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A Study on Comparative Analysis in Retail Industry with Special Reference to Kalessuwari Refinery Pvt.Ltd

V.S. Palaniammal¹, C. Sivagami²

¹Assistant Professor, ²Research Scholar

Department of Management Studies, D.K.M College for Women, Vellore

Abstract: *The project has been undertaken with a view to study the comparative analysis in retail industry. This study is intended to help Kalessuwari to achieve competitive advantages among other competitors. Major domestic players have stepped into the retail arena with long term, ambitious plans to expand their business across vertical, cities and formats. It conducts a comparative analysis of the retail industry. Retail sector is the most becoming sector in the Indian economy. With a growing economy, improving income dynamics, rising awareness, and youth-heavy customer base, India is well on its way to become one of the most prospective markets for the domestic and global retailers. The present paper identify the drives which affect the growth of the Indian retail market, looks at the major factors affecting the retail business and strategically analyze the retail industry. The location of the retail store, management style and adequate promotional activities to enhance the effectiveness of retail business and are important factors for retailer's success. A detailed questionnaire was prepared covering sample size of 120 respondents and using statistical tools of chi square, ANOVA and correlation was used to test the hypothesis.*

Keywords: *Retail Industry, Growth, Organized & unorganized, Retail Format, Domestic Player, Factors, Promotional Activities, Strategic, Employee Opportunities, Perception of retailers.*

I. INTRODUCTION

Retail comes from the French word retailer, which refers to "cutting off, clip and divide" in terms of tailoring (1365). It first was recorded as a noun with the meaning of a "sale in small quantities" in 1433 (French). Its literal meaning for retail was to "cut off, shred, paring". Retail is the final stage of any economic activity. By virtue of this fact, retail occupies an important place in the world economy. According to Philip Kotler, Retailing includes all the activities involved in selling goods or services to the final consumers for personal, non-business use. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing. These are the final business entities in a distribution channel that links manufacturers to customers. Manufacturers typically make products and sell them to retailers or wholesalers. Wholesalers resell these products to the retailers and finally, retailers resell these products to the ultimate consumers. Any organization selling to final consumers whether it is a manufacturer, wholesaler or retailer-is doing retailing. It does not matter how the goods or services are sold (by person, mail, telephone, vending machine, or internet or where they are sold-in a store, on the street, or in the consumer's home). A Retailer thus, provides value creating functions like assortment of products and services to the consumers, breaking bulk, holding inventory and provides services to consumers, manufacturers and wholesalers.

A. Retail Industry in India

The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing. A T Kearney, a US Based global management consulting firm has ranked India as the fourth most attractive nation for retail investment among 30 flourishing markets.

The retail market is expected to reach a whopping Rs. 47 lakh core by 2016-17, as it expands at a compounded annual growth rate of 15 per cent, accordingly to the 'Yes Bank - Assoc ham' study. The retail market, (including organized and unorganized retail), was at Rs. 23 lakh crore in 2011-12. According to the study, organized retail, that comprised just seven per cent of the overall retail market in 2011-12, is expected to grow at a CAGR of 24 per cent and attain 10.2 per cent share of the total retail sector by 2016-17. In terms of sheer space, the organized retail supply in 2013 was about 4.7 million square feet (sq ft). This showed a 78 per cent increase over the total mall supply of just 2.5 million sq ft in 2012.

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“Favorable demographics, increasing urbanization, nuclearisation of families, rising affluence amid consumers, growing preference for branded products and higher aspirations are other factors which will drive retail consumption in India.”

II. OBJECTIVES OF THE STUDY

- A. To analyze the factors affecting the buying behavior of consumers with respect to food and grocery in the retail business.
- B. To know the major players of retailers and customers services provided by the retailers.
- C. To know the challenges faced by the retail sector in India.
- D. To analyze the various factors influencing the preferences of a retail outlet by a customer.
- E. To know the effectiveness of the promotional activities done by kalessuwari products.
- F. To know the awareness of the customers towards kalessuwari products.

