

**A STUDY ON CONSUMER PREFERENCE AND ATTITUDE FOR PERISHABLES IN  
BIG BAZAAR - CHENNAI**

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COIMBATORE – 641003**

**2008**

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Thesis submitted in partial fulfillment of the requirement for the  
award of the degree of **MASTER OF BUSINESS ADMINISTRATION** to the  
Tamil Nadu Agricultural University, Coimbatore – 641003

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**2008**

## **CERTIFICATE**

This is to certify that the thesis entitled “**A STUDY ON CONSUMER PREFERENCE AND ATTITUDE FOR PERISHABLES IN BIG BAZAAR - CHENNAI**” submitted in partial fulfillment of the requirement for the degree of **MASTER OF BUSINESS ADMINISTRATION** to the Tamil Nadu Agricultural University, Coimbatore is a record of bonafide research work carried out by **Ms. M.N RAJALAKSHMI**, under my supervision and guidance and that no part of this thesis has been submitted for the award of any degree, diploma, fellowship or other similar titles or prizes and that the work has not been published in part or full in any scientific or popular journal or magazine.

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(**M.N.Rajalakshmi**)

## **ABSTRACT**

### **A STUDY ON CONSUMER PREFERENCE AND ATTITUDE FOR PERISHABLES IN BIG BAZAAR - CHENNAI**

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**2008**

The overall objective is to study the consumer preference and attitude for perishables in Big Bazaar - Chennai. The study was undertaken with the following specific objectives:

- i. To study the consumer buying behaviour of fruits and vegetables in Big Bazaar;
- ii. To examine the factors influencing consumer preference for fruits and vegetables in Big Bazaar;
- iii. To study the awareness and attitude of the consumers towards the fruits and vegetables sold in the outlet.
- iv. To evaluate the store and study the switching behaviour of the consumer.
- v. To suggest suitable strategies for improving and increasing the sales of fruits and vegetables division of Big Bazaar

The study was undertaken as a project work for Big Bazaar, to analyse the consumer awareness, preference and attitude for fruits and vegetables. Chennai was selected for the study as suggested by the case firm. Consumers visiting the selected retail outlet were purposively selected and total of 120 consumers formed the sample of the study. Selected consumers were in the category of regular purchaser, occasional purchaser and non purchaser of fruits and vegetables from Big Bazaar.

Results of the study revealed that majority of the consumers were less than 30 years and most of the consumers were graduates (55 per cent). Majority of the consumers were employed

in private sector, most of them belonged to the annual household income group of Rs. 1-3 lakhs per year. Nearly 57 per cent of the consumers family size was less than 4 members.

In fruits and vegetables buying behavioural studies majority of the consumers purchased twice in a week from the outlet, there was no association/relation between income and frequency of purchase, consumers nearer to the store purchased frequently than others. Most of the (38 per cent) wife took the responsibility to purchase, majority of the consumers (62 per cent) liked to purchase during evening hours. Most of the consumers (48 per cent) purchased 4-6 Kgs vegetables and 3-6 Kgs fruits per week from the outlet. Majority of the consumers (59 per cent) spent more than Rs.500 per week to purchase fruits and vegetables and majority of the consumers purchased by cash (74 per cent). Most of the consumers (29 per cent) preferred to buy all (basic, regular and exotic) category of vegetables and 49 per cent preferred to buy seasonal fruits from the outlet. Nearly 52.5 per cent of the consumers liked to buy pre packed fruits and vegetables. Age, income, expenditure on fruits and vegetables and distance from home to shop were the most influencing factors for the regular purchase of fruits and vegetables from Big Bazaar.

Consumers preferred to purchase fruits and vegetables more from organized outlets than the unorganized outlets. Most of the statements like (more sales promotion given in the store, availability of more varieties and superior quality) obtained high Index of Statements discriminative Power (ISD) values, the Index of Statements Assignment Value (ISAV) were found to be in favour of purchasing fruits and vegetables from the organized outlets, and in most of the cases the difference between the ISAV's for organized outlets and ISAV's for unorganized outlets were also found to be higher. Brand image with mean score 64.97 was the major factor, quantity assurance, packing and hygiene and cleanliness were other factors influenced the purchase of fruits and vegetables from Big Bazaar.

Majority of the consumers (87 per cent) were aware of availability of fruits and vegetables in Big Bazaar. Nearly, 41.5 per cent of consumers were aware through friends/relatives. Most of the consumers (46 per cent) regularly purchase fruits and vegetables from Big Bazaar.

The respondents were satisfied with packing (3.55) and display (3.54), but were somewhat satisfied with freshness (3.47), sorting and grading (3.45) and product range (3.39) and not satisfied with the price (2.95).

