



A STUDY ON THE IMPACT DUE TO THE ENTRY OF MNC'S IN RETAIL MARKETING WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT

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INTRODUCTION

Retail market plays a vital role to increase the sale in all parts of the country for all nature of products on commodities because most of the products are manufactured in different places and consumed in all parts of the country. It is not possible for all manufacturers to supply their produced goods directly to the ultimate consumers, so they are depending on others like dealers, wholesalers, intermediaries and retailers for selling their products. Likewise, the consumers also cannot buy the necessities from the producers directly. They both (producers & consumers) depend on Retailers in almost all the time. So, the retailers since the ancient period established their own shops wherever it was possible on the basis of the nature of goods they are going to sell.

For establishing retail store minimum amount is required particularly in rural areas. Those who involved in retail business peacefully ran their family without any risk, as they earned considerable amount in their business. Further, most of the retailers used to buy their requirements daily from the same wholesaler or dealer even though they are the competitors for each other. The retailers are acting as the agent between the consumers and the producers. Retailers are the only businessmen who can be able to know the needs and tastes of the consumers. Both in Urban and rural area till 2005 the retailers ran their business without any risk. But at present due to globalization they face lot of problems for survival.

Many large scale business units and also multinational corporations started to establish their own retail outlet in almost all part of the country for the last 5 years, where the retailers are directly affected. They could not face the toughest competition from the MNC's. As the retailers invested in their smallest volume of capital in the business, they suffer lots to arrange further finance for keeping varieties of commodities in their shop. This is the real situation prevailing among the retailers dealing in all nature of products including vegetables and fruits.

Coimbatore district is famous for its Industrial Development and Educational growth. Large number of floating population coming to Coimbatore for getting jobs, buying industrial goods and capital goods and also for educational purpose. Retailers in Coimbatore district are able to meet the local demands in all parts of the district. But now, due to the entry of MNC's and large scale business units in retail market they also face problems. Though, they contribute considerable income to the Government in various forms, there are no proper norms to safe guard the interest of the retailers from the large scale units and MNC's. By keeping all the above views in mind the researcher selected the "A STUDY ON THE IMPACT DUE OT THE ENTRY OF MNC'S IN RETAIL MARKETING WITH SPECIAL REFERENCE TO COIMBATORE" for the research work.

STATEMENT OF THE PROBLEM

In India since ancient period we have been using the traditional method of production in most of the industry. Further in India in all sectors manual labours are utilized more than the machinery. Hence automatically the prices of our Indian products will go up. But in the cases of MNCs they use advanced technology and innovations in their products which leads to decrease the cost of production. The MNCs due to globalize era are allowed to enter in to any country for marketing their products without tax or concessional rate of tariff. They offer all types of products at cheaper rate which is not possible for the Indian manufacturers and retailers. This further weaken the sales volume of the Indian products simultaneously it affects the retailers in various issues. The retailers in Coimbatore also are not excuse for these issue .They suffer lot for the survival due to the entry of MNCs in retail business.

SIGNIFICANCE OF THE STUDY

Though, the Coimbatore District is familiar for industrial development mainly for electrical and electronically goods. Some of the domestic products are not manufactured in Coimbatore. They are brought up from various parts of the country and finally sold by the retailers directly to the consumers. Now-a-days, both the MNC's and large scale units established their own retail outlets with well interior decoration which will attract the consumers and influence them to buy from MNC's like big bazaar ,Reliance and Spencer Plaza. If it goes like this within a short span of time,most of the retailers have to close their business. It is not good for the country like India for bringing balanced growth. Retailers are involved in all nature of



business. Retail markets give lives to most of the public both the urban and rural part of the Coimbatore District. So it is the right time to undertake the study on the issues related to the retailers in Coimbatore District.

OBJECTIVES OF THE STUDY

The following are the specific objectives of the study.