III. REVIEW OF LITERATURE

Ali, Kapoor and Janakiraman (2010)

A study conducted on households of Gomtinagar area of Lucknow city analyzed a marketing strategy for a modern Food and Grocery market based on consumer preferences and behavior. The researchers personally surveyed a total of 101 households having sufficient purchasing power using structured questionnaire. The results indicated that preferences of the consumers were their priority for cleanliness and freshness of food products followed by price, quality, variety, packaging, and availability of non-seasonal fruits and vegetables. It was found that the consumers' preferences of marketplace largely depend on the convenience in purchasing at the marketplace along with the availability of additional services, attraction for children, basic amenities, and affordability. Results also suggested that most of the Food and Grocery items are purchased in loose form from the nearby outlets, whereas fruits and vegetables are mostly purchased daily or twice a week due to their perishable nature. However, grocery items are less frequently purchased.

Bala (2012)

The purpose of this paper is to develop a forecasting model for retailers based on customer segmentation, to improve performance of inventory. The research makes an attempt to capture the knowledge of segmenting the customers based on various attributes as an input to the demand forecasting in a retail store. The paper suggests a data mining model which has been used for forecasting of demand. The proposed model has been applied for forecasting demands of eight SKUs for grocery items in a supermarket. Based on the proposed forecasting model, the inventory performance has been studied with simulation. The proposed forecasting model with the inventory replenishment system results in the reduction of inventory level and increase in customer service level. Hence, the proposed model in the paper results in improved performance of inventory. Retailers can make use of the proposed model for demand forecasting of various items to improve the inventory performance and profitability of operations.

Gomez, McLaughlin and Wittink (2004)

In a study on US food retail sector, measured the links between store attribute perceptions and customer satisfaction, and between customer satisfaction and sales performance. The authors constructed a statistical model to address nonlinearities and asymmetries in the satisfaction-sales performance links, and illustrated how retailers can affect store revenues by managing customer satisfaction. Contributions of the study included the analysis of behavioral consequences of customer satisfaction in the food retail sector, the accommodation of complexities in the satisfaction-sales performance links based on an empirical model of first differences, and a discussion of how managers could employ the results for customer satisfaction policies.

Minten, Reardon and Sutradhar (2009)

In a detailed case study of Delhi, emphasized that modern retail is shown to emerge quickly, offering more labeled and branded food products and more choice than traditional markets. The authors highlighted that modern retail is at its mere incipience in India selling basic foods mostly at the same or lower prices than traditional retail and might thus become an important contributor to improved urban food security.

Reynolds, Howard, Cuthbertson and Hristov (2007)

A retail format is a physical embodiment of a retail business model: the framework that relates the firm's activities to its business context and strategy. Such business model would entail the retailer's key resource and process mix aligned with its segmentation, targeting and positioning strategies. Therefore retail formats need constant nurturing and maintaining. They stated that considering the multiplicity of consumers needs, desires and preferences, which typify the contemporary retail environment, numerous new form of retailing are emerging.

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IV. RESEARCH METHODOLOGY

According to Creswell defines research as, “Research is a process of steps used to collect and analyze information to increase our understanding of a topic or issue”. A research design is the “Blue print” of the study. The design is descriptive research and sampling technique is simple random sampling. SPSS software is used to calculate chi square, correlation and one-way ANOVA its help to find out results.

As data collection was not possible from the entire city of Vellore and Kanchipuram-due to paucity of time and resources. A sample of 120 respondents of both retailers and customers were selected for the study, taking equal representation of 60 each city selected constituencies.

A. Data Analysis And Interpretation

1) Percentage Analysis

TABLE NO: 1 DEMOGRAPHIC PROFILE

| S.No | Factors | No. of respondents | Percentage |
|------|------------------------------|--------------------|------------|
| 1 | AGE | | |
| | 18-25 | 20 | 17 |
| | 26-33 | 44 | 36 |
| | 34-41 | 25 | 21 |
| | 42-49 | 13 | 11 |
| | 50-57 | 18 | 15 |
| 2 | MARTIAL STATUS | | |
| | Married | 84 | 70 |
| | Unmarried | 36 | 30 |
| 3 | EDUCATIONAL QUALIFICATION | | |
| | No Formal Education | 14 | 12 |
| | Primary Education | 14 | 12 |
| | Secondary Education | 21 | 17 |
| | Diploma | 34 | 28 |
| | College and University Level | 37 | 31 |
| 4 | INCOME LEVEL | | |
| | 5,000-10,000 | 18 | 15 |
| | 10,000-15,000 | 28 | 23 |
| | 15,000-20,000 | 17 | 14 |
| | 20,000-25,000 | 27 | 23 |
| | Above 25,000 | 30 | 25 |
| 5 | MEMBERS IN YOUR HOUSE | | |
| | 2 | 12 | 10 |
| | 3 | 28 | 23 |
| | 4 | 32 | 27 |
| | 5 | 34 | 28 |
| | Above 5 | 14 | 12 |

