

A study on customers' preference towards departmental stores in coimbatore city

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ABSTRACT

A department store is a retail establishment which specializes in satisfying a wide range of the customer's personal and residential durable goods product needs; and at the same time offering the customer a choice multiple merchandise lines, at variable price points, in all product categories. Majority of customers of departmental stores are females and most of them belong to the age group of 21-30 years. Majority of customers of departmental stores are graduates and most of them are both students and employed. Besides, majority of customers of departmental stores belong to the monthly income group of Rs.10,000 – Rs.20,000. The results reveal that Kannan store is the most preferred, while, More For You is the least preferred by the customers. There is no significant association between socio-economic characteristics of customers and their preference of departmental stores. It is suggested that the departmental stores put in more efforts in making the advertising media an effective source of information in reaching the customers at large. It is also suggested to the management should appoint more number of skilled sales persons in order to attract customers.

Keywords: Customer, Departmental Stores, Preference.

INTRODUCTION

Modern retailing has entered India in the form of malls and huge complexes offering shopping, entertainment, leisure to the customer as the retailers experiment with a variety of formats, from discount stores to supermarkets to hypermarkets to specialty chains. This organized segment typically comprises of a large number of retailers, greater enforcement of taxation mechanisms and better labor law monitoring system. It's no longer about just stocking and selling but about efficient supply chain management, developing vendor relationship quality customer service, efficient merchandising and even the labor class is also in the working process timely promotional campaigns.

The modern retail formats are encouraging development of well-established and efficient supply chains in each segment ensuring efficient movement of goods from farms to kitchens, which will result in huge savings for the farmers as well as for the nation. The government also stands to gain through more efficient collection of tax revenues. Network marketing has been growing quite fast and has a few large players today. The organized retailing has helped in promoting several niche categories such as packaged fruit juices, hair creams, fabric bleaches, shower gels, depilatory products and convenience and health foods, which are generally not found in the local kirana stores.

A department store is a retail establishment which specializes in satisfying a wide range of the customer's personal and residential durable goods product needs; and at the same time offering the customer a choice multiple merchandise lines, at variable price points, in all product categories. Department stores usually sell products including apparel, furniture, home appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting

goods. Certain department stores are further classified as discount department stores. Discount department stores commonly have central customer checkout areas, generally in the front area of the store. Department stores are usually part of a retail chain of many stores situated around a country or several countries. Therefore, the present research is attempted to study customer's preference towards departmental stores in Coimbatore city.

METHODOLOGY

The Coimbatore city has been purposively selected for the present study. The 120 customers have been selected by adopting random sampling technique and the data and information pertain to the year 2014-2015. In order to examine socio-economic characteristics of customers of departmental stores, the frequency and percentage analysis have been worked out. The rank analysis has been done for customer's preference towards departmental store. In order to examine the level of similarity among the customers in preferring the departmental stores, The Kendall's value (W) has been calculated. In order to study the association between socio-economic characteristics of customers and their preference of departmental store, the Chi-Square test has been employed.

RESULTS AND DISCUSSION

Socio-Economic Characteristics of Customers

The socio-economic characteristics of customers of departmental stores were analyzed and the results are presented in Table 1.

The results show that about 54.17 per cent of customers are females and the rest of 45.83 per cent of them are males. It is clear that about 50.00 per cent of customers belong to the age group of 21-30 years

followed by 31-40 years (18.33 per cent) and below 20 years and above 40 years (15.83 per cent). The results indicate that about 45.00 per cent of customers are graduates followed by post graduates (27.50 per cent), school education (17.50 per cent) and professionals (10.00 per cent). It is observed that about 37.50 per cent of customers are both students and employed followed by

house wives (15.83) and business (9.17 per cent). It is apparent that about 39.17 per cent of customers belong to the monthly income group of Rs.10,000 – Rs.20,000 followed by Rs.5,000 – Rs.10,000 (29.17 per cent), Above Rs.20,000 (23.33 per cent) and below Rs.5,000 (8.33 per cent).