1. To analyze the socio economic status of the retailers in Coimbatore District.
2. To find out the impact due to the entry of large scale units and MNC's in retail market.
3. To find out the problem faced by the retailers.
4. To analyze the reason for the problems of the retailers.
5. To find the remedial measures to solve the issues of the retailers and help them to lead a normal life.

RESEARCH METHODOLOGY

Research Design

Descriptive research was conducted in this study to make the research effective and useful to the needy.

Collection of Data

Both the primary and secondary data were collected in this research work

Primary Data

Primary data was collected from the sample respondents from the population by way preparing a questionnaire. The questionnaire was prepared with the guidance of the experts in the relevant field. Necessary corrections were made in the questionnaire to complete the research work successfully. A pilot has also been conducted to verify the questionnaire is useful for the successful completion of the project.

Secondary Data

Secondary data was collected from the journals and magazine published in the related topics.

Sample Selection

Due to the development in the economy and the changing trends among the public and the Coimbatore being one of the corporations in India where the MNCs prefer to establish their business in Coimbatore. Already MNCs are giving due important to start their retail business in Coimbatore Hence Coimbatore is the apt place for doing the research work. The population for the research study is the retailers who are dealing house hold and other materials. As the population for the study is numerous, 100 respondents will be selected at random by using convenient sampling method. The sample respondents consist of both the male and female retailers in the study area.

Study Period

The study period for the research work covers 3 month period starting from October 2014 to December 2014.

Statistical Tools

The collected data was analyzed and interpreted properly to find the result of the research work. Further to know the association between two variables in deciding the particular issues statistical tools like simple percentage, chi-square, rank correlation, ANOVA and regression were also utilized..

Limitation of the Study

1. The data was collected from the retailers Coimbatore only. So the findings of the study may not be considered for other cities.
2. We could not expect full co-operation from the respondents at the time of questionnaire or interview schedule. So the findings may be based on the information given by the respondents. There may be possibility for bias in the information provided by the respondents.
3. The survey was conducted only with the retailers who are dealing in house hold and other materials, so it may not be considered for taking policy decisions for the similar products available in other places rather than Coimbatore.

Hypothesis

1. There is no association between the income of the retailers in the study area and the size of the retail shops in Coimbatore district.
2. There is no association between the satisfaction level of the retailers and the income generated by them from their retail business.
3. There is no association between the respondents based on the sex and their income.
4. There is no association between respondents based on the income and volume of business made in the retail shop.
5. There is no association between respondents based on educational qualifications and their opinion about the entry of MNCs in retail business.



REVIEW OF LITERATURE

According to Taylor & Cosenza, Malaysia Generation Y adults love to visit the mall. They visit the shopping mall very frequent at least 1 or 2 times a week. However, Generation Y adults treat shopping mall activities as a social activity. They prefer hanging out with friends. Prior to that, they follow and tag along with peers' opinion. As a result, their expenditure increases as they shop with friends. They are also loyal customer that will constantly visit the same stores each time they visit the shopping mall. Surprisingly, older Generation Y in Malaysia is not brand conscious. Other than visiting some branded stores they do visit stores that provide them the latest and updated trend.[1]

Decisions about where to locate a store are critical to any retailer's success. Location decisions are particularly important because of their high cost, long-term commitment and impact on customer patronage. Choosing a particular location type involves evaluating a series of trade-offs. These trade-offs generally include the occupancy cost of location, the pedestrian and vehicle customer traffic associated with the location, the restrictions placed on the store operations [2]

Retailers are using the term retail theatre (theater) to imply a service offer that is different and special. An important component of the offer is an increased opportunity for consumers to interact and participate within the overall experience. This article compares consumer participation in retail theatre with audience participation in actual theatre. It is advocated that the actual theatre is a rich source of ideas for retailers wishing to offer different and engaging "experiences" to consumers. [3]

