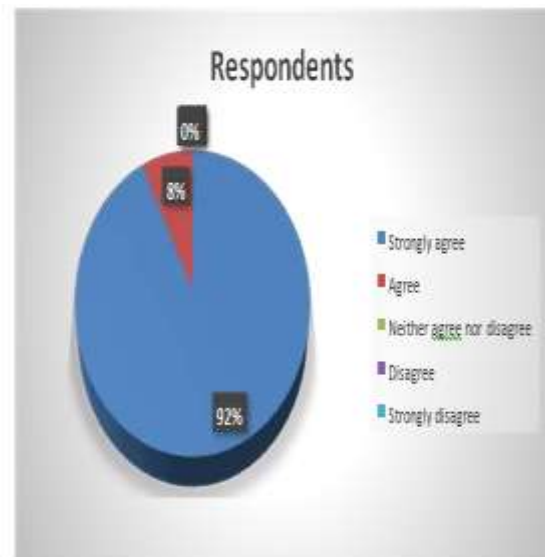


DATA INTERPRETATION

From the above responses. 85 of them are unmarried and 18 of them are married. During the survey.

Music played in the store was pleasurable

Particulars	Respondents	Percentages
Strongly agree	95	92%
Agree	8	8%
Neither agree nor disagree	0	0%
Disagree	0	0%
Strongly disagree	0	0%
Total	103	100%

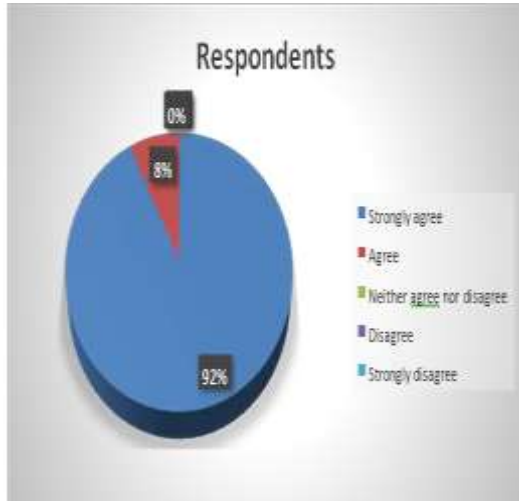


DATA INTERPRETATION

We can see that out of 103 respondents, 95 respondents are aware and only 8 respondents are agree, 0 respondents are disagree. During the survey.

The store music played was entertaining was amused by the music played in the store

Particulars	Respondents	Percentages
Strongly agree	95	92%
Agree	8	8%
Neither agree nor disagree	0	0%
Disagree	0	0%
Strongly disagree	0	0%
Total	103	100%

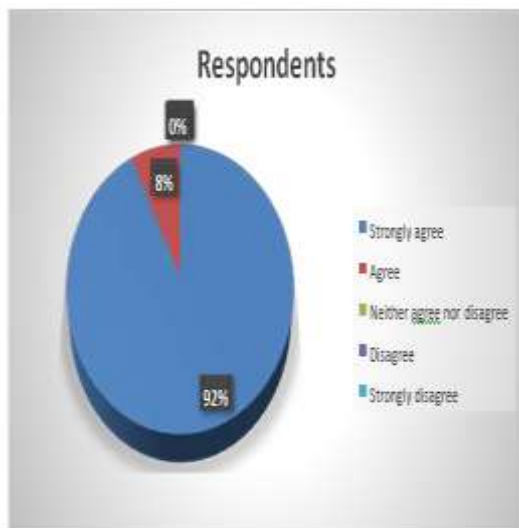


DATA INTERPRETATION

We can see that out of 103 respondents, 95 respondents are aware and only 8 respondents are agree,0 respondents are disagree. During the survey.

