



## SWITCHING INTENTIONS: A CASE OF CHENNAI HYPERMARKETS

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### Abstract

Switching intention of consumer is sought as main issue of retailing due to its negative effects on market share and profitability of retail outlet. Now firms need to know the factors. Which contribute to choose another outlet and customer change its patronage elsewhere. For this reason, it is very important for firm to understand the reasons of consumer switching to maintain their long lasting relationship with customer. The study is also a systematic analysis of different practices adopted by hypermarkets managers. Objectives of this study, to interpret the predominate factors influencing the consumer opinion on hypermarket shopping. Methodology of this study. The researcher has adopted convenience-sampling method to collect the required data. The survey was conducted in Chennai city. The study is based on the primary data. The primary data have been collected from consumers of retail outlets in Chennai city, with the help of an interview schedule. Reliability analysis used in this study.

**Keywords:** Retail service, Hypermarket, Consumer opinion.

### Introduction

Modernization of the Indian retail sector will be reflected in rapid growth in sale of supermarket, hypermarket, departmental stores and top of all is Malls. So, the organized retailers are trying innovative models and formats to woo the consumers. Consumers are seeking variety, convenience and quality while shopping, be it for grocery, clothes, food music or even books. Organized retailing, which emerged post-liberalization, has made a great impact on the minds of the consumers. To match the consumer needs and demands, the retailers have to come out with various store or retail outlet formats such as convenience store, chain store, franchise, departmental store, specialty store, supermarket, shopping center, hypermarket, discount store, factory outlet, kiosk and shopping malls. India has one of the largest numbers of retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. Though unorganized players have dominated the market, the entry of domestic and international organized players is set to change the scenario. Retailing is a set of business activities that adds value to the producers and services sold to consumers for their personal or family use. Retailing is becoming a buzzword in the current market scenario. In fact, today retailing is evolving into a global, high tech business. Retailing attempt to satisfy consumers by selling right product, service, and merchandise mix at right price, at the right place when consumer wants it. Indian consumers are rapidly evolving and accepting modern formats overwhelmingly. Retail space in no more a constraint for growth. India is on the radar of Global retailers and suppliers brands worldwide are willing to partner with retailers here. Further, with large Indian corporate groups like the piramals, the Tata's, the Rahejas, ITC, RPG Enterprises, pantaloons race to revolutionize the retailing sector.

Also foreign investor and private equity players are firming up plans to identify investment opportunities in the Indian retail sector. Earlier the retail market was emerged as local baniya and his neighborhood 'Kirana shop'. These were the common local mummy daddy or multipurpose utility and were built with the vision of providing convenience at the doorstep of the consumers. Hypermarket retailing is one of the modern retailing concepts that is widely accepted by most consumers, especially in urban and suburban areas. The wide variety of product choices and brands has become the main attraction for consumers to purchase necessities and household products from hypermarkets. The uniqueness of this modern retailing concept is that the consumer is being forced to do all the shopping activities themselves by taking the trolley or basket, choosing the product from the shelves and bringing the products to the counter for payment. Consequently, the only place where there is any interaction between the consumer and the service provider is at the checkout station. Modern lifestyles that emphasize technology, have led to the need for the existing self-service hypermarket retailing concept to be upgraded to an entirely self-service concept by replacing the traditional cashiering operation with an automatic self-checkout station.

### Operational Definition of Hypermarket

Hypermarket is an extremely large self-service retail outlet. It is very large; carry grocery, hardware, appliance and other general merchandise, with self-service facilities usually located in warehouse type structures, with large parking facilities.

### Statement of the Problem

Indian hypermarket industry is more vibrant than ever, with major industry players vying for their share in the retail segment. The size and share of Indian hypermarket is expected to increase in the coming years, given the strong macro-economic performance, favorable consumption pattern due to growing personal disposable income rapid development of Tier II and III



cities, availability of quality retail space and recent entry of big industrial houses into retailing with focus on large store formats. Having studied the appropriate literature and preliminary data gathered, the researcher thought it would be best to conduct general and convincing research to understand the effect of business practices adopted by hypermarkets the opinion of the consumer, to switching over to hypermarket. The study is also a systematic analysis of different marketing practices adopted by hypermarkets managers.

