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## To study the consumer's perception and ideas about the price, quality and services rendered by the mega stores in Coimbatore

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### Abstract

Today, variety of goods are made available in single shop, at a place. These days, consumer buying is not only transfer of item from seller to buyer but also they want buying with happily. They want to see, feel and touch the goods that they buy. Understanding the needs and wants of consumer many organizations have come to make purchase according to their preference. Industry of retail in India which has become modern can be seen from the fact that there are number of shopping centers, malls and sprawling complexes which offer variety of food stuff, shopping, garments and entertainment all under the same roof. Hence, the present study has been undertaken to find out customers' opinion and ideas about the price, quality and services rendered by the mega stores by different customers' in Coimbatore city.

**Keywords:** customers' opinion and ideas, retail in India, quality and services rendered by the mega stores

### Introduction

The term "Retail" was derived from a French-Italian word. Retailing is the transaction that markets products or services to final consumers for their own personal or household use. It does this by organizing the availability of the goods on a relatively large scale and supplying them to customers on a relatively small scale. Retailer is a individual person or an agent or an agency or company or organization who is instrumental in made availability of the goods and services to the ultimate consumer.

In olden days were the consumer went in search of materials from shop to shop. Today, variety of goods is made available in single shop, at a place. In this current scenario, consumer buying is not only transfer of item from seller to buyer but also they wants buying happy with good quality. They have to see, feel and touch the goods that they buy. Understanding the needs and wants of consumer many organizations have come to make purchase according to their preference.

### Retail industry in India

Indian retail industry is the largest industry in India, contributing to over 13% of the country's GDP. Organized retail industry in India is expected to rise 35% yearly being driven by strong income growth, changing lifestyles, and favorable demographic patterns. It is expected that by 2011-2012 modern retail industry in India will be worth US\$ 590 billion. It has further been predicted that the retailing industry in India will amount to US\$ 833 billion by 2013 and US\$ 1.3 trillion by 2018. Shopping in India has witnessed a revolution with the change in the consumer buying behavior and the whole format of shopping also altering. Industry of retail in India which has become modern can be seen from the fact that there are number of shopping centers, malls and sprawling complexes which offer variety of food stuff, shopping, garments and entertainment all under the same roof.

Indian 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.

In the Indian retailing industry, food is the most dominating sector and is growing at a rate of 9% annually.

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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. Indian government will have to make a combined effort. Indian retailing industry as well as the Indian government will have to make a combined effort. Indian retailing industry has seen phenomenal growth in the last five years. Organized retailing has finally emerged from the shadows of unorganized retailing and is contributing significantly to the growth of Indian retail sector. The "Indian Retail sector Analysis report helps clients to analyze the opportunities and factors critical to the success of Retail industry in India.

Indian retail industry is going through a transition phase. Most of the retailing in our country is still in the unorganized sector. The spread out of the retails in US and India shows a wide gap between the two countries. Though retailing in India is undergoing an exponential growth, the road ahead is full of challenges.

### **Types of retail outlets**

#### **Department stores**

Department store is a very large stores offering a huge assortment of "soft" and "hard goods; often bear a resemblance to a collection of specialty stores. A retailer of such store carries variety of categories and has broad assortment at average price. They offer considerable customer service.

#### **Discount stores**

Discount stores tend to offer a wide array of products and services, but they compete mainly on price offers extensive assortment of merchandise at affordable and cut-rate prices. Normally retailers sell less fashion-oriented brands.

#### **Warehouse stores**

Warehouse store - warehouses that offer low-cost, often high-quantity goods piled on pallets or steel shelves; warehouse clubs charge a membership fee.

#### **Variety stores**

Variety stores these offer extremely low-cost goods, with limited selection;

#### **Specialty stores**

A typical specialty store gives attention to a particular category and provides high level of service to the customers. A pet store that specializes in selling dog food would be regarded as a specialty store. However, branded stores also come under this format. For example if a customer visits a Reebok or Gap store then they find just Reebok and Gap products in the respective stores.

#### **General store**

A rural store that supplies the main needs for the local community.

#### **Convenience stores**

Convenience stores are essentially found in residential areas. They provide limited amount of merchandise at more than average prices with a speedy checkout. This store is ideal for emergency and immediate purchases.

### **Hypermarkets**

Provides variety and huge volumes of exclusive merchandise at low margins. The operating cost is comparatively less than other retail formats.

### **Supermarket**

Supermarket is a self-service store consisting mainly of grocery and limited products on non-food items. They may adopt a Hi-Lo or an EDLP strategy for pricing. The supermarkets can be anywhere between 20,000 and 40,000 square feet (3,700 m<sup>2</sup>). Example: SPAR supermarket.

### **Malls**

Malls as a range of retail shops at a single outlet. They endow with products, food and entertainment under a roof.