The store has bright lighting arrangement

Particulars	Respondents	Percentages
Strongly agree	95	92%
Agree	8	8%
Neither agree nor disagree	0	0%
Disagree	0	0%
Strongly disagree	0	0%
Total	103	100%

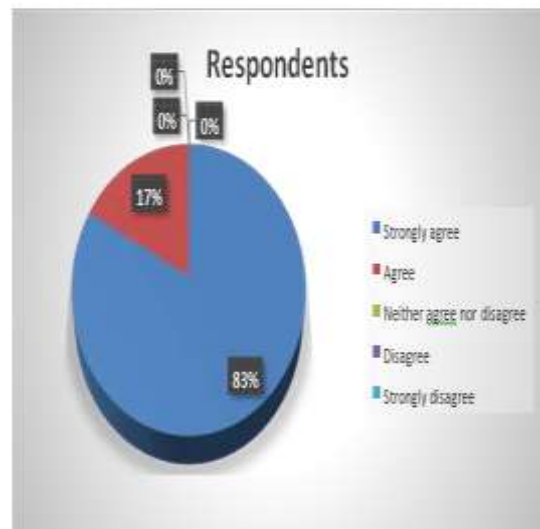


DATA INTERPRETATION

We can see that out of 103 respondents, 95 respondents are aware and only 8 respondents are agree,0 respondents are disagree. During the survey.

Lighting of the store was sufficient

Particulars	Respondents	Percentages
Strongly agree	85	82%
Agree	18	17%
Neither agree nor disagree	0	0%
Disagree	0	0%
Strongly disagree	0	0%
Total	103	100%

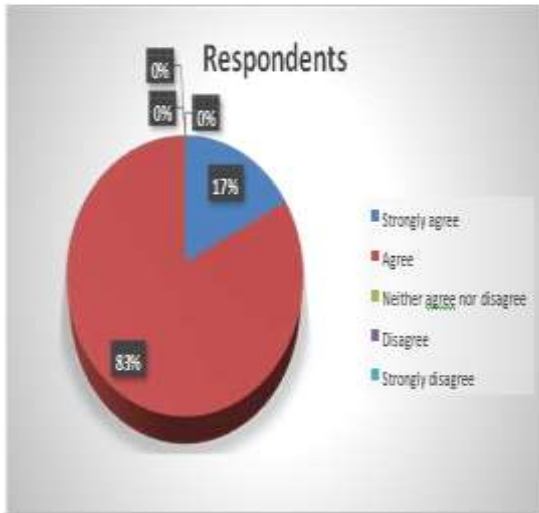


DATA INTERPRETATION

we can see that out of 103 respondents, 85 respondents are aware and only 18 respondents are agree,0 respondents are disagree. During the survey.

Store lighting intensity was quite appropriate

Particulars	Respondents	Percentages
Strongly agree	18	17%
Agree	85	82%
Neither agree nor disagree	0	0%
Disagree	0	0%
Strongly disagree	0	0%
Total	103	100%

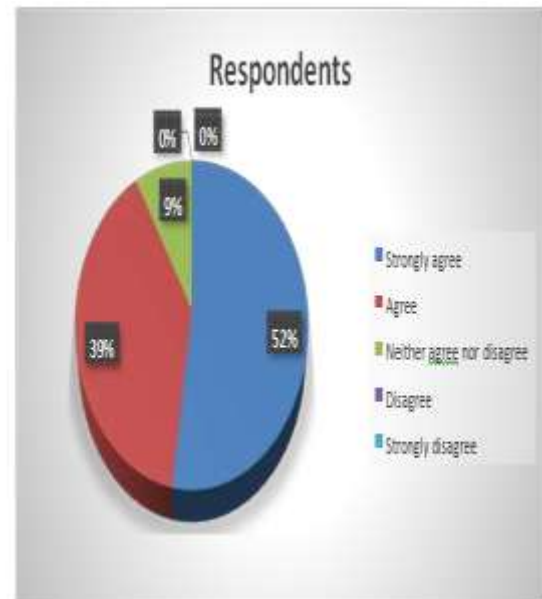


Fragrances in the store was quite pleasurable

Particulars	Respondents	Percentages
Strongly agree	54	52.42%
Agree	40	38.83%
Neither agree nor disagree	9	8.73%
Disagree	0	0%
Strongly disagree	0	0%
Total	103	100%

Data interpretation

We can see that out of 103 respondents, 85 respondents are aware and only 18 respondents are agree, 0 respondents are disagree During the survey.