Retailing during recession warrant an approach where five rules needs to be adopted by wining customers by focusing on customers who are not their best customers and offer only what the customers value. The rules are : 1. Focus on customers who neither loyal to you nor your competitor, 2. Close gaps between customer needs and your current offering, 3. Reduce "bad costs" those producing benefit customers would not pay for, 4. Cluster your store based on the similarity of customer needs and purchase behavior and 5. Re-tool processes – customer research, merchandize planning, performance management, to better position your company.[4]

When doing business with other companies, who are price conscious, to win the business of such companies, do not change price, as the profit would go down. But craft compelling customer value proposition by: 1. Understand customer's business, 2. Substantiate your value claims, 3. Document value delivered, 4. Make customer value proposition a central business skill. [5]

ANALYSIS AND INTERPRETATION OF DATA

Table No -1, Table Showing the Age Group of the Respondents

Serial No	Age	Respondents		Total	Percentage %
		Male	Female		
1	Below 35 years	16	08	24	24
2	36 to 45	20	11	31	31
3	46 to 55	24	06	30	30
4	56 and above	10	05	15	15
	Total	70	30	100	100

Source: Primary data

Interpretation

From the above table it is inferred that 24% of the respondents belong to the age group of below 35 years and 31% of the respondents belong to the age group 36 to 45 years, 30% of the respondents belong to the age group of 46 to 55 years where as 15% of the respondents belong to the age group of 56 years and above.

Table No -2, Table Showing the Sex of the Respondents

Serial No	Sex	Total	Percentage
1	Male	70	70
2	Female	30	30
	Total	100	100

Source: Primary data



From the above table it is clearly understand that among 100 respondents 70 % of the respondents are male, while the remaining 30% of the respondents are female.

Table No -3, Table Showing the Marital Status of the Respondents

Serial No	Marital status	Respondents based On sex		Total no of Respondents	% of the respondents
		Male	Female		
1	Married	44	13	57	57
2	Unmarried	24	16	40	40
3	Divorce	02	01	03	03
	Total	70	30	100	100

Source: Primary data

A survey was undertaken to know the marital status of the respondents. The survey reveals that among 100 respondents 57% of the respondents are married, 40% of the respondents are unmarried, while the remaining 3 % of the respondents are part with their spouse.

Table No -4, Table Showing the Total Experience of the Respondents Based on the Sex

Serial no	Total experiences In years	Respondents		Total	Percentage %
		Male	Female		
1	Below 5 years	21	07	28	28
2	6 -10 years	16	11	27	27
3	11-15 years	14	05	19	19
4	16-20 years	13	04	17	17
5	Above 21 years	06	03	09	09
	Total	70	30	100	100

Source: Primary data.

Interpretation

From the above table it is clearly understood among 100 respondents 28% of the respondents have less than 5 years of experience in their business, 27% of the respondents have 6-10 years' experience in retail business, 19 % of the respondents have 11 to 15 years' experience in business, 17% of the respondents have 16-20 years experiences while the remaining 9% of the respondents have more than 21 years experiences in business

Table No – 5, Table Showing the Academic Qualifications of the Respondents

Serial No	Academic Qualification	Frequency	Percent
1	School Level	29	29.0
2	Degree/Diploma	48	48.0
3	PG Level	18	18.0
4	Professional	05	05.0
	Total	100	100

Source: Primary Data

Interpretation

From the above table it is understood that among 100 respondents 48 percent of the respondents have studied up to degree or diploma, 29 percent of the respondents have studied up to school level, 18 percent of the respondents have completed post graduate while the remaining 5 percent of the respondents have studied professional courses.

Table No - 6,Table Showing the Monthly Income of the Respondents

Serial No	Monthly income	Frequency	Percent
1	UP TO Rs.5000	17	17.0
2	Rs.5000-10000	7	7.0



3	Rs. 10000-20000	54	54.0
4	ABOVE Rs. 20000	22	22.0
	Total	100	100.0

Source: Primary Data

Interpretation

The above table limelight that among 100 respondents 54 percent of the respondents get a monthly income between Rs.10000-20000, 22 percent of the respondents draw a monthly income of above Rs.20000, 17 percent of the respondents earn a monthly income up to Rs.5000 and the remaining 7 percent of the respondents get a monthly income between Rs.5000 to 10000.

