



Factors Motivated To Marketing In Retail Outlet - A Study Reference With Organized Retail Outlet In Theni District

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Abreact

This paper reveals that out of twenty variables the six factors were extracted namely "Store atmosphere", "Furtherance", "Service", "Remittance", "Merchandising", "Locale", All the attributes are formed under each factor had high associations. High value of Kaiser-Meyer-Olkin measure of sampling adequacy (0.788) indicates the correlation between the pairs at variables explained by other variables and thus factor analysis was considered to be appropriate in this model. Crobach's Alpha is more than 0.63 in all factors. The researcher interested to find out what are the factors motivated to marketing in retail outlet - a study reference with organized retail outlet in Theni District.

Keywords: Factor analysis, Retailers.

Introduction

India's Retailing Boom has acquired further momentum, dynamism and vibrancy with international players experimenting in the Indian market and the country's existing giants taking bold international steps to woo the consumer. At the same time, the early entrants are redefining their strategies to stay competitive and suit the new market landscape. The next few years are liking to witness rapid growth the organized retailing sector with several leading international players establishing their presence I n India by adjusting their formats to suit local tastes and buying behavior while regional players have stepped up their defenses and striving too gain edge over global players by using their knowledge of local markets. Clearly the next wave of the retail boom is upon us.

Retailing is one of the pillars of the economy India. Over the past years, the retail sale in India is hovering around 33 – 35% of GDP as compare to 20% in the US. The Indian retail industry is the fifth largest in the world. Comparing of organized and unorganized sectors, Indian retail industryis of the fastest growing industries in India, especially over the last few years. Though initially,the retail industry in India was mostly unorganized, however with the tastes and

preferences of the consumers, the industry is getting more popular these days and getting organized as well. Now with growing market demand, the industry is expected to grow at pace of 25- 30% annually. The Indian retail industry is currently growing at a great pace and is expected to go up to US \$ 833 billion by the year 2013. In the last four years consumer spending in India has climbed up to 75%. In India through organized retail accounts for app. 5 - 6 % of total retail revenues, however, with a young population, increasing disposable income, changing life styles and a robust economy India is set to emerge as one of the fastest growing organized retail markets in the worlds.

Organized retailing to trading activities undertaken by licensed retailers, i.e. those who are registered for sales tax, etc. These include the corporate backed hypermarkets and retail chains and also the privately owned large retail business. Unorganized retailing, on the hand, refers to the traditional formats of low cost retailing, on the hand, refers to the traditional formats of low cost retailing. For example, the local Kirana shops, owner manned general stores, convenience stores, hand cart and pavement vendors etc.

Literature Review:

Ghosh (2017) in their paper, "Customer preferences towards Patanjali products: A study on consumers with reference to Mumbai Suburban district" analyzed so as to, the persons among the age category of "15-45" are the highest buyers of "Patanjali" goods. It was identified so as to among the age category of "15-25 years" enjoy "cosmetics". The remaining of the age categories is like the "food related products". Therefore the due care can be done for handling the segment since persons are flatter very fitness deliberates through using best eating goods. For interpreting the statics also giving the originalities of the study results appropriate "statistical techniques" were utilized. It was revealed so as to "noodles" were not frequently bought from "Patanjali". "Respondents" were displaying little attention regarding "detergents" however were fascinated from "tooth paste". "Price" has developed as a key element together with "ayurvedic" as well as "herbal" products. Though "Patanjali" is incoming inside the more trade it is recommended so as to it has to concentrate more on "cosmetic", "health" as well as "food related products".¹

Shinde et.al, (2017) in their article, "Product positioning of Patanjali products" analyzed the numerous projection of "Patanjali products" as well as too elements affecting those goods. They interpreted so as to "Patanjali" has gained a vast segment portion into an awfully less time however insufficiency of those goods is the foremost difficulty handled through the buyers these time.²

Somvanshi (2016) in her article, "Patanjali's success may lead to a FMCG rejig" analyzed that, Patanjali has emerged as a vital threat for typical FMCG companies particularly for the likes of Colgate Palmolive, Dabur and Emami. Brokerages such as Credit Suisse have downgraded Colgate Palmolive to disinterest as Patanjali toothpaste eats the market leader's share. There is a robust likelihood of more earnings downgrades to follow as Patanjali products carry on to acquire market share in packaged foods and personal products.³