### **Service Quality and Megastore**

A big-box store (also supercenter, superstore, or megastore) is a physically large retail establishment, usually part of a chain. The term sometimes also refers, by extension, to the company that operates the store. Examples include large department stores such as Walmart and Target.

### **Typical characteristics include the following:**

Large, free-standing, rectangular, generally single-floor structure built on a concrete slab. The flat roof and ceiling trusses are generally made of steel, the walls are concrete block clad in metal or masonry siding. Floor space several times greater than traditional retailers in the sector, providing for a large amount of merchandise; in North America, generally more than 50,000 square feet (4650 m<sup>2</sup>), sometimes approaching 200,000 square feet (18,600 m<sup>2</sup>), though varying by sector and market. In countries where space is at a premium, such as the United Kingdom, the relevant numbers are smaller and stores are more likely to have two or more floors.

India is currently going through a retail revolution with the introduction of Big Bazaar in 2001. However, large retail stores were not uncommon in India. Spencer's, a popular hyper mart traces its history as far back as 1863. Similarly, conglomerates, such as Bharti, Reliance, Godrej and TATA have over the last decade ventured into large format retail chains, though small and medium enterprises (SMEs) still account for the majority of the daily consumer transaction needs.

### **Departmental stores**

A departmental store, a retail trade shop, was started at strategic place to please the customer by giving him the choice of selecting all that he wants. There are number of departmental stores like Kannan Departmental stores, Food World, Subiksha, Big Bazaar (owned by the Pantaloon Group), More for U, etc. Every business is based on understanding the consumer and providing the kind of products that the consumer want every business man today makes some effort to convince the consumer for a product a particular shop and for this reason, the research has under taken a survey as to why they prefer departmental store?

### **Objectives of the Study**

- To know the level of service quality in Megastores in Coimbatore.

- To identify the customers’ service quality perception factors at the Megastores.
- To study the consumer’s opinion and ideas about the price, quality and services rendered by the Megastores in Coimbatore.

**Data and Methodology**

**Methodology**

Overall service quality has been taken as a dependant variable and various other factors like age, income, educational qualification, marital status etc are considered as the independent variables. The main purpose of this study was to identify the service quality provided by the mega stores in Coimbatore Province. Both primary and secondary data has been used for the study. The primary data was collected through well administered and pre-tested questionnaire. The questionnaire using Simple Percentage, Chi – Square test, Likert Scale (1=Highly dissatisfied, 2=Dissatisfied, 3=Somewhat satisfied, 4=Satisfied, 5=Highly satisfied), Rank Analysis was design to test the impact of all the variables for this study. The questionnaire was divided into two sections: demographics and Service quality. The secondary data has been collected from various journals, magazines and text books. Selected sampling technique was convenient random sampling technique.

**Sampling design**

The sampling method adopted in the research is convenient sampling. In This sampling the researcher selects the respondents who are basically coming to the store.

**Population**

To achieve the objective of the study, the city of coimbatore is selected. So population of research consists of individual customer of Coimbatore city.

**Sample size**

The sample is a representative unit of population. It is neither feasible nor desirable cover the entire population. So this research has taken sample size was 150 respondents.

**Sources of data collection**

Both primary and secondary data are required. Primary data is the firsthand information collected directly from the respondents. The tool used here is questionnaire. Primary data is collected through survey among existing customer. The secondary data has been collected from various journals, magazines and text books.

**Results and Discussion**

**Simple percentage analysis**

The percentage method is used for comparing certain features, the collected data represented in the form of tables and graphs in order to give effective visualization of comparison made.

$$\text{Simple Percentage} = \frac{\text{Actual Population}}{\text{Sample Size}} \times 100$$

Simple percentage analysis has been used and being gathered collection of data for the service quality towards Megastore.

**Percentage table for Demographic factors & Study factors**

Variables	Categories	%	Variables	Categories	%	
Gender	Male	73.77	Frequent period	Once in a Week	26	
	Female			Twice in a Week	18	
Age group	Below 25 Yrs	49		Reason	Once in a Month	59
	25 to 40 Yrs	53			Rarely	47
	Above 40 Yrs	48	Discount		18	
Educational	Up to School Level	25	Product Variety		Brand	29
	Under Graduate	80			Quality	43
	Post Graduate	27		Offer	14	
	Professionals	18		Others	11	
Marital status	Single	57		Door delivery	Always	33
	Married	93	Often		20	
Occupation	Student	33	Parking Facility		Sometimes	58
	Business Man	28			No	39
	Employee	51		Only Two Wheeler	26	
	House Wife	38	Only Four Wheeler	11		
Income	Below Rs 15,000	45	Price Comparison	Both	93	
	Rs. 15,001 – Rs.30,000	56		No Parking Facility	20	
	Rs. 30,001 – Rs. 40,000	28		lesser than the market price	74	
	Above Rs. 40,000	21	higher than the Market price	42		
Discounts			price same	34		
			Always	17		
			Often	24		
			Sometimes	94.15		
		No				