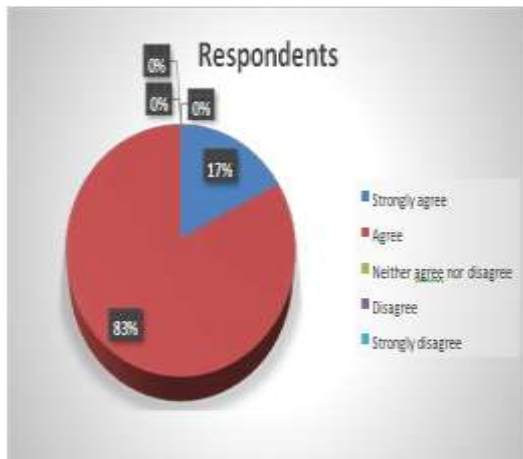


Aroma in the store was gentle

Particulars	Respondents	Percentages
Strongly agree	18	17%
Agree	85	82%
Neither agree nor disagree	0	0%
Disagree	0	0%
Strongly disagree	0	0%
Total	103	100%

Data interpretation

We can see that out of 103 respondents, 54 respondents are aware and only 40 respondents are agree, 8 are neither agree nor disagree, 0 respondents are disagree During the survey.



Data interpretation

We can see that out of 103 respondents, 85 respondents are aware and only 18 respondents are agree, 0 respondents are disagree During the survey.

III. FINDINGS

According to the analysis and the discussions listed in the previous chapters, the findings of the research are listed in this chapter. The aim of the study is to analyse the customer perception on selected branded retail outlets in Coimbatore city. The major findings are:

- The overall perception score is higher in 15-20 years age group than other age groups and is least in 31-40 years of age group.
- The overall satisfaction score is higher in 15-20 years age group than other age groups and is least in 31-40 years of age group.

- The overall acceptance score is higher in 15-20 years age group than other age groups and is least in 31-40 years of age group.
- The overall problem score is higher in 15-20 years age group than other age groups and is least in 41 and above age group.

IV. SUGGESTIONS

There are many challenges which have to be overcome in order to position Indian retail at the world class standards. According to the findings and the discussions listed in the previous chapters, the suggestions have been given below to improve the situation of the branded retail outlets.

To the Retailer

- As there are limited customers enrolled in the loyalty programmer like coupons, point system, privilege card, the BRO can innovate new loyalty programmers like discount sale, door delivery, buy one get one offers, (Every Day Low Price) EVLP, etc., to increase the loyalty of the existing customers and to convert potential customer to loyal customer. There is an evidence of vivid change in trend in retailing. This can be utilized for the customers' benefit, by which the market growth and development can be enhanced.
- The use of technology to the fullest extent will help strengthening the retailers by minimizing the operating cost. This also improves the market communication process between the retailers and the customers. Effective marketing channel like internet, hoardings, sums and TV will lead to the betterment of the service.

V. CONCLUSION

India, has joined the bandwagon of information technology, is poised to grow as a retail hub. In this competitive global scenario, it is imperative to sustain the modernization of retail sector. The basic necessity is to create an appropriate environment to actuate retailing practices where everyone can be benefited. Indian retail industry has a unique selling strategy with a huge population and potential consumption pattern. Unfortunately, in India, retailing is still unorganized. But Indian retail industry is getting

organized and it is at the growth stage of the business cycle. The study highlights the increasing number of nuclear families opting for branded retail outlets. The worldclass practices of supply chain management are not in position in Coimbatore retail outlets. Two major concepts, Quick Response (QR) and Efficient Consumer Response (ECR) are lacking in branded retail outlets. Other modern retailing management concepts like Electronic Data Interface and mutually respectable partnership among retailers and suppliers are not exercised to a great extent.

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QUESTIONNAIRE

STORE ENVIRONMENT IN ORGANIZED RETAIL OUTLET

Name of the Respondents: _____

Age : _____ Gender : MALE / FEMALE

Education: SSC / Intermediate / Graduate / Post Graduate Any other pls Specify _____

Occupation: Student / Pvt. Employee / Govt. Employee / Professional / Business

Marital Status: Married / Unmarried

The following questions try to assess the store environment in retails outlet. Please indicate the number best indicates the degree to which you agree or disagree with each of the following statements. 1 means "Strongly Disagree" and 5 being "Strongly Agree".

S. No	Statements	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	Music played in the store was pleasurable					
2	The store music played was entertaining was amused by the music played in the store					
3	The store has bright lighting arrangement					
4	Lighting of the store was sufficient					
5	Store lighting intensity was quite appropriate					
6	Aroma in the store was gentle					
7	Fragrance in the store was quite pleasurable					