Statement of the Problem

India is a land of Kirana stores. These so called traditional stores are popularly called as „Mom and Pop“ stores, still remain as hallmark of India. India being a land of villages, nearly 70% of its population is living in rural areas, their day to day housing needs of grocery, fruits and vegetables, stationery etc: are taken care of by these stores. Global retail developments coupled with technological advancement has revolutionized the retail sector across the world including India. The unique socio – economic conditions prevailing in India lead to the dominance of unorganized stores in retail landscape. Today world has transformed in to a „Global Village“ indirectly that the developments witnessed at one place are being adopted at other places at a faster rate. Global retail giants like wal – mart, care four and the like were unknown names yesterday, but today we find these stores in almost all the major cities and towns of country. Organized retailing which constitutes annual 5% is growing at 30% annually. Reliance Mart, SPAR, D – Mart, LULU, Bharti and other hyper markets of India are gaining popularity. Retail branding also new innovation in the field. Shoppers stop Pantaloons, Big Bazaar, trends, max etc; are few examples of this category, changing the consumer“s preference drastically. They exclusively offer new and modern world – class shopping experience at Indian door – steps. Elite, young and educated consumers now are shifting their focus from on – store platform to off – store platform promoting „online shopping“ to an unprecedented level. Online shopping sites like Amazon, Flip kart, Myntra, pepper fry and the numerous sites are massive hits in the retail marketing. Changes in social composition, retail infrastructure developments, policy changes in FDI, entry of new formats and changes in consumer“s preferences and attitude have fuelled the growth of retail sector, leading to fundamental changes in the field. This development in the marketing field has academically offered an opportunity of investigating the changes with an objective of giving empirical evidence to the stakeholders of the industry for arriving at sound marketing decisions. This mini project is one such attempt in this direction at a district level to know how far the retailers of this are of study perceive the current retailing trends and what do they expect to meet the challenges caused by these trends.

Objectives of the Study

To analysis the socio - economic of respondent and motivated to marketing in retail outlet - a study reference with organized retail outlet in Theni District

Collection of Data

This study is based on both primary and secondary data. The primary data was collected from the retailer respondents taken for the study. By following face to face interview then required data was collected. A well structured interview – schedule was used for the purpose. The secondary data was collected through books, journals, newspapers and websites sources. The data relating to the study was collected during June – December 2020.

Sampling Technique

By following convenient sampling technique, a sample of 250 retailers was taken for the study.

The selection of samples by the researchers from the population was based on her personal judgment. By giving consecution to socio – economic and factor analysis business background of retailers, the sample units are selected.

SOCIO - ECONOMIC AND BUSINESS PROFILE OF RESPONDENT – RETAILERS

The sample retailers taken for the study have stood at 250. In this section demographic and business profile of them are discussed.

Table 1 shows the age of respondents – retailers

Sl.No	Age	Number	Percentage
1	Less than 30	95	38
2	Between 30 and 50	103	41.2
3	Above 50	52	20.8
	Total	250	100
Sl.No	Gender	Number	Percentage
1	Male	152	60.8
2	Female	98	39.2
	Total	250	100
Sl.No	Educational Qualification	Number	Percentage
1	No formal education	54	21.6
2	Schooling	111	44.4
3	College	85	34
	Total	250	100
Sl.No	Type of Business	Number	Percentage
1	Grocery shop	48	19.2
2	Vegetable& fruits shop	76	40.4
3	General stores	58	23.2
4	Others	68	27.2
	Total	250	100
Sl.No	Location of Business	Number	Percentage
1	Residential Area	89	35.6
2	Street Corner	109	43.6
3	Busy Bazaar	52	20.8
	Total	250	100
Sl.No	Experience in Respondent	Number	Percentage