Primary Data

B. Interpretation

From the above table, it is interpreted that 36 per cent of the respondents belongs to the age group of 26-33; 70 per cent of the respondent's status are married; 31 per cent of the respondents are college and university level; 25 per cent of the respondents monthly income are above 25,000 and 28 per cent of the respondents says that there are 5 members in their family.

2) SPSS Analysis

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TABLE NO: 2 CHI-SQUARE

| S.No | Variables | Chi Square Value | df | N | Significance Level |
|------|---|------------------|----|-----|--------------------|
| 1 | Age and attitude towards Kalessuwari products | 14.380 | 16 | 120 | S |
| 2 | Marital status and how long you are consuming of Kalessuwari product | 2.213 | 3 | 120 | S |
| 3 | Marital status and quality of the products | 7.914 | 4 | 120 | S |
| 4 | Age and Affordable price factors based on experience on Kalessuwari products | 18.547 | 16 | 120 | S |
| 5 | Marital status and Affordable price factors based on experience on Kalessuwari products | 2.892 | 4 | 120 | S |
| 6 | Age and Over all I am satisfied with the store | 11.086 | 16 | 120 | S |
| 7 | Marital status and Over all I am satisfied with the store | 3.559 | 4 | 120 | S |
| 8 | Income level and Over all I am satisfied with the store | 16.287 | 16 | 120 | S |
| 9 | Age and Brands you prefer | 18.573 | 16 | 120 | S |
| 10 | Educational qualification and Brands you prefer | 16.878 | 16 | 120 | S |
| 11 | Income level and Brands you prefer | 12.375 | 16 | 120 | S |

Primary Data

C. Interpretation

From the above table, it is interpreted that the calculated value is greater than significant value at 5% level of significance. There is association between age and attitude towards Kalessuwari products; How long customers to buy the Kalessuwari products and marital status of the respondents. Advertisements of Kalessuwari products have a major influence in buying decision and qualification of the respondents. Quality of the products and marital status of the respondents; The factor of affordable price on your experience on Kalessuwari products and age, marital status of the respondents; Satisfied with the store and age, marital status of the respondents; Satisfied with the store and income level of the respondents; Preferring a brand and age, educational qualification, income level of the respondents.

TABLE NO: 3 ANOVA

| S.No | Variables | | Sum of Squares | df | Mean Square | F | Significance Level |
|------|--|----------------|----------------|-----|-------------|-------|--------------------|
| 1 | Educational qualification and persuade you to buy Kalessuwari basic oil products | Between groups | 1.132 | 4 | 0.283 | 0.155 | S |
| | | Within groups | 209.860 | 115 | 1.825 | | |
| | | Total | 210.992 | 119 | | | |

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| | | | | | | | |
|---|---|----------------|---------|-----|-------|-------|---|
| 2 | Educational qualification and major buying decision of Kalessuwari products is based on advertisement | Between groups | 9.193 | 4 | 2.298 | 1.310 | S |
| | | Within groups | 201.798 | 115 | 1.755 | | |
| | | Total | 210.992 | 119 | | | |
| 3 | Family size and quantity of the products | Between groups | 4.179 | 4 | 1.045 | 0.859 | S |
| | | Within groups | 139.821 | 115 | 1.216 | | |
| | | Total | 144.000 | 119 | | | |
| 4 | Age and Decide to buy Kalessuwari products | Between groups | 3.264 | 3 | 1.088 | 0.717 | S |
| | | Within groups | 175.936 | 116 | 1.517 | | |
| | | Total | 179.200 | 119 | | | |
| 5 | Educational qualification and Will you recommend this store to others | Between groups | 23.771 | 4 | 5.943 | 3.650 | S |
| | | Within groups | 187.221 | 115 | 1.628 | | |
| | | Total | 210.992 | 119 | | | |
| 6 | Income level and Recommend this store to others | Between groups | 10.926 | 4 | 2.731 | 1.408 | S |
| | | Within groups | 223.066 | 115 | 1.940 | | |
| | | Total | 233.992 | 119 | | | |
| 7 | Educational qualification and Aware of promotional activities done by Kalessuwari products | Between groups | 0.072 | 1 | 0.072 | 0.040 | S |
| | | Within groups | 210.920 | 118 | 1.787 | | |
| | | Total | 210.992 | 119 | | | |