Table No-7, Table Showing the Opinion about the Price Consideration between Organized Retail Store and Other Retail Store

Serial No	Opinion	Frequency	Percent
1	Yes	87	87.0
2	No	13	13.0
	Total	100	100.0

Source: Primary Data

Interpretation

The above table reveals that among 100 respondents 87 percent of the respondents informed that they used to consider the price of the goods in organized retail store and other retail store before buying the products, while the remaining 13 percent of the respondents conveyed that they normally do not compare the price of the goods with other store.

Table No- 8, Table Showing the Price Difference between Products of Organized (Large Size) and Unorganized Stores

Serial No	Opinion about the difference	Frequency	Percent
1	Extremely different	35	40.23
2	Very different	39	44.83
3	Moderately deferent	13	14.94
	Total	87	100.00

Source: Primary Data

Interpretation

From the above table it is understood that among 87 respondents who consider the price of organized retail stores and unorganized retail store before buying the goods 44.83 percent of the respondents informed that price of organized retail store is very different when compared with the price of unorganized retail stores, 40.23 percent of the respondents expressed that price is extremely different when compared with the price of unorganized retail stores while the remaining 14.94 percent of the respondents conveyed that the price is moderately different when compared with the price of unorganized retail stores.

Table No – 9, Association between Monthly Income of the Respondents and their Satisfaction Regarding the Range of Merchandise in Organized Retail Store

Serial no	Monthly income of the respondents	Satisfaction level					Total	% of the respondents
		HDS	DS	N	S	HS		
1	UP TO E5000	3(2.4)	7(4.4)	3(2.7)	1(3.4)	394.1)	17	17.00
2	E 5000-E10000	1(1)	2(1.8)	2(1.1)	2(1.4)	0(1.7)	7	7.00
3	E10000-E20000	9(7.6)	10(14)	7(8.6)	15(10.8)	13(13)	54	54.00
4	ABOVEE 20000	1(3.1)	7(5.7)	4(3.5)	2(4.4)	8(5.30)	22	22.00
	Total	14	26	16	20	24	100	100

Figures in the parenthesis are expected frequencies



Null Hypothesis

There is no association between the monthly income of the respondents and their satisfaction level regarding the range of merchandise available in organized retail stores and the local retail stores.

Alternative Hypothesis

There is an association between the monthly income of the respondents and their satisfaction level regarding the range of merchandise available in organized retail stores

Factor	Calculated value ²	Table value	DF	Remarks
Monthly income	14.172	21.026	12	Insignificant

As the calculated value of chi-square ² (14.172) is less than table value (21.026) for 12 degree of freedom at 5% level of significance, there is no significant relationship between the monthly income of the respondents and their satisfaction regarding the range of merchandise available in organized retail store. Hence the null hypothesis is accepted and concluded that there is no association between the monthly income of the respondents and their satisfaction regarding the range of merchandise available in organized retail store.

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

The collected data were properly arranged and tabulated in an order and interpreted by applying statistical tools like simple percent, Chi-square test, T test and Hendry Garrett Ranking to make the research effective and find the result fruitfully. The following findings were made from the analysis of this research work.

FINDINGS FROM SIMPLE PERCENT ANALYSIS

- 1 Majority (45 percent) of the respondents belong to the age group between 46-55 years and above 55 years
- 2 Most of the (70 percent) respondents are male
- 3 Considerable proportions (68 percent) of the respondents are married
- 4 Most (48 percent) of the respondents have studied up to degree or diploma
- 5 Majority (53 percent) of the respondents are employees
- 6 Majority of the respondents (52 percent) informed that they could not compete with the MNC in having the stock availability for selling.
- 7 Majority of the respondents(67 percent) informed that the price fixed by the organized retail store heavy competitive to them
- 8 Considerable portion of the respondents (69 percent) expressed that government should consider the problem of domestic retailer before allowing the MNCs in retail business.
- 9 Majority of the respondents (56 percent) are not satisfied with the income generated from their business after the entry of MNCs retail business.
- 10 Majority of the respondents (73 percent) are not satisfied with the turnover of their store after the entry of MNCs in retail business.