1	Below 10 years	62	24.8
2	Between 10 and 20 years	119	47.6
3	Above 20 years	69	27.6
	Total	250	100
Sl.No	Average Daily Sales	Number	Percentage
1	Up to Rs 1000	52	20.8
2	Between Rs 1000 and Rs 2000	111	44.4
3	Above Rs 2000	87	34.8
	Total	250	100

source: Primary data

It is known from Table 1 that out of 250 respondents 38 percent, 41.2 percent and 20.8 percent respondents belong to the age category of „less than 30“, between 30 and 50 „above 50“ respectively. The respondents belonging to the age category of „between 30 and 50“ are dominating the sample (41.2 percent). It is understood from Table 3.2 that out of 250 retailers, 60.8 percent and 39.2 percent belong to the gender category of „male“ and „female“ respectively. The out of 250 retailers, 60.8 percent and 39.2 percent belong to the gender category of „male“ and „female“ respectively. The out of 250 respondents – retailers, 21.3 percent, 44.4 percent and 34 percent belong to the educational qualification category in formal education, „schooling“ and „college“ respectively. The respondents schooling in dominating (44.4 percent). The out of 250 respondents, 19.2 percent, 40.4 percent, 23.2 and 27.2 percent respondents belong to the type of business of „grocery shop“, „vegetable and fruit shop“, „general stores“ and „others“ respectively. The respondents belonging to the type of business of „Vegetable and fruits shop“ are responding sample (40.4 percent). The Out of 250 respondents, 35.6 percent and 20.8 percent respondents belong to the business location category of residential area, street corner and busy bazaar respectively. The respondents belonging to the location of business category of „street corner“ is dominating the sample (43.6) percent. The out of 250 respondents 24.8 percent, 6 and 27.6 percent respondents to the experience in retailing category of „below 10 years“, „between 10 and 20 years“ and „above 20 years“ respectively. The respondents belonging to the experience in retailing category of „between 10 and 20 years“ are dominating the sample (47.6) percent. The out of 250 respondents, 20.8 percent, 44.4 percent and 34.8 percent respondents belong to the average daily sales of respondents category of „Up to Rs 1000“, „Between Rs 1000 and Rs 2000“ and „Above Rs 2000“ respectively. The category between Rs 1000 and Rs 2000 are dominating the sample (44.4 percent)

FACTOR ANALYSIS

As some of the statements have common components which correlated with one another because of the common factors. To find out the inter-relationship, factor analysis technique is to be adopted.

Factor analysis a tool applicable, when there is a systematic interdependence among a set of observed of manifest variables and the person is interested in finding out something more fundamental or latent which creates this communality. It seeks to resolve a large set of measured variables, in terms of relatively few categories, known as factors. A factor is an underlying dimension that accounts for several observed variables.

The meaning and name of such new variable is subjectively determined by the researcher. Since the factors happen to be linear combinations of data, the co-ordination of each observation or variable is measured to obtain the factor loadings. Such factor loadings represent the correlation between the variables and factors. When the sum of squared values of factors loadings relating to a factor is taken, such sum is referred to as eigen value or latent root. Eigen value indicates the relative importance of each factor in accounting for the particular set of variables being analysed. For realistic results, the technique of rotation is adopted, because such rotation reveals different structures in the data.

Mathematically, factor analysis is somewhat similar to multiple regression analysis. Each variable is expressed as a linear combination of under-lying factors. The amount of variance, a variable share with all the other variables included in the analysis is referred to as communality. The co-variation among the variables is described in terms of a small number of common factors plus a unique factor for each variable. These factors are not observed. If the variables are standardised, the factor model may be represented as:

$$X_i = A_{ij}F_1 + A_{i2}F_2 + A_{i3}F_3 + \dots + A_{im}F_m + V_iU_i$$

Where,

- X_i = i^{th} standardised variable
- A_{ij} = Standardised multiple regression co-efficient of Variable I on common factor j
- F = Common factor
- V_i = Standardised regression co-efficient of variable I on unique factor
- U_i = The Unique factor for variable i
- M = Number of common factor

The unique factors are uncorrelated with each other and the common factors themselves can be expressed as linear combinations of the observed variables.

$$F_i = W_{i1}X_1 + W_{i2}X_2 + W_{i3}X_3 + \dots + W_{ik}X_k$$

Where,

- F_i = Estimate of i^{th} factor score co-efficient
- W_i = Weight of factor score co-efficient
- K = Number of variables

It is possible to select a weight or factor score co-efficient, so that the first factor explains the largest portion of the total variance. Then a second set of weights can be selected so that the second factor accounts for most of the residual variance, subject to being uncorrelated with the first factor. The same principle could be applied for selecting additional weights for the additional factors. Thus the factors can be estimated so that their factor scores, unlike the value of original value, are not correlated. Furthermore, the first factor accounts for the highest variance in the data, the second highest and so on.