(Source-Interview Schedule)

**Interpretation**

From the above table it is inferred that majority of the respondents’ belong to female category with 51.3%,

majority of the respondents’ lies in the category of 35.3%, 53.3% of the respondents are graduates, majority of the respondents’ are married with 62%, majority of the

respondents are employed with 34%, 37.3% of customers monthly income lies in the category of Rs.15,001-Rs.30,000, 39.3% of the respondents purchasing once in a month in Megastore, 28.7% of the respondents answered the purchasing reason as quality, 38.7% of the respondents answered that Megastore provided the Door delivery facility Sometimes, Parking facility provided by Megastores. 62%, 49.3% of the respondents feel that the price is lesser than the Market price in household section of Megastore, Discounts and benefits provided by Megastores, 62.7%.

**Chi – Square test**

The  $\chi^2$  test is one of the simplest and most widely used tests for arriving at significance of the difference between the observed frequencies and the expected frequencies obtained from some hypothetical universe. It can also to make comparisons between theoretical populations and actual data when categories are used.

$$\chi^2 = \frac{\sum (O - E)^2}{E}$$

O – Observed frequencies  
E = Expected frequencies

**Relationship between age and employees answering towards consumers**

In order to find out relationship between age and employees answering towards consumers, a chi-square test is applied to test the following hypotheses:

**H<sub>0</sub>:** There is no significant relationship between age and employees answering towards consumers.

**H<sub>a</sub>:** There is a significant relationship between age and employees answering towards consumers.

Age	Employees answering towards consumers					Total
	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Below 25 years	3	5	16	16	8	48
25-40 years	3	12	15	15	10	55
Above 40 years	3	7	14	16	7	47
TOTAL	9	24	45	47	25	150

(Source-interview Schedule)

**Chi – Square Test Results**

Calculated value (x2)	value (x2) Table value	Degrees of freedom	Level of Significance	Result
4.048	15.507	8	5%	Accepted

**Interpretation**

From the above table, reveals that by comparing the table value and calculated value of  $X^2$  we found that the table value is higher than the calculated value. So, we can accept the hypothesis. So, there is no significant relationship between age and employees answering towards consumers.

**Relationship between occupation and best shopping atmosphere towards megastore**

In order to find out relationship between occupation and best shopping atmosphere towards megastore, a chi-square test is applied to test the following hypotheses:

**H<sub>0</sub>:** There is no significant relationship between Occupation and employee location convenience of Megastore.

**H<sub>a</sub>:** There is a significant relationship between Occupation and employee location convenience of Megastore.

Occupation	Convenient location on megastore					Total
	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Students	9	10	4	1	5	29
Business Man	7	10	8	7	6	38
Employee	10	10	10	3	8	41
House Wife	10	10	10	7	5	42
TOTAL	36	40	32	18	24	150

(Source-interview Schedule)

**Chi – Square Test Results**

Calculated value (x2)	value (x2) Table value	Degrees of freedom	Level of Significance	Result
8.415	21.026	8	5%	Accepted

**Interpretation**

From the above table, reveals that by comparing the table value and calculated value of  $X^2$  we found that the table value is higher than the calculated value. So, we can accept the hypothesis. So, there is no significant relationship between Occupation and employee location convenience of Megastore.

**Ranking analysis**

Ranking the observations according the size and the basis of the calculation on the rank rather than upon the original observation. Simple ranking analysis has been used to find the most preferred factor among the other factors. In this research rank is used to determine the best service in terms of the number of respondents. The weighted score has been calculated by assigning weights from 1 to 10 to the total number of respondents to each factor. Using this score, ranking is given from highest score to lowest score.

S. No.	Factors	Score	Rank
1	Customer Service	1033	I
2	Door Delivery	802	VI
3	Packing	827	V
4	Price	877	III
5	Cleanliness	834	IV
6	Variety of Products	985	II
7	Complaint Handling	655	X
8	Parking Facility	719	IX
9	Offer	765	VII
10	Entertainment	751	VIII

(Source-interview Schedule)

### Interpretation

From the above table it is clear that most preferred factor identified the best customer service provided by megastores, followed by variety of products, price, cleanliness, packing, door delivery, offers, entertainment, parking facility, complaint handling.

### Conclusion

The present study reveals the consumer goods it would retrieve the positive attitude of the customers to know the service quality and other features such as product choice, display of good and Cleanliness attract the customers at large towards Megastore. Overall, it can be concluded that consumers' are satisfied with the quality and services contents but they expect more on reasonable price and set up departmental stores indifferent parts of the city for easy accessibility.

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