



COMPARITIVE ANALYSIS OF RETAIL STORES IN VISAKHAPATNAM (BIGBAZAAR, MORE & SPENCERS)

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ABSTRACT

The marketing environment is undergoing rapid change and the need for real time market information is greater than at any time before. Customers are more quality oriented and wish to make shopping a pleasurable experience. In addition, the customers do not have more time to shop. Retail business is now getting organized, expanding its roots in the national as well as international market. Attracting consumers and influencing them to buy retail products is a crucial factor for retailer's .It's essential for the retailers to understand the consumers, his perception, buying habits and consumption habits .Now a days the competition is also more in the retail sector. This comparative study will show light to make a general and broad efforts to predict the behavior and their perception on the different outlets .Retailers just cannot copy the formats which are successful in one place .They have to understand the customer's choice always.

KEYWORDS: Customer, Retailer, Service, Big Bazaar, More, Spencer's, Market.

INTRODUCTION

India is the fifth largest retail destination globally. Indian organized retail market is growing at a fast pace due to the boom in the India retail industry. This intensive growth in the organized retail market is due to the change in the behavior of the consumers. This change has arisen in the consumer due to increased income, changing lifestyles and patterns of demography and many more factors. Today's market scenarios is very different from that of the market scenario before 1990. Income level of the people has changed, life style and social class of the people changed completely now than that of olden days. Many departmental store, hypermarket, shopper's stop, malls, branded retail outlets and specialty stores are there in and around. In today's world shopping is not any more tiresome work rather it's a pleasant experience now. Where do we buy your requirements of grocery, garments, watches etc. Usually we fulfill these requirements either by going to a super market, kirana shop or grocery, an apparel shop or a garment store for garments. For the people living in metros, large or small cities, retailing is a familiar phenomenon. Because there are number of markets, different type of shops and many shops competing among themselves for selling similar goods. The many shops available there share the gains of customer presence and plan their selling activities in such a way that most customers are attracted toward the shop and buy products or services. While buying a TV or a washing machine, consumers visit an exclusive showroom or they will go to a multi branded outlet. Retail outlets form or carry images in the mind of consumers. A retailer in an area can develop a perceptual map consisting of the different dimensions and the competing retailers to get an idea about how consumers perceive a set of competing retailers. Another aspect is that consumers have a tendency to use the image of a retail outlet as an indicator of quality in the absence of brand cues. For example if a packaged unbranded commodity is marketed through a well known departmental store, the image of the retail outlet will influence the image of the product. Many other things like service counters, queue management, billing system, display of products and storing of various product categories of a retail outlet also influence its image. Retail service is associated with sales personnel, pre sales or after sales service, easy return of faulty or defective product, easiness in shopping and fast delivery of products. The ambience can be associated with decor, lighting, moving space, layout, cleanliness and comfort. Convenience can be related to locations and parking space.

RETAIL SECTOR

The Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. The industry is moving towards a modern concept of

retailing. The Indian retail market currently estimated at USD 490 billion, is projected to grow at a CAGR of 6% to reach USD 865 billion by 2023. The opportunities in food and grocery retail in India are immense, given that it constitutes about 69% of India's total retail market. Consumers shopping at modern trade have grown from 54% in 2012 to the current 68% (2013), driven by increasing consumption, comfortable shopping experience, new categories, wide variety of brands under a single roof and attractive prices. 55% of the modern trade shoppers actively seek promotional deals 35% of them make luck purchases of which 30% are male customers. Mass media has a big role in bringing the rural market to the centre stage, which is setting the actual consumer aspiration. The main elements to be focused on is the supply chain and infrastructure in the tier 3 cities. The country is moving at a fairly fast pace and consumers are creating their own opportunities and are becoming exposed to information. There is a huge aspiration level among the people in tier 2 and tier 3 cities which the retail has yet to tap.