The rotated factor matrix motivated to start business is given in Table 2

Factors Motivated the Respondents to retail outlet

The factor analysis of the twenty attributes relating to the motivated to marketing in retail outlet - a study reference with organized retail outlet in Theni district and the results are presented in Table 2.

Table 2 : Rotated Factor Matrix for Factors Motivating to Marketing In Retail Outlet

Sl. No	Components	Variables	Factor Loadings	Communality	Eigen Value	Percentage of Variance	Cranach's Alpha
1	Store atmosphere	Public areas	0.67173	0.72807	3.573	10.2	0.657
		Attractive smell	0.65397	0.69571			
		Cleanliness	0.62167	0.53537			
		CRM	0.45936	0.52713			
2	Furtherance	In store promotions	0.75587	0.69099	2.642	7.6	0.762
		Offers	0.69994	0.68236			
		Discount	0.67994	0.67236			
		Reasonable price	0.66364	0.52623			
3	Service	Enough Employees	0.81646	0.79571	2.396	6.8	0.752
		Individual attention	0.75433	0.64537			
		Helpful employees	0.53015	0.59571			
4	Remittance	Multiple payment	0.74673	0.79919	2.071	5.9	0.738
		Easy billing	0.73395	0.59103			

		Price displays	0.70519	0.62118			
5	Merchandising	Variety	0.69148	0.62342	1.794	5.5	0.661
		Superior product quality	0.68038	0.60506			
		Wider brand selection	0.50634	0.57291			
6	Locale	One stop destination	0.70694	0.79571	1.621	5.1	0.691
		Convenient location	0.79526	0.74537			
		Parking	0.51738	0.64537			

Source: Computed Data

Kaiser –Meyer- olikin measures of sampling adequacy = 0.788

High value of Kaiser-Meyer-Olikin Measure of Sampling Adequacy (0.738) indicates the correlation between the pairs of variables explained by other variables and thus factor analysis was considered to be appropriate in this model.

Factor 1 : Furtherance

Among the variables of expectations of an entrepreneur namely ‘hereditary’, the variables such as ‘entrepreneurial knowledge problem solving’, ‘knowledge in efficient management’, knowledge of efficient management in MMM’, and ‘have guided a lot’ constituted Factor 1 with higher factor loadings. These four variables with higher factor loadings on Factor 1 is characterised as ‘hereditary’. All the four attributes have a high communality indicating that the attributes within Factor1 have very high association among them.

With regard to the factor, hereditary, the variable like ‘entrepreneurial knowledge problem solving’ and ‘knowledge in efficient management’ were the first and second highest factors with the loading of 0.671 and 0.653 respectively and a high communality of 0.628 and 0.595 respectively. The variable ‘have guided a lot’ was the least factor with the loading of 0.459 and a low communality 0.557.

Factor 2 : Service

Among the variables of expectations of an entrepreneur, namely ‘sound enough to start the business’, ‘knowledge of ways and means of starting business’, availability of raw materials’, ‘easy location’ and ‘access to finance in many ways’ constituted Factor 2 with higher factor loadings. These five variables on Factor 2 are characterised as economic background. All the five attributes have a high communality indicating that the attributes within Factor 2 have very high association among them.

Regarding the factor economic background the variable 'sound enough to start the business' was the first highest factor with the loading of 0.755 and a high communality of 0.690 and 'access to finance in many ways' was the least factor with the loading of 0.423 and a low communality of 0.691.

Factor 3: Remittance

Among the variables of expectations of an entrepreneur, namely 'financial institutions', the variables such as 'subsidies are made known to entrepreneur', 'subsidies are also made available to entrepreneur', 'financiers are against developing entrepreneurs' and 'easy approach to officials' constituted Factor 3 with higher factor loadings. These four variables on Factor 3 are characterised as financial institution. All the four attributes have a high communality indicating that the attributes within Factor 3 have very high association among them.

Regarding the factor financial institution the variable 'subsidies are made known to entrepreneur' was the first highest factor with the loading of 0.816 and a high communality of 0.740 and 'easy approach to officials' was the least factor with the loading of 0.428 and a low communality of 0.450.