### **Objective of the Study**

1. To study the opinion of the consumers to switching over to hypermarkets in Chennai

### **Research Methodology**

#### **Area of the Study**

Chennai city has been selected as area of the study owing to the main reason that the Chennai is the capital of Tamil Nadu the highest urbanized sector in Tamil Nadu. The other reason behind the high growth of population in this city is due to the large level of infrastructural facilities especially in health, education, and other linked activities. Trade and commerce are the important economic activities in Chennai city.

#### **Sample Size**

To prepare this list of hypermarket in the Chennai city, the researcher obtained the adequate and required information from the internet. And for this study, the researcher the survey for two months from Jan and Feb 2017. Among the different hypermarkets, the top three hypermarkets were selected. Thus, the study had three hypermarkets namely Reliance fresh, Spencer's Daily, and the Nilgiris. By adopting census method, all the three hypermarkets have been taken in to account as sample for data collection. Sample respondents concerned 25 respondents from each hypermarket have been identified by using convenience-sampling method. Therefore, the total sample respondents are 75 (3×25).

#### **Data Collection**

The primary data has been collected from the sample respondents with the help of interview schedule. The secondary data has been gathered from articles magazines, newspapers, books and websites.

#### **Tools for Analysis**

Statistical tools have been used to analyze the primary data. They are weighted average score and Rank Correlation.

#### **Scope of the Study**

The fragmented nature of Indian retail market had earned it the unflattering label of a nation of shopkeepers. However, owing to a paradigm shift in consumer preferences the accent is now on an organized retailing experience of global standards. Traditional markets are making way for new formats such as supermarket, hypermarket, and specialty stores. With ample choice of stores available today, shoppers have become more selective and therefore, the catch lies in getting a professionally designed retail outlet. Hypermarket wants to create less distracting environment for consumer so that they enjoy spending time shopping and buying what they want. Generally, a retail outlet takes as its essence the brand names, and thus brings out the exclusivity and uniqueness for all the consumers. So, the challenges of the hypermarkets are to establish a 'label' or 'mark' to which a consumer relates and defines his attitude and preferences. As such, the Indian consumers are ready for a newer and more discerning shopping experience. Inconsistency in shopping behavior can be explained by a concept called, component Lifestyle, Consumer need brands for a less cost and with a decent shopping experience. The hypermarkets want consumers to learn about the product, attributes, potential consumer benefits, how to use or maintain the products and the new ways of behaving that will satisfy not only the consumer needs by the marketers objectives. Hence, the purpose of this study is to analyze the consumer behavioral patterns, which include a thorough analysis of shopping intention, shopping habits and shopping attitude of consumers in retail formats like hypermarket. The scope of hypermarket, the retail outlets, is very wide and therefore innovation in retail is occurring more rapidly now than ever.



**Table 1: Consumer Opinion towards Hypermarket in Chennai**

Factors	HI	I	INUI	UI	HUI	Total	Rank
Availability of brands	50	20		5		340	4
Availability of more pack size	30	32	7	7		305	23
Quality products & symbol	50	15	6	4		336	5
Parking facility	37	30	5	3		326	13
Wide range of products	42	23	8		2	328	11
Attractive discount and special offers	45	20	5	5		330	9
Availability of new products	35	27	10	3		319	17
Entertainment	53	16	4	2		345	1
Store maintenance and service	40	20	6	6	3	313	20
Clearness of the place	50	20	3	2		343	2
Trust of the store	45	23	2	5		333	6
Flexible timing in the store	43	19	6	5		321	16
Food courts	33	31	4	4		312	21
Various modes of payment	40	25	5	3	2	323	14
Price reduction	42	25	3	3	2	327	12
Exchanging offers	47	15	10	3		331	8
Good Ambience	35	25	10	5		315	18
High public image	50	15	4	4	2	332	7
Providing value to the Customer	40	25	4	4	2	322	15
Security monitoring device	52	14	2	4		329	10
Excellent customer service	46	25	3	1	1	341	3
User trendily websites	35	20	15	5		310	22
Prompt door delivery	33	25	15	2		314	19
Customer feed backs	20	40	10	4		299	25
Friendly staff members to help	30	21	20	4		302	24