Majority of the consumers (61 per cent) liked to have offers and discounts, nearly 50.4 per cent liked to have quantity offers and 61 per cent respondents were motivated to purchase by the offers and discounts. Most of the respondents (34 per cent) definitely purchase and 68.5 per cent recommend purchase of fruits and vegetables from Big Bazaar.

The respondents considered quality and large selection of products as the main factor, fast checkouts, convenient parking and courteous friendly employees were other factors responsible for selecting an outlet for purchase of fruits and vegetables. Most of the consumers agree with the statements viz., store has modern looking equipments, fixtures, clean, attractive and convenient public areas, market image of the store and frequent advertising of the store influences the purchase. Consumers were neutral to the statements viz., store offers high quality products and products are available when the customers wants. They disagree with the statements viz., employees in the store have the knowledge to answer the customers questions, store gives individual attention and operating hours convenient to all. Big Bazaar outlet retained 82 per cent of its customers, lost 5 per cent to Reliance, 3 per cent to Spencer's, 1 per cent to Pazhamudhir Nilayam and 7 per cent to local shops or markets, gained 33 per cent each from Reliance and Spencer's.

The marketing strategies suggested for improving the sales is to make available a wide range and more varieties of fresh fruits and vegetables. Pre packed vegetables cut and peeled vegetables can also be made available to attract working women. Floor area for the fruits and vegetable division can be increased to provide more range of products. The firm can give more quantity offers to increase the sales of fruits and vegetables. Sales people should be given more training to act customer friendly and make the consumer to purchase more by explaining the products available.

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## **CHAPTER I**

### **INTRODUCTION**

The Indian retailing industry is becoming intensely competitive, as more and more players are vying for the same set of customers. The major retail players are Pantaloon, Shoppers Stop, Reliance, etc. Retailing is one of the biggest sectors and it is witnessing revolution in India. The main challenge faced by the organized sector is the competition from unorganized sector. Unorganized retailing has been there in India for centuries, these are named as Mom-Pop stores, kirana stores etc. The main advantage of unorganized retailing is consumer familiarity that runs from generation to generation. It is a low cost structure, they are mostly operated by owners and have very low investments.

#### **Evolution of retail market in India**

In the beginning there were only kirana stores called Mom and Pop Stores, the friendly neighbourhood stores selling every day needs. In the 1980's manufacturers retail chains like DCM, Gwalior Suitings, Bombay Dying, Calico, Vimal etc started making their appearance in metros and small towns. Multi brand retailers came into the picture in the 1990's. In the food and Fast Moving Consumer Goods (FMCG) sectors retailers like Food World, Subhiksha, Nilgiri's are some of the examples. In music segment Planet M, Music world and in books Crossword, Land Mark and Fountainhead are some others. Shopping centers began to be established from 1995 onwards. A unique example was the establishment of margin free markets in Kerala. The millennium year saw the emergence of super markets and hyper markets. Now big players like Reliance, Bharti, Tata, Hindustan Unilever Limited (HUL) and Indian Tobacco Company (ITC) are entering into the organized retail sector. The international retail bigwigs are waiting as the present Foreign Direct Investment (FDI) guidelines do not allow them to own retail outlets in the country. Wal-Mart is testing the Indian market by agreeing to provide back end and logistic support to Bharti for establishment of retail chains with a view to study the market for future entry, when the FDI guidelines change to establish a backbone supply chain.

## **Present scenario**

The Indian retail sector is witnessing tremendous growth with the changing demographics such as income, life style, family size, culture etc. Modern retail has entered India as seen in the sprawling shopping centers, multi-storeyed malls and huge complexes offer shopping, entertainment and food all under one roof. A large young working Indian population, nuclear families in urban areas, along with increasing working women population, emerging opportunities in the services sector, increase in the number of international brands available in the Indian market, economic policy of the government, increasing urbanization, credit availability, improvement in infrastructure, increasing investments in technology and a world class shopping environment for the consumers are the key growth drivers of the organized retail sector in India.

The Chief of Associated Chambers of Commerce and Industry of India (ASSOCHAM) has stated that in 2007-08 fiscal, total retail contribution to national GDP is estimated between 8-10% which would further jump up to nearly 12% in next few years. By 2010, retail contribution to national GDP in totality is likely to be 22%. According to AT Kearney's Global Retail Development Index 2006 (GRDI) India tops the annual list of most attractive countries for international retail expansion and for the second consecutive year India remains the top retail investment destination among the 30 emerging markets across the world. The USD 270-billion Indian retail market is growing at the rate of 13 per cent and the organized segment grew nearly 48 per cent in 2006 at prevailing prices. Projected growth rate for the organized segment is about 40 per cent for year 2007 and with major global players and Indian corporate houses entering the fray this growth is likely to touch 45 per cent per annum over the next three years. At 2003-04 constant prices the size of the organized retail market is thus expected to be in excess of Rs.200,000 crores by the year 2010, which will contribute about 15 per cent of total retail sales.