2.1 BIG BAZAAR

Big bazaar is the largest hyper market chain in India founded by Kishore Biyani under his parent organization Future Group head quartered in Mumbai. Today there are over 292 big bazaar stores in 93 cities and 60 rural locations across the country. Future company is well known for having a significant prominence in Indian retail and fashion sectors, with popular supermarket chains like big bazaar and food bazaar. Big bazaar has emerged as the only retail brands to be present among top 10 brands in the Indian markets, according to a survey conducted by Market Xcel, a Delhi based research organization. The survey was part of Brand Asia, a larger initiative to ascertain top brands in Asia, held by Nikkei, a Japanese consulting and research group. Over 4000 Indians, half of them woman, participated in the survey and ranked their favorite stores on the basis of friendliness, convenience etc. The company partnered with Paytm to be present on latter's online market place as an anchor store. This tie up enable the users to shop everything available in big bazaar on paytm's e market place and get everything delivered to their door step. It has positioned itself in the market as a discounted store. It holds a huge customer base. The majority of customers belong to middle class family. The youth generation also likes shopping and moving around big bazaar. Volume sales always take place in big bazaar. Impulse buying behavior of customers comes in to play most of the times in big bazaar. Big bazaar is a hypermarket as it provides various kinds of goods like apparels, grocery, stationary, food items, electronic items, leather items, watches, jewellery, crockery, decorative items, sport items, chocolates and many more. It competes with all the specialty stores of different products which provide goods at

a discounted rate all through the year. It holds a large customer base and it seemed from the study that the customers are quite satisfied with big bazaar.

2.2 MORE

More is a pan India retail chain operated by Aditya Birla group of company. Aditya Birla retail limited entered the retail space in December 2006. At present there are 494 More supermarkets and 19 more mega store, hyper markets across the country. The company has its own set of private label brands like feasters, kitchens, promise and best of india. From the moment we enter the store we get a complete shopping experience that combines best in class quality products, customer service and store experience. Aditya Birla retail limited is the 4th largest supermarket chain in the country after Future Group, Reliance Retail and Dmart. It operates different store formats –super markets and hypermarkets under the brand More. In 2007 they were Trinetra super retail. It had a strong footprint with over 172 stores spread across 4 states Andhra Pradesh, Tamilnadu Karnataka and Kerala .In Tamilnadu and Andhra Pradesh Trinetra brand as being used ,while in Karnataka and Kerala ,FAB mall brand was used. Later all the stores were re branded and positioned as smore store.

2.3 SPENCER'S

Spencer's limited part of the 13500 crore RPG group ,is one of India's largest and fastest growing multi format retailer and retailing food, apparel, fashion, electronics ,life style products ,music and books with 350 stores including 35 large format stores across 60 cities in india. Its a chain of retail stores headquartered in Kolkata ,West Bengal having presence in over 35 cities in India. Spencer's is based on the food first format .It mainly offers the fresh and packaged food. Spencer's smart choice is the leading in store brand which has a variety of products ranging from juices, noodles, cookies, honey, air freshener etc. Apart from this Spencer's had very successfully launched its general merchandise products under the brand name of Maroon.

3 .LITERATURE REVIEW

Feinberg, Sheffler, Meoli and Rummel (1989) considered the social stimulation provided by malls, finding that the mall served as an outlet for social behavior. Further examination of this issue was made by Lotz, Eastlick and Shim (2000), who studied the similarities and differences between mall entertainment seekers and mall shoppers. Their results supported hypotheses that there are different motivations for individuals who visit a mall for entertainment activities versus those who visit for shopping purposes.

Roy (1994) in his study considered several characteristics of shoppers - such as functional shopping motivation, deal proneness, recreational shopping motivation, age, income and family size, to be a significant influence on mall shopping frequency.

Burns and Warren (1995) opined that since the store mix and product offerings of many regional shopping malls are very similar, often the primary discriminator between many of these centers is merely location. Making the choice to shop at a regional shopping mall other than the one nearest to one's place of residence, therefore, does not appear to be a logical choice in many instances. Such behaviour, however, appears to be relatively common. It would appear; therefore, that regional shopping mall choice may not always be based solely on the offerings and location of the available shopping alternatives

Prakash Chandra Dash (2007) studied and explores the opportunities, challenges and strategies of Indian retail sectors. The paper discusses the challenges like merchandising mix, retail differentiation, supply chain management and also competition from supplier's brand in the Indian perspective.

A M Sakkthivel (2007) conducted a study on "Strategic Placement of Organized Retail Formats in Potential Markets - A Critical Analysis" the study covered different retail formats and their locations for reaching the target market. The study concluded that the majority of the new retail formats are concentrated in tier 1 cities; the new retail formats are increasingly expanding their operations in tier 2 and smaller cities also. Categorization of potential markets and mapping of the retail formats are key success factors for the organized retail formats in India.

Nidhi Katare (2007) attempted to look at the structure of Retail Marketing in India. According to her retail marketing is most dynamic and exciting areas of growth in global economy. The author suggest that to beat the competition, stand out in a saturated marketplace and succeed despite tightening margins, savvy retailers has to focus on customer-centric service, personalization and loyalty programs to attract and retain customers.

