A STUDY ON CONSUMERS PREFERENCE FOR RETAIL AND HYPER MARKETS

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ABSTRACT

Because of technological advancement, increased public awareness, and the growing size and complexity of business, the tasks and responsibilities of business executives have become critical. Increasing the government's participation in the economy, raising the standard of living, and increasing completion There is a perception that Indian corporate business has moved from a seller's market to a buyer's market in the business environment in general, and because of increased buyer awareness and market competition, the study of buyer behavior in consumer products is gaining importance in order to satisfy people's needs and wants by providing appropriate products.

The current study aims to investigate customer preferences for department stores; it is a comprehensive study that is limited to Ebony retail in Chennai. The study included equal representation of various consumer groups, including government employees, housewives, students, and business owners. The study relies on primary data gathered through the use of a structured questionnaire/schedule. The study's goal is to discover the factors/motives behind Ebony retail store purchases.

After analysis of collected data, the main findings of this project and suggestions will be helpful for framing appropriate policy and implication of the same.

Keywords: Retail Market; Hypermarket; Purchasing; Consumers; Department Store; etc.

INTRODUCTION

Everything changes on a daily basis in today's globalized world, as innovation is the rule of nature. There has also been a significant shift in consumer purchasing behaviour. Consumers are becoming more conscious of their purchasing decisions all over the world. They are more aware and educated now. People are spending more because their per capita income is rising.

People are moving towards mall culture, which indicates modern life, not only in Western countries or metro cities, but also in developing cities such as Chennai, etc. Everyone is drawn to shopping malls because of their high quality. Because of this consumer mentality, shopping complexes are being converted into shopping malls, and small stores are being converted into department stores. The modern generation is gravitating toward shopping malls and online purchases.

Everyone desires to meet his or her needs in well-appointed and luxurious stores. It is widely assumed that only wealthy and educated people shop at department stores. This is also one of the reasons why most people go there: to demonstrate their social standing in front of their friends and society. Similarly, many of them go there just for

a visit, but they buy things like wafers, chocolates, and so on reluctantly because they don't want to leave with empty hands.

1.1 THE STUDY'S OBJECTIVES

The primary goal

- **t**o learn about customer preferences for department stores

Goals Secondary's

- To learn more about Ebony retail's target customers

- To learn about the company's strategies for expanding its customer base.

- To learn more about the company, click here.

1.2 STUDY IS REQUIRED

The increasing competition among department stores, as well as the serious and tough competition among retail chain stores, has resulted in lower margins for both manufacturers and dealers. Consumers' desire for department stores grows, but capacity is also expected to grow as major players such as Ebony, Reliance Fresh, Birla's MORE, and others expand. Small shops in the neighborhood are also being transformed into modern department stores by changing their infrastructure. This demonstrates how people are drawn to department stores and how they have become an unavoidable part of their shopping habits. Consumers are drawn to colorful displays, touch and feel purchase models, air-conditioned store floors, advanced billing models, and so on.

1.3. OBJECTIVES OF THE STUDY

- To understand the target customers' income and age

- To discover what customers think about a department store.

- To learn how department stores deal with their competitors.

2. METHODOLOGY OF RESEARCH

Descriptive research includes various types of surveys and fact-finding inquiries. The primary goal of descriptive research is to describe the current state of affairs. The main feature of this method is that the researcher has no control over the variables; he can only report on what has occurred or is currently occurring. Data for this project will be gathered through descriptive research.

2.1 Research Design

Research Design is the conceptual structure within which research is conducted. It constitutes the blueprint for collection, measurement, & analysis of the data. The design used for carrying out this research is exploratory & experience based.

I intend to carry out primary and secondary research, carry out focus interviews and group discussions which would help me to gather fresh data which can be analyzed with the past data to seek the existing trends in retail industry. This would include usage of questionnaire as a tool for gathering data.

Respondents who are specifically targeted

The respondents were chosen at random from the Chennai population.

Population

There are 295 people in the city.

The sample size is 135

Methods for Sampling

A simple random sampling method is used to collect data via questionnaire.

2.1 Data sources

Primary Data: The primary data was gathered through direct observations, questionnaires, and interviews in the market area, as well as information provided by the customer. A set of questionnaires has been created. This will be the primary source of data collection in this project.

Secondary Data:

Secondary data for the study was gathered from internet sources, magazines, and newspapers, which aided in gaining an understanding of the current situation.

Tools for Analysis

Percentage refers to special kind of ratio that is used in making comparison between two or more series of data. Percentage can also be used to compare between two or more series of data. Percentage can also be used to compare the relative item that is distribution of two or more series of data. This method is mainly used as comparative study.

Percentage=<u>No.of Respondents</u> /x100

       Total Respondents

3. REVIEW OF LITERATURE

Laura and Al Ries, "Successful branding programs are founded on the concept of singularity." The goal is to create the impression in the prospect's mind that there is no other product on the market quite like your product."

Elias Canetti, "It doesn't matter how new an idea is; what matters is how new it becomes."

David Ogilvy, "If you're trying to persuade people to do or buy something, it seems to me that you should use their language, the language in which they think."

"Customers want brands that are narrow in scope and distinguishable by a single word, the shorter the better," says Al Ries.