Table 1: Socio-Economic Characteristics of Customers of Departmental Stores

Socio-Economic Profile	Frequency	Percentage
Gender		
Male	55	45.83
Female	65	54.17
Age Group		
Below 20 years	19	15.83
21 - 30 years	60	50.00
31 – 40 years	22	18.33
Above 40 years	19	15.84
Educational Qualification		
School Education	21	17.50
Graduation	54	45.00
Post Graduation	33	27.50
Professional	12	10.00
Occupation		
Student	45	37.50
House wife	19	15.83
Employed	45	37.50
Business	11	9.17
Monthly Income		
Below Rs.5,000	10	8.33
Rs.5000 – Rs.10,000	35	29.17
Rs.10,000 – Rs.20,000	47	39.17
Above Rs.20,000	28	23.33

Customers' Preference towards Departmental Stores

The customers' preference towards departmental store was analyzed and the results are presented in Table 2.

Table 2: Customers' Preference towards Departmental Store

Departmental Store	Mean Rank	Kendall's W
Reliance Fresh	3.12	.219
More For You	3.97	
Big Bazaar	3.03	
Nilgris	2.99	
Kannan	1.89	

The results show that the customer's most preferred departmental store is Kannan store followed by Nilgris, Big Bazar, Reliance Fresh and More. It is inferred that Kannan store is the most preferred, while, more for you is the least preferred by the customers. The Kendall's value (W) of is 0.219 indicating that there is low level of similarity among the customers in preferring the departmental stores.

Association between Socio-Economic Characteristics of Customers and their Preference of Departmental Store

The customer's preference towards departmental store is differing with their socio-economic characteristics. The association between socio-economic characteristics of customers and their preference of departmental store was analyzed and the results are hereunder presented.

Gender and Preference of Departmental Store: The association between gender of customers and preference of departmental stores was analyzed and the results are presented in Table 3.

Table 3: Gender and Preference of Departmental Store

Gender	Preference of Departmental Store					Total	Chi-square Value	Sig.
	Reliance Fresh	More For You	Big Bazaar	Nilgris	Kannan			
Male	7 (12.73)	1 (1.82)	10 (18.18)	11 (20.00)	26 (47.27)	55 (45.83)	3.900	0.968
Female	9 (13.85)	2 (3.07)	9 (13.85)	6 (9.23)	39 (60.00)	65 (54.17)		
Total	16 (13.33)	3 (2.50)	19 (15.83)	17 (14.17)	65 (54.17)	120 (100.00)	-	-

(The figures in the parentheses are per cent to total)

The results show that out of 55 male customers, Kannan departmental store is the most preferred, while, More For You departmental store is the least preferred. The results indicate that out of 65 female customers, Kannan departmental store is the most preferred, while, More for You departmental store is the least preferred.

The Chi-square value of 3.900 is not statistically significant indicating that there is no significant association between gender of customers and their preference of departmental stores. Hence, the null hypothesis of there is no significant association between gender of customers and their preference of departmental stores is accepted.

Age Group and Preference of Departmental Store: The association between age group of customers and preference of departmental stores was analyzed and the results are presented in Table 4.

Table 4: Age Group and Preference of Departmental Store

Age Group	Preference of Departmental Store					Total	Chi-square Value	Sig.
	Reliance Fresh	More For You	Big Bazaar	Nilgris	Kannan			
Below 20 years	3 (15.79)	1 (5.26)	1 (5.26)	2 (10.53)	12 (63.16)	19 (15.83)	8.174	0.754
21 – 30 years	9 (15.00)	0 (0.00)	12 (20.00)	9 (15.00)	30 (50.00)	60 (50.00)		
31 – 40 years	1 (4.55)	1 (4.55)	4 (18.18)	4 (18.18)	12 (54.54)	22 (18.33)		
Above 40 years	3 (15.79)	1 (5.26)	2 (10.53)	2 (10.53)	11 (57.89)	19 (15.84)		
Total	16 (13.33)	3 (2.50)	19 (15.83)	17 (14.17)	65 (54.17)	120 (100.00)	-	-

(The figures in the parentheses are per cent to total)

The results show that out of 19 customers who belong to the age group of below 20 years, Kannan departmental store is the most preferred, while, both More For You and Big Bazaar departmental stores are the least preferred. It is clear that out of 60 customers who belong to the age group of 21-30 years, Kannan departmental store is the most preferred, while, both Reliance Fresh and Nilgris departmental stores are the least preferred and no body prefers More For You departmental store.