Primary Data

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INTERPRETATION

From the above table, it is interpreted that there is difference between persuade you to buy Kalessuwari basic oil and qualification of the respondents; Advertisements of Kalessuwari products have a major influence in buying decision and educational qualification quantity of the products and family size of the respondents; Decide to buy Kalessuwari products and age of the respondents; Likely recommend this stores to others and educational qualification, income level of the respondents; Aware of promotional activities done by Kalessuwari products and educational qualification of the respondents.

Findings

- 1) 37 per cent of the respondents says that may be heard or known kalessuwari products.
- 2) 36 per cent of the respondents says that may be familiar with the design of Kalessuwari products.
- 3) 40 per cent of the respondents says that they brought the basic oil of Kalessuwari.
- 4) 39 per cent of the respondents says that advertisement persuade to buy the Kalessuwari products.
- 5) 39 per cent of the respondents say that they buy sometimes of Kalessuwari products.
- 6) 35 per cent of the respondents says that they are neutral of advertisement of Kalessuwari products has on major influence in buying decision.
- 7) 39 per cent of the respondents says that they are agree of quality of the product; 56 per cent of the respondents says that they are neutral of availability of the product; 38 per cent of the respondents says that they are disagree of brand of the product; 33 per cent of the respondents says that they are agree of advertisement of the product; 42 per cent of the respondents says that they are neutral of family/friends opinion of the product; 46 per cent of the respondents says that they are neutral of packaging is winner of the product.
- 8) 55 per cent of the respondents says that they are not agree to pay for extra improvement of package of the product; 57 per cent of the respondents says that they are agree to pay for more improvement of taste of the Kalessuwari product; 41 per cent of the respondents says that they may be pay extra improvements of advertisement of the product; 43 per cent of the respondents says that they are agree to pay extra for creative awareness of the Kalessuwari product and 53 per cent of the respondents says that they are not agree to pay more for availability of the Kalessuwari product.
- 9) 63 per cent of the respondents says that they are satisfied with brand.
- 10) 38 per cent of the respondents says that they are didn't comment of the price with brand.
- 11) 40 per cent of the respondents says that they are not go to other brand.
- 12) 34 per cent of the respondents says that they are attracted in idea of delivering the message of advertisement.
- 13) 100 per cent of the respondents says that they are aware of promotional activities done by Kalessuwari products.
- 14) 40 per cent of the respondents says that they are watching the advertisement in TV of Kalessuwari products.
- 15) 66 per cent of the respondents says that they didn't come across in this situation of Shop keepers has sold you an item at a price higher than the item MRP.

V. SUGGESTIONS

- A. Company need to spend a lot on advertising and promotion to create brand image of its product.
- B. Make frequent advertisement in both print and electronic media.
- C. Making stalls in corporate malls like trade fair may be beneficial to create brand image of its product.
- D. Need to provide additional offer and discount as per customer requirements.
- E. Need to include varieties of similar items.
- F. Provide better customer service.
- G. Maintain proper display to create impulse.(It is assume that near about 70 per cent of sales comes from impulse marketing and if proper display is not maintained impulse cannot be created).

VI. CONCLUSION

Retail sales are growing exponentially, both nationally and internationally. Both Gold Winner and SVS are industry leaders in terms of profitability. Gold Winner is having edge over SVS. Although SVS is having slight edge over Gold Winner, both the firms are below industry average in terms of efficiency. Gold Winner and SVS are industry leaders but no one is having clear sustainable competitive advantage. It is concluded that the company could initiate various steps based on the suggestions given in the dissertation. The company by adopting some of the suggestions, if all, can further improve its market share with the help of both

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retailers and consumers and occupy a leading position among other competitors.

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