4. DATA ANALYSIS

Table 1 Weighted Average – 1 THE ELECTRONIC PRODUCTS PURCHASE VERY OFTEN

Televisions	Mobiles	Computers/ Laptops	Others	Aggregate	Weighted Average
22	51	39	23	286	2.12

SCALE REPRESENTATION:-

Televisions $\rightarrow 4$

Computers/laptops $\rightarrow 2$

Others $\rightarrow 3$

Mobiles $\rightarrow 1$

$$= \frac{(51*1) + (39*2) + (23*3) + (22*4)}{135}$$

$$= \frac{51+ 78+ 69+ 88}{135}$$

$$= \frac{286}{135}$$

$$= 2.12$$

Inference

From the above table it is clear that weighted average is 2.12 and the value of the weighted average is in between 2 and 3. Hence, most of the respondents buy computers & laptops very often.

Chi-Square – 1 making the retail sector to be efficient

Vs

Factors that prompted to purchase through retailing mode

H$_0$ (Null hypothesis) = There is no dependency between Making the retail sector to be efficient and purchase through retailing mode

H$_1$ (Alternate hypothesis) = There is dependency between Making the retail sector to be efficient and purchase through retailing mode

Table 2 OBSERVED FREQUENCY:

Making the retails sector to be efficient/ purchase through retailing mode	provide an efficient Home Delivery system	Ambience & Hygiene	Faster Billing Services	Follow Up calls are very important	**Total**
Nice product view	25	17	5	3	**50**
Detailed product information	28	26	6	1	**61**
Recommended or linked products	4	3	3	6	**16**
Others	1	1	2	4	**8**
Total	**58**	**47**	**16**	**14**	**135**

Table 3 EXPECTED FREQUENCY:

Making the retails sector to be efficient/ purchase through retailing mode	provide an efficient Home Delivery system	Ambience & Hygiene	Faster Billing Services	Follow Up calls are very important	**Total**
Nice product view	23	15	8	4	**50**
Detailed product information	25	28	6	2	**61**
Recommended or linked products	6	3	1	6	**16**
Others	4	1	1	2	**8**
Total	**58**	**47**	**16**	**14**	**135**

FORMULA:

CHI SQUARE = $\sum [(O-E)^2 / E]$

O – Observed frequency

E – Expected frequency

(O – E) = Difference between observed frequency and expected frequency.

(O – E) = Square of the difference

Table 4 CALCULATIONS:

O	E	O-E	$(O-E)^2$	$(O-E)^2 / E$
25	23	2	4	0.17
17	15	2	4	0.27
5	8	-3	9	1.125
3	4	-1	1	0.25
28	25	3	9	0.36
26	28	-2	4	0.14
6	6	0	0	0
1	2	-1	1	0.5
4	6	-2	4	0.67
3	3	0	0	0
3	1	2	4	4
6	6	0	0	0
1	4	-3	9	2.25
1	1	0	0	0
2	1	1	1	1
4	2	2	4	2

$\sum [(O-E)^2 / E]$ **= 12.74**

Degree of freedom = (R-1) (C-1)

= (4-1) (4-1)

= 9

Calculated value = 12.74

At 5% level of significance the table value is 16.919

Table value > calculated value

H_0 is accepted.

Inference

Hence, there is no dependency between making the retail sector to be efficient and

Purchase through retailing mode

5. FINDINGS

- 31 percent of respondents have an income of less than one lakh, 24 percent have an income of one to five lakhs,

- 18 percent have an income of five to ten lakhs, and the remaining 27 percent have an income of more than ten lakhs.

- 57 percent of respondents have made a retail purchase, while 43 percent have not made a retail purchase.

- 20% of respondents buy their provisions on the spur of the moment, 50% say they'll buy once a week, 20% say they'll buy monthly, and 10% say they'll buy on the basis of dependency.

- 39 percent of respondents buy their provisions and groceries in nearby unorganized stores, 16 percent say they'll buy in the open market, 31 percent say they'll buy in department stores, and 14 percent say they'll buy in supermarkets..

5.1 SUGGESTIONS & RECOMMENDATIONS

1. The company can improve further by introducing products with cutting-edge technology and thus establishing a good reputation among customers.
2. More stores should be opened because customers prefer to take their purchases in person and without interruption.
3. The location of the stores must be easily accessible by all modes of transportation and must offer a wide range of products and services to customers.
4. All of the goods must be available under one roof.
5. Ebony must consider slow-moving items such as cosmetics and other accessories. The quantities of these items in stores are very limited, which is insufficient to elicit a purchase impulse. So, if Ebony wishes to sell these items, they should be more expensive.

6. CONCLUSION

It is important to note that there are some questions for which customers did not provide correct answers. It frequently occurs while completing a questionnaire. Typically, people do not provide accurate information about their income, age, and education. The following are the findings: - 1. The majority of those people prefer Department Stores: Between the ages of 25 and 40 years their family's annual income is at least Rs.15000. Those who have completed their studies. Those who own their

own vehicle the main draw of the Ebony Departmental Stores is: - Located in shopping malls and posh neighborhood's. Displays and Varieties Parking facilities that are adequate. Different offers are available. The majority of Ebony Stores customers visit on weekends, primarily in the evenings, and during the first week of the year.

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