The results indicate that out of 22 customers who belong to the age group of 31-40 years, Kannan departmental store is the most preferred, while, both Reliance Fresh and More For You departmental stores are the least preferred. It is observed that out of 19 customers who belong to the age group above 40 years, Kannan departmental store is the most preferred, while, More For You departmental store is the least preferred.

The Chi-square value of 8.174 is not statistically significant indicating that there is no significant association between age group of customers and their preference of departmental stores. Hence, the null hypothesis of there is no significant association between age group of customers and their preference of departmental stores is accepted.

Educational Qualification and Preference of Departmental Store: The association between educational qualification of customers and preference of departmental stores was analyzed and the results are presented in Table 5.

Table 5: Educational Qualification and Preference of Departmental Store

Educational Qualification	Preference of Departmental Store					Total	Chi-square Value	Sig.
	Reliance Fresh	More For You	Big Bazaar	Nilgris	Kannan			
School Education	1 (4.76)	0 (0.00)	0 (0.00)	2 (9.52)	18 (85.72)	21 (17.50)	16.817	0.246
Graduation	7 (12.96)	3 (5.56)	10 (18.52)	6 (11.11)	28 (51.85)	54 (45.00)		
Post Graduation	6 (18.18)	0 (0.00)	6 (18.18)	7 (21.21)	14 (42.43)	33 (27.50)		
Professional	2 (16.67)	0 (0.00)	3 (25.00)	2 (16.67)	5 (41.66)	12 (10.00)		
Total	16 (13.33)	3 (2.50)	19 (15.83)	17 (14.17)	65 (54.17)	120 (100.00)	-	-

(The figures in the parentheses are per cent to total)

The results show that out of 21 customers who have the educational qualification of school education, Kannan departmental store is the most preferred, while, Reliance Fresh departmental store is the least preferred and nobody prefers both More For You and Big Bazaar. It is clear that out of 54 customers who are graduates, Kannan departmental store is the most preferred, while, More For You departmental stores is the least preferred.

The results indicate that out of 33 customers who are post graduates, Kannan departmental store is the most preferred, while, Reliance Fresh and Big Bazaar departmental stores are the least preferred and no body prefers More For You departmental store. It is observed that out of 12 customers who are professionals, Kannan departmental store is most preferred, while, Reliance Fresh and Nilgris departmental stores are the least preferred and no body prefers More For You departmental store.

The Chi-square value of 16.817 is not statistically significant indicating that there is no significant association between educational qualification of customers and their preference of departmental stores. Hence, the null hypothesis of there is no significant association between educational qualification of customers and their preference of departmental stores is accepted.

Occupation and Preference of Departmental Store: The association between occupation of customers and preference of departmental stores was analyzed and the results are presented in Table 6.

Table 6: Occupation and Preference of Departmental Store

Occupation	Preference of Departmental Store					Total	Chi-square Value	Sig.
	Reliance Fresh	More For You	Big Bazaar	Nilgris	Kannan			
Student	7 (15.56)	1 (2.22)	6 (13.33)	7 (15.56)	24 (53.33)	45 (37.50)	7.243	0.592
House wife	2 (10.53)	1 (5.26)	3 (15.79)	2 (10.53)	11 (57.89)	19 (15.83)		
Employed	7 (15.56)	0 (0.00)	7 (15.56)	6 (13.33)	25 (55.55)	45 (37.50)		
Business	0 (0.00)	1 (9.09)	3 (27.27)	2 (18.18)	5 (45.46)	11 (9.17)		
Total	16 (13.33)	3 (2.50)	19 (15.83)	17 (14.17)	65 (54.17)	120 (100.00)	-	-

(The figures in the parentheses are per cent to total)

The results show that out of 45 customers who are students, Kannan departmental store is the most preferred, while, More For You departmental store is least preferred. It is clear that out of 19 customers who are housewives, Kannan departmental store is the most preferred, while, More For You departmental store is the least preferred.