Currently only 4.6 per cent of the market is organized. Among the fastest growing organized retail categories are: health and beauty care services (59% per annum), food and grocery (43%), entertainment, catering services (42% each), footwear, mobile phones (36% each) apparel and fashion accessories and jewellery (32% each).

The growth is much faster in south India than in northern states. The total retail market in south India is \$94 billion and out of this organized retail is \$8.5 billion. In southern part of India the organized retail market growth is estimated as 35 per cent per annum. In Chennai the growth rate is 12 per cent while in Hyderabad it is 7 per cent and in Kerala it is 3-4 per cent per annum.

Sales through modern formats are increasing, among the fastest-growing formats are specialty and supermarket (45 per cent), hypermarket (36 per cent), discount store (27 per cent), department store (18 per cent), convenience store and e-retailing (9 per cent). Mall development has been increasing, currently there are about 200 operational malls, and this number is expected to rise to almost 600 by the year 2010. Of the new malls coming up, 40 per cent are concentrated in the smaller cities. Malls are estimated to become Rs.38,447 crores (\$8.3 billion) sector by 2010. Organized retailing in small-town of India is growing at 50-60 per cent compared to 35-40 per cent in large cities (ICICI study, 2005).

Greater availability of quality retail space with increase in organized retail estimated 100 million square feet of quality shopping centre by 2007-08, the present two square feet per-capita retailing space will raise 15-20 per cent by 2010. By 2010 about 300 million square feet of additional retail space likely to be generated (Annexure I).

### **Food retail**

Food and grocery retail is by and large the single largest block, estimated to be worth Rs 7, 43,900 crores at the moment, more than 99 per cent of this segment is claimed by kirana stores. Traditional local markets and small-scale retailing are continued to dominate India's food retail sector. With large sections of the retail industry getting organized, food retail has been receiving a lot of attention. At present, only one per cent of food retail in India flow through the organized retail channel. There are an estimated 12 million retail outlets, of which almost seven million sell food and grocery products.

The vast majority of these are small kiosks (17 per cent), general provision stores (14 per cent) and grocery stores (called kirana, 56 per cent of all rural retail outlets) run by a single trader and his family. This situation is expected to change with changing lifestyles, increasing number of nuclear and dual income families, changing consumer taste and increasing disposable income. Some players who have shown a keen interest in this segment are Reliance,

Tata, ITC, Lohias-promoted Indo Rama, Mumbai-based RK Hospitality, Kishore Biyani with his Big Bazaar and the RPG group. The first visible sign of the change in food retailing was seen in mid-eighties. Where new food stores were set up in all metro cities in India such as "Morning Stores" and "Modern Stores" in Delhi, "Nilgiri's" in Bangalore, "Food Land" in Mumbai, "Spencer's Food Stores" in Chennai.

The share of an Indian household's spending on food is one of the highest in the world at around 48% of income (McKinsey, 2006). The urban Indian shopper is spending more on food, groceries and personal care, than before. There has been a robust average growth of 14% on monthly expenditure (A.C.Nielsen Shopper Trends, 2005).

### **Fruits and vegetables**

India is the second largest producer of fruits and vegetables after China and the total cultivated area of fruits and vegetables is around 12 million hectares, which is close to 7% of the total cultivated area. India produces around 90 million tonnes of vegetables and 40 million tonnes of fruits every year. This accounts for 13.7% of global production in vegetables and around 10% in global production of fruits. The total market size for fresh fruits and vegetables in India is Rs.1,45,000 crores and organized retail in this segment is 300 crores. This figure reflects the huge untapped potential in the Indian fresh fruits and vegetables market.

Earlier the marketing of fruits and vegetables was undertaken by the farmer's cooperatives only. The concept of organized retail has existed in India since early 80's with the existence of players like Mother Dairy and Safal but it's only in past one year that the fever of retail in fresh fruits and vegetables market has caught up really fast. In the past three months 60 new outlets have opened across various parts of the country. Now a number of big corporate houses like Reliance, ITC, Aditya Birla, Godrej and Bharti Airtel have entered into the retailing of fresh fruits and vegetables.

Some of the retail and wholesale stores are already under operation by the name of Reliance fresh, Choupal fresh, Namdhari's fresh etc. ITC, Metro and Adani fresh are also entering into wholesaling. They have developed a supply chain with forward and backward linkages operating in an efficient manner with heavy investments in infrastructure and cold chain.

The infrastructure of mandis is lacking and the mandis are mired with inefficiencies. Another inefficiency existent in the structure is the large mark-ups between the farmer's realization and the final consumer's price. Retail chain outlets reduce these inefficiencies to a significant level. Efforts are seen from big retail players to improve the efficiency of the agriculture supply chain helping both farmers on one hand (by having fair prices for their produce) and the customers on other hand (by giving them a fair price and a comfortable shopping experience).