C S Venkata Ratnam (2007) have detailed changing consumer behavior in retail trade in India in his paper entitled "Changing Consumer Behavior and Emerging Challenges to the Retail Trade In India" The author has highlighted that sustained and rapid growth of China and India, which together provide home to over a fifth of the humanity, are creating a tremendous surge in consumerism on a scale which is unprecedented. Both the countries are attractive destinations for investment and production as well as sales and marketing.

Roopampreet Kaur, Gagandeep Banga, Babita Kumar, Sandeep Kapur, S.K. Singla (2008) in his paper titled "Visual Merchandise and Store Design Strategies of Specialty Retail Stores" In this

study the author has studied visual merchandise and store design strategies followed by Specialty Retail Stores. Specialty apparel stores from Ludhiana and Chandigarh were selected for the survey. Twenty specialty apparel stores were selected on judgment basis, ten from each city. The author found that Colour and season is the main theme of the display window design but the display window is not changed frequently. Lighting is mainly used for illumination rather than for creating an atmosphere conducive for buying

Sangita Mohanty (2012) studied in her paper titled “Drivers of retail shopping: An Exploratory study” consumers attitude towards nearby market, big bazaars and shopping malls and to analyze the related reasons age wise, education wise and income wise. The basic purpose is to find out the reasons of patronizing a store gender wise and to unfold the consumer’s preference to shopping malls

4. RESEARCH METHODOLOGY

The research instrument that was used to carry out the research was questionnaire .a survey was conducted among 120 respondents who were enquired about the 3 main shops in Visakhapatnam, Andra Pradesh. The respondents were given adequate time to fill the questionnaire and any confusions pertaining to questions were resolved on the spot for them. The sample was selected by using judgement sampling. Samples were selected from Visakhapatnam wherein the research was conducted. The data collected from respondents was checked twice in order to discard any incomplete forms.

5. RESULTS AND DISCUSSION

DEMOGRAPHIC DETAILS OF THE CUSTOMERS

Table No: 1 Age of Respondent

SL.NO	AGE OF RESPONDENT	NO OF RESPONDENTS	PERCENTAGE
1	BELOW 20	20	16
2	20-30	30	25
3	30-40	45	37
4	ABOVE 40	25	20
TOTAL		120	100

From the above table that is inferred that 37% of the respondents are from the age group of 30-40, 20% are above 40, 25% from 20-30 and the rest of the 16% from below 20.

Table No: 2 Gender of the Respondent

SL.NO	GENDER	NO RESPONDENTS	PERCENTAGE
1	MALE	45	37
2	FEALE	75	63
		120-	100

From the above table that is inferred that 37% of the respondents are male, the rest of the 63% are female.

Table No: 3 Occupation of the Respondent

SL.NO	OCCUPATION	NO OF RESPONDENTS	PERCENTAGE
1	HOUSE WIFE	30	25
2	PRIVATE	32	27
3	BUSINESS	17	14
4	GOVERNMENT	21	18
5	STUDENT	20	16
TOTAL		120	100

From the above table that is inferred that 27% of the respondents are private employees, 14% are doing business, and 18% of the respondents are government employees and house wife 25%, and rest of the 16% of the respondents are students.

Questionnaire based data

	Questions asked	Options given	% of respondents
1	Preference of shop	Big bazaar More Spencer's	25% 35% 40%
2	Better quality goods	Big bazaar More Spencer's	40% 35% 25%
3	Variety of goods	Big bazaar More Spencer's	50% 25% 25%
4	Frequency of Number braches	Big bazaar More Spencer's	10% 50% 40%
5	Offers and discounts	Big bazaar More Spencer's	50% 30% 20%
6	Comfortable to shop	Big bazaar More Spencer's	40% 30% 30%
7	Good customer relations	Big bazaar More Spencer's	40% 35% 25%