Factor 4: Merchandising

Among the variables of expectations of an entrepreneur, namely 'entrepreneurs in business', the variables such as 'eagerness to learn and earn', 'experience gained from forefathers', 'to take more risk of experience' and 'easy approach to officials' constituted Factor 4 with higher factor loadings. These four variables on Factor 4 are characterised as entrepreneur in business. All the four attributes have a high communality indicating that the attributes within Factor 4 have very high association.

'eagerness to learn and earn' came first with the highest factor with the loading of 0.746 and a communality of 0.599 under 'entrepreneur in business' and 'easy approach to official' came last as the least factor with the loading of 0.587 and a high communality of 0.665.

Factor 5 : Locale

Among the variables of expectations of an entrepreneur, namely 'subsidy and assistance', the variables such as 'availability of subsidy at various level', 'availability of subsidy on many scheme', 'entrepreneur development programme assistance' and 'repayment holiday' constituted Factor 5 with higher factor loadings. These four variables on Factor 5 are characterised as subsidy a assistance. All the four attributes have a high communality indicating that the attributes within Factor 5 have high association.

With regard to the factor subsidy and assistance, the variables like 'availability of subsidy at various levels' and 'availability of subsidy on many schemes' were the first and second highest factors with loading of 0.691 and 0.680 respectively and a communality of 0.603 and 0.605 respectively. The variable 'repayment of holiday' was the least factor with the loading of 0.566 and a high communality of 0.614.

Factor 6 : Store atmosphere

Among the variables of expectations of an entrepreneur, namely 'source of finance', the variables such as 'finance at low rate of interest', 'loan at easy repayment modes' and 'loan with subsidy' constituted Factor 6 with higher factor loadings. These three variables on factor 6 are characterised as source of finance. All the three attributes have a high communality indicating that the attributes within Factor 6 have very high association.

The analysis on the factor source of finance revealed that 'finance at low rate of interest' came the highest factor with the loading of 0.818 and a communality of 0.740. The variable 'loan with subsidy' was the least factor with the loading of 0.657 and a high communality of 0.662.

The Eigen value for the first factor hereditary is 3.573, which indicates that the factor contains much higher information than the other factor. The percentage of variance is 10.2. Hereditary provides maximum insights into the respondents in the study area.

The second and third factors namely economic background and financial institution for 7.6 and 6.8 per cent variance with Eigen values of 2.642 and 2.396 respectively. The fourth and fifth factors namely entrepreneurs in business and subsidy and assistance account for 5.9 and 5.1 per cent variance with Eigen values of 2.071 and 1.794 respectively. The sixth and seventh factor account for 5.0 and 4.6 per cent variance with Eigen values of 1.794 and 1.410 respectively. The eighth and ninth factors account for 4.1 and 3.9 per cent variance with Eigen values of 1.449 and 1.335 respectively. Finally, financial assistance has 3.7 per cent variance with Eigen value of 1.278.

CONCLUSIONS

India is at the crossroads with respect to the retail sector. Both modern and traditional retailers will co-exist in India for some time to come, as both of them have their own competitive advantages. The kirana has a low- cost structure, convenient location, and customer intimacy whereas modern retail offers product width and depth and a better shopping experience. One of the prime objectives of this study was to find the consumers' perception towards organized and unorganized retailers across demographic profiles. This study indicated that Customers like to buy fruits & Vegetable from air-conditioned supermarkets because of its quality products but due to the high prices they still feel conservative to buy these kinds of products either from the local mobile vegetables seller or from the nearest sabji market. The study further revealed that Proximity was a major comparative advantage of unorganized outlets. Unorganized retailers are having a comparatively strong advantage because of their ability to sell loose items, provision of credit, bargaining and home delivery facilities. The organized retailers are having a greater advantage because of the store image, product availability, and price discounts. From this study it was observed that due to changes in the disposable income and increased awareness of quality, the consumers' perception towards organized and unorganized retailers differ on the basis of quality and price. They preferred to buy different products from the organized and different from the unorganized retailers. From the study it was found that when compared to the unorganized retail format most of the

respondent had a good image about the organized retailers. . Even the unorganized retailers had a good share in Market, but due to factors such as space, parking etc. a gap existed between both the formats. The customers wished for more outlets being opened. In spite of the enormous potential and growth opportunities available for the organized sector, it will not create a major impact on the unorganized retailers because of the mindset of the Indian consumers will who cannot think of a life"s without having a local kirana store near their locality.

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