The results indicate that out of 45 customers who are employed, Kannan departmental store is the most preferred, while, Nilgris departmental store is the least preferred and no body prefers More For You departmental store. It is observed that out of 11 customers who are businessmen, Kannan departmental store is the most preferred, while, More For You departmental store is the least preferred and no body prefers Reliance Fresh departmental store.

The Chi-square value of 7.243 is not statistically significant indicating that there is no significant association between occupation of customers and their preference of departmental stores. Hence, the null hypothesis of there is no significant association between occupation of customers and their preference of departmental stores is accepted.

Monthly Income and Preference of Departmental Store: The association between monthly income of customers and preference of departmental stores was analyzed and the results are presented in Table 7.

Table 7: Monthly Income and Preference of Departmental Store

Monthly Income	Preference of Departmental Store					Total	Chi-square Value	Sig.
	Reliance Fresh	More For You	Big Bazaar	Nilgris	Kannan			
Below Rs.5,000	2 (20.00)	0 (0.00)	0 (0.00)	2 (20.00)	6 (60.00)	10 (8.33)	13.937	0.459
Rs.5,000 – Rs.10,000	2 (5.72)	2 (5.72)	5 (14.28)	2 (5.72)	24 (68.56)	35 (29.17)		
Rs.10,000 – Rs.20,000	6 (12.77)	0 (0.00)	8 (17.02)	9 (19.15)	24 (51.06)	47 (39.17)		
Above Rs.20,000	6 (21.43)	1 (3.57)	6 (21.43)	4 (14.29)	11 (39.29)	28 (23.33)		
Total	16 (13.33)	3 (2.50)	19 (15.83)	17 (14.17)	65 (54.17)	120 (100.00)	-	-

(The figures in the parentheses are per cent to total)

The results show that out of 10 customers who belong to the monthly income group of below Rs.5,000, Kannan departmental store is the most preferred, while, Reliance Fresh and Nilgris are the least preferred and nobody prefers both More For You and Big Bazaar departmental stores. It is clear that out of 35 customers who belong to the monthly income group of Rs.5,000 – Rs.10,000, Kannan departmental store is the most preferred, while, Reliance Fresh and More For You departmental stores are the least preferred.

The results indicate that out of 47 customers who belong to the monthly income group of Rs.10,000 – Rs.20,000, Kannan departmental store is the most preferred, while, Reliance Fresh departmental store is the least preferred and no body prefers More For You departmental store. It is observed that out of 28 customers who belong to the monthly income group of above Rs.20,000, Kannan departmental store is the most preferred, while, More For You departmental store is the least preferred.

The Chi-square value of 13.937 is not statistically significant indicating that there is no significant association between monthly income of customers and their preference of departmental stores. Hence, the null hypothesis of there is no significant association between monthly income of customers and their preference of departmental stores is accepted.

CONCLUSION

The foregoing analysis reveals that majority of customers of departmental stores are females and most of them belong to the age group of 21-30 years. Majority of customers of departmental stores are graduates and most of them are both students and employed. Besides, majority of customers of departmental stores belong to the monthly income group of Rs.10,000 – Rs.20,000. The results reveal that Kannan store is the most preferred, while, More For You is the least preferred by the customers. There is no significant association between

socio-economic characteristics of customers and their preference of departmental stores.

It is suggested that the departmental stores put in more efforts in making the advertising media an effective source of information in reaching the customers at large. It is also suggested to the management should appoint more number of skilled sales persons in order to attract customers. It is suggested that steps should be taken to set up branches of departmental stores in different parts of the city for the easy accessibility

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