DIAGRAMS

FIGURE NO: 1



FIGURE NO:2



FIGURE NO: 3

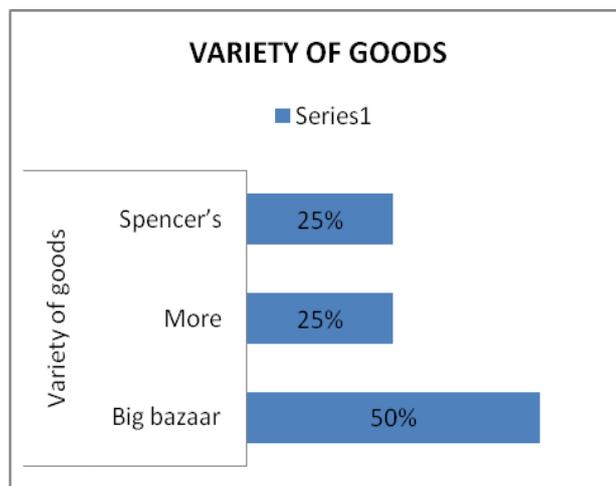


FIGURE NO: 4

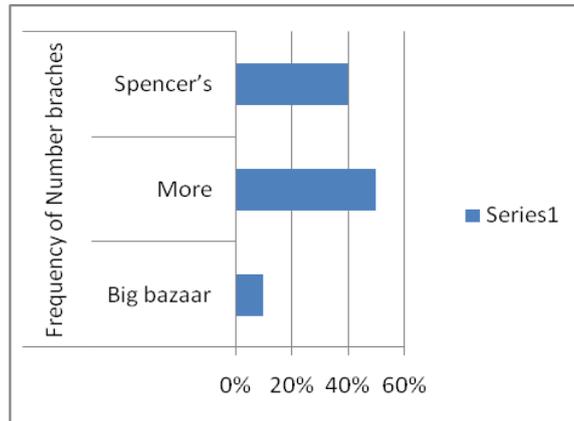


FIGURE NO: 5



FIGURE NO: 6

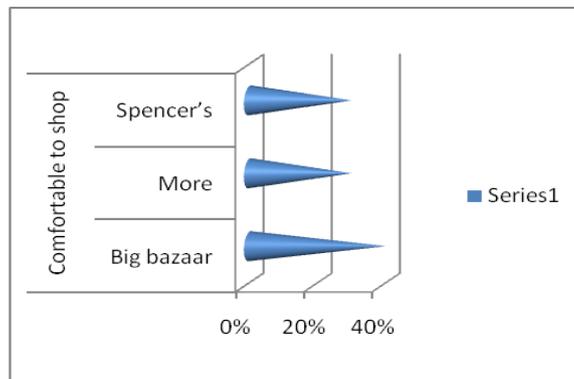


FIGURE NO: 7



Based on the survey most of the people visit Spencer’s often. From the 1st question we can interpret that 40% of the people prefer spencers and 35% more and 25% bigbazaar. From the second question response it’s clear that big bazaar gives better quality products .With 3rd question we can understand that wide variety of goods are available in Big Bazaar rather than in more and Spencer’s .From the 4th questions it’s clear that More and Spencer’s are found more frequently instead of big bazaar. From the response of 5th question its visible that big bazaar gives more discounts and offers while shopping .Regarding comfortness in shopping it’s clear that big bazaar provides more comfortness than any other shops .From 7th question its fond that big bazaar maintains good relationship with customers .On the basis of survey it is found that every customer has their own perception while doing shopping .most of the customers who is working and wants to buy groceries, they may visit more ands Spencer retail stores and for big bazaar people from children to adult can visit as it is a platform for every items. Apparel for kids to old and food bazaar also available. Play zone is available. So the store is well organized as well as in more and Spencer’s .Customers will visits the shops based on their convenience .By this study we can understand that most of the people prefer big bazaar because of the comfortness and convenience they provide.

Porter’s Five Forces Model

Analysis	5 Forces
Reliance Retail, Aditya Birla Group , Vishal Retail"s, Bharti and Walmart,	Rivalry among the competitor
FDI policy not fully favorable for international players. Domestic conglomerates looking to start retail chains. High initial investments and fixed costs. Cost advantages of existing players due to experience curve effects of operation with fully depreciated assets. Scarcity of important resources, e.g. qualified expert staff	Threat of entrants
The bargaining power of suppliers varies depending upon the target segment. The unorganized sector has a dominant position. There are few players who have a slight edge over others on account of being established players and enjoying brand distinction.	Bargaining power of supplier
Consumers are price sensitive. Availability of more choice	Bargaining power of buyers
Unorganized retail sector.	Threat of substitutes

Analysis through *Porters five forces model* shows that besides the few competitors, there is also a threat to new entrants. Only old business tycoons can diversify their efforts into this sector as there is a very high cost needed at a time of starting up. Moreover, there is a cost advantage of existing players in the market due to economies of scale and experience of operations and expertise staff. Apart from this many organized retail tycoons have been successful in making brand loyalty in the minds of people. They are specializing in target segmenting their products. We must be know of the fact that the consumers are very much price sensitive and love to prefer to have more choices of a particular product at a time of purchasing. And the Big Bazaar is very well in it.