Improvement in per capita income of the population, the consumption would shift from the staple food to high value commodities like fruits and vegetables, milk and milk products, fish and egg. The share of fruits and vegetables in the household budget has increased from 9.7 per cent in 1983 to 13.7 per cent in 1999-2000 (Mittal, 2006).

The general constraints faced by this sector is timely delivery, grading, packaging, quality, poor market infrastructure, agro-processing plants, marketing credit, proper market organization, proper pricing, grading and standardization of weights and measures, inadequate and poor dissemination of market information, poor post-harvest handling, low and declining productivity.

### **Problem focus**

In the changing retailing environment understanding the psyche of consumer is critical to business. Aggregate or macro level information may mislead, so understanding at individual level is desirable. Finally, it is not the format which gives business sustainability, rather it is one of the vehicle to deliver value to the consumer. The organized fruits and vegetables retailing is gaining momentum in the country. Consumers have a wide range of retailing formats for purchasing fruits and vegetables. Consumers who had been purchasing fruits and vegetables from traditional sources such as street vendors, small shops in neighbourhood are moving far away in favour of organized modern retail outlets for purchase of fruits and vegetables. In this regard, understanding the consumers frequency of visit to the outlet, purchasing pattern, consumers response to offers and discounts is imperative. Consumers frequency of visit to the Big Bazaar outlet, quantity and type of products required and their purchasing pattern need to be known for providing them at right places, right time and right prices. To know how offers and discounts are taken into the minds of the consumers will help in improving their satisfaction. Therefore, this study proposes to analyse the consumer awareness, attitude and factors

influencing the preference to purchase fruits and vegetables in Big Bazaar outlet in Chennai city so as to suggest new strategies for its positioning and marketing.

### **Objectives of the study**

The overall objective is to study the consumer preference and attitude for perishables in Big Bazaar- Chennai. The specific objectives are:

- i. To study the consumer buying behaviour of fruits and vegetables in Big Bazaar.
- ii. To examine the factors influencing consumer preference for fruits and vegetables in Big Bazaar.
- iii. To study the awareness and attitude of the consumers towards the fruits and vegetables sold in the outlet.
- iv. To evaluate the store and study the switching behaviour of the consumer.
- v. To suggest suitable strategies for improving and increasing the sales volume of fruits and vegetables in Big Bazaar.

### **Scope of the study**

Analyzing the consumers on the basis of various socio- economic factors will help the firm to understand the needs of consumers in a better way. The findings would enable the firm to know about the consumer awareness, attitude and their preferences for perishables in Big Bazaar which is very important to assess the performance of the outlet. It would also enable the firm to understand the buying pattern and the problems encountered in marketing of fruits and vegetables among different class of consumers.

### **Limitation of the study**

Due to limited time and resources, the study was confined to a limited geographical area. The study was confined to Chennai city with a sample size of 120 respondents. The data were collected from consumers through personnel interview by recalling their memory, so the data are subject to the recall bias. However efforts have been made to minimize the errors and make the study definite and systematic as far as possible. Hence, the findings of the study may be considered appropriate for the situations similar to study area and extra care has to be taken while generalizing the results of this study.

## **Organization of the thesis**

The thesis has been presented under the following chapters.

- Chapter I** : **Introduction:** Introduction, objectives, scope and limitations of the study are presented.
- Chapter II** : **Concepts and Review:** The concepts used in the study and brief review of past studies are given.
- Chapter III** : **Design of the study:** The research design, methodology followed and the analytical techniques used are discussed.
- Chapter IV** : **Description of the study area:** A general characteristic features of the study area are described and information on case firm is presented.
- Chapter V** : **Results and Discussion:** The results of the analysis are presented and discussed.
- Chapter VI** : **Summary and Conclusion:** A summary of the results of the study are presented to draw inferences and make policy suggestions.

## CHAPTER II

### CONCEPTS AND REVIEW

For better understanding, the concepts and critical review of literature pertinent to the present study are compiled, which are needed to identify and to define the relevant variables applicable for the study. As a support for the present study, an attempt was made to review similar and related studies in projects, magazines, books, journals, websites, newspaper articles and few other sources. The concepts and the past studies have been made as follows:

- Retailing
- Retailer
- Retail format
- Consumer
- Buying behaviour
- Consumer preference
- Awareness
- Attitude
- Household
- Household income
- Brand

The concepts and the past studies have been made as follows:

#### **Retailing**

**Boles (1982)** referred retailing as the summation of all activities which resulted in the offering for sale of goods or services to the individual and/ or organization for the purposes