FINDINGS FROM CHI-SQUARE TEST

- 1 There is no association between the age of the respondents and their satisfaction regarding the quality of merchandise available in organized retail store.
- 2 There is no association between the marital status of the respondents and their satisfaction regarding the in-store convenience in organized retail store.
- 3 There is no association between the education of the respondents and their satisfaction regarding the price of merchandise available in organized retail store
- 4 There is no association between the monthly income of the respondents and their satisfaction regarding the range of merchandise available in organized retail store.

5.2 SUGGESTIONS

- Some of the respondents informed that heavy investment is required to have competition with the MNCs. Hence the government should take initiatives to support the domestic retailers financially by allocating the fund even in the budget before taking policy to allow MNCs in retail business.



- Few retailers informed that quality of the products in MNC retail stores comparatively better as they have advanced technology whereas the in India in much area we follow traditional system for manufacturing the goods which cannot ensure good quality when compared with MNCs products. Hence the government should take initiatives to bring advanced technology in all possible ways to meet the competition from MNCs in retail business. So that the interest of the domestic retailers can be safeguarded.
- Majority of the retailers informed that place in the retail store is the main problem to the local retailers. Hence they go not keep as much as quantity and varieties in the similar products like MNCs. They government may try to construct big retail shopping with more space and may let it to the local retailers at a concessional rate which will help the domestic retailers to run their business smoothly as ,like MNCs.

5.3 CONCLUSION

In the fast changing face of organized retailing especially in food and grocery, shopping for products is no more a matter of non-fun mundane activity but an exciting and entertainment activity. Although shopper's involvement of shopping for food and grocery item is very low, yet it is in metamorphosis state due to increasing levels of consumer awareness and availability of manifold branded products on qualitative and competitive basis. The study identifies that shopper's education, occupation and income levels also are the major determinants for type of food and grocery retail outlets. The working women create a huge demand for timesaving product and services. It is an uphill task to serve today's pragmatic and enigmatic shopper because shopper is looking for huge variety of quality products, offering self service, pleasant ambience and store services like assistance, promotions, replacement facilities etc. Understanding of shopper's behavior is the key to success for the retailers. Marketers will have to understand the consumers shopping behavioural dimensions that will help them to tap the consumer in a better way. The customers visiting organized food and grocery stores are status and quality conscious while deciding on the store to purchase from and brands to purchase. They always look for the benefits of shopping in a store over the traditional retail outlets in terms of self- selection, variety, comparison of brands and discounts available and also seek value for the money they pay.

In practical situation the consumers normally prefer to shop their needs in the organized retail stores and MNCs like BIG BAZAAR because of large number of varieties which will lead to more crowds in the shopping malls and big organized retail store. This attitude of the consumers should be changed. The local retailers should be encouraged by the government by providing necessary support including financial support. It will be the right solution to the retailers for running their business by facing the competition with the MNCs.

In modern scenario all businesses are trying to attract the consumers by understanding their needs and desires likewise the organized retail stores should try to identify their desires and try to satisfy their necessities reasonably within the organized retail store which help both the consumers and the retailers as a whole to have continuous business deal with all consumers who are visiting the organized retail store for purchasing their necessities. At this juncture both the government and the domestic retailers should find the right conclusion to solve the issues faced by the domestic retailers. Further it is not possible to survive the business without improving the quality of the products and also the facilities in the retail shops. The domestic retailers should consider the attitudes of the consumers and try to extend the facilities in their shop in all possible ways which will attract the customers and help the domestic retailers to retain the existing customers and increase the potential customers.

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