6. INFERENCES

Big bazaar, Visakhapatnam is the hub of shopping for middle level income group people because of its reasonable price on its each product category. The higher-level income group people don't prefer to do shopping in big bazaar, as it doesn't deal with branded products. The higher-level income group people are very status conscious and their psychology is such type that they don't prefer much to visit big bazaar, as it is a discounted store. The lower income group people come in to big bazaar as they get goods at a reasonable discounted price. Hence big bazaar should include branded products in its productcategory, which will encourage higher income group people to come in to big bazaar. Probably not much of lower income group people come to big bazaar as they don't like to have any shopping experience rather they just go for near by store where they can get their necessity goods. Even they purchase goods on a regular basis on a small quantity. So they don't have much interest to come to big bazaar and do shopping. they prefer more or spencers .From this research I interpret that big bazaar is purely a shopping complex but it also facilitates a certain kind of ambience and decorum to the people that they also visit it for the purpose of outing. The infrastructure and ambience of big bazaar is attractive so that people even like to go there even also they don't have to purchase anything. People enjoy doing shopping in big bazaar. So big bazaar should maintain its low pricing and product quality to keep hold of the customers and also it should keep more qualitative products of gift and leather items so that people would go for more purchase of these items from it. Big bazaar has many local branded products of grocery and cloth and it is successfully selling it. It should also include branded products so that more sales can take place. As people come more in weekends, so big bazaar should keep it open for more time in weekends. The infrastructure can be changed a bit in weekends so that customers can see more products clearly and can move around comfortably. In order to bring in more number of customers in week days big bazaar should provide some

schemes in week days which will encourage people to come in to it in week days also. Hence the crowd is more in weekends and big bazaar in Visakhapatnam should avail more parking spaces for its customers in weekends. It can make some temporary arrangement for parking every weekend. It should not spend much money in advertising and displaying of products in week days rather it should advertise and display products more in weekends as more number of people comes in weekends. I interpret that customers are not satisfied with the parking space availability provided by big bazaar, vizag. Hence it's a threat for big bazaar as it may lose its customers because of less parking space availability. Even though many customers say adequate space is available for parking in big bazaar but also it is a threat for big bazaar as it is seen more number of people are expected to come in to big bazaar. In holidays probably it will be very difficult for customers to park their vehicle in big bazaar. Big bazaar has a good reputation of itself in the market.

7. CONCLUSION

The purchasing power of the consumer has also increased; giving rise to his wants and needs. It is over here that big retail chains such as Big Bazaar come into picture satisfying various consumer needs under one roof. The customers are highly satisfied with the variety of products, but at the same time they are not very happy with the quality and availability of branded products. Big Bazaar has definitely succeeded in keeping up its image of a value for money store, as its price has been rated positively. The promotions are not hitting the target. Although Big Bazaar has been promoting their offers, most of the customers are introduced to these only at the store. Customers are delighted with the location of Big Bazaar as it is located in Dwaraka Nagar-Visakhapatnam. Big Bazaar has been successful in keeping up its promise of providing value for money goods, but today customers look beyond price, such as quality, employee behaviour, store atmosphere etc. Big Bazaar has scope for improvement in this yields. Big Bazaar as a store for reasonable price and not good quality; hence efforts must be made to improve the perception of the consumers regarding the quality of the products. The provision section is already doing well and gaining customers through print ads; hence during promotions the apparel section could be more highlighted. Branded and designer labels should be introduced. During the peak hours (weekends & evenings) the customers face problems due to less billing counters and less number of employees to attend to them, hence increase in the number of billing counters and sales person during peak hours is recommended. In general the store layout is satisfactory, but in certain places it is congested and the products are not placed properly due to this a few products go unnoticed, hence a more spacious and well planned store layout is recommended. Most of the

customers are introduced to the discounts only after they visit the store, hence during advertisements the discounts should be highlighted and efforts must be made to make them known to the prospective buyers. The employees have an upper hand in what the customers buy and what they perceive about the store. It was seen that a high percentage of the respondents are not satisfied with the employee knowledge and their behavior. Employees should be trained well and they should have complete knowledge about the products and the promotional offers running in the store. This could be done by introducing communication workshops; awards such as employee of the year could also be introduced. The employees should be more patient, helpful and customer friendly. Big Bazaar has definitely succeeded in keeping up its image of a value for money store, as its price has been rated positively. The promotions are not hitting the target. Although Big Bazaar has been promoting their offers, most of the customers are introduced to these only at the store.

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