Source: Primary data

**HI-highly important; I-Important; INUI-important nor un important; UN-Un important; HUI-highly un important**

The customer levels of opinion have been ranked and analyzed in table 1 by assigned weighted average score 5,4,3,2 and 1. The customers have been opinion in switching intention in hypermarket so that they have have more weight average 345 and ranked as one. Followed by Entertainment has been ranked as two with weighted average score of 343. The consumers have given the weight score 341 and ranked as three to excellent customer service. Availability of brands and Quality products & symbol has been ranked as four and five with weighted average score 340 and 336. Followed by trust of the store has been ranked as six with weighted average score of 333. The consumer have given the weighted average 332 and ranked as seven to High public image. The consumer have been opinion of Exchanging offers in hypermarket so that they have given weighted average 331 and ranked as on eight. The factors Attractive discount and special offers and Security monitoring device have been ranked as nine and ten with weighted average score 330 and 329. Whereas the factors friendly staff members to help and Customer feedbacks concerned the consumer last opinion therefore this factors have been ranked as on 24 and 25 with weighted average score 302 and 299 respectively.

### Findings

1. As per as availability of brands followed in the hypermarket out of the 75 respondents, 50 respondents have opined that highly important and 20 respondents have opined that important and 5 respondents have opined that un important.
2. Quality products and symbol to the consumer concerned 50 respondents have opined that highly important, 15 respondents have opined that important, 6 respondents opined that important and nor unimportant, 4 respondents have opined that unimportant.
3. Attractive discount and special offer to the consumer concerned 45 respondents have opined that highly important, 20 respondents have opined that important, 5 respondents have opined that important and nor unimportant, 5 respondents have opined that unimportant.
4. With regards to entertainment, out of total 75 respondents 53 have opined that highly important, 16 respondents have opined important, 4 respondents have opined that important and nor unimportant, 2 respondents have opined that unimportant.



5. Clearness of place concerned 50 respondents have opined that highly important, 20 respondents have opined that important, 3 respondents have opined that important and nor unimportant, 2 respondents have opined that unimportant.
6. Opinion of the respondents about trust of the store concerned majority of the respondents 45 have opined that highly important and 23 respondents have opined that important, 2 respondents have opined that important nor unimportant, 5 respondents have opined that unimportant.
7. Out of total respondent 46 respondents have opined that highly important and 25 respondents have opined that important, 3 respondents have opined that important and nor unimportant, 1 respondents have opined that unimportant and 1 respondents highly un important about excellent customer service in the hypermarket.
8. High public image by the hypermarket concerned, out of to the 75 respondents, 50 respondents have opined that highly important, 15 respondents have opined that important and 4 respondents have opined that important and nor unimportant, 4 respondents have opined un important, 2 respondents have opined that highly unimportant, With reference to High public image by the hypermarket to the consumer.
9. With reference to security monitoring device, 52 respondents have opined that highly important, 14 respondents have opined that important, 2 respondents have opined that important and nor unimportant, respondents have opined that unimportant.
10. Out of total respondents 75, 47 respondents have opined that highly important, 15 respondents have opined that important, 10 respondents have opined that important and nor unimportant, with regards to exchanging offer and 3 respondents have opined that unimportant.

### **Suggestions to this Study**

1. In order to satisfy the consumer needs, the hypermarkets must have a thorough understanding of how consumer makes store choice and purchase decision. Perceptual mapping of the consumers provide some valuable insights into the process and therefore is useful for the store management decision making. It is important to realize the purchase of products, which involves motivational, social, psychological and economic factors. Retail consumers need to understand on a variety of levels.

2. Consumers seek to reduce the risk of their purchase. Hyper markets need to provide information, guarantees and after sales services to reduce the perception of risk. Consumers will go shopping for a variety of reasons. The complexity of the shopping trip per se should clear the staff.

3. Due to maintenance of good quality of their goods, the consumers are attracted by Hypermarkets. Hyper markets can increase the number of branches to meet the consumer needs. At present, the hypermarkets are working in district headquarters only. They should open at talk headquarters with population of more than 20,000.

### **Conclusion**

Hypermarket retailers should 'delight' and 'surprise' consumers limiting consumers sovereignty and persuading them to act in particular ways. Instead of listening to what consumer need and desire, nowadays, retailers tend to come out with new changes that influence consumers to adapt to the modern retailing styles. The way hypermarket retailers manage their retail operations should be according to the consumer needs. Successful original ideas for retailing do not always come from the consumer but from the hypermarket retailer. As a developing country that is continuously adapting to modern technology for living, it is highly expected that consumers will continue to welcome new technology innovation in hypermarket retailing. Hypermarket retailers should seriously consider such impending development in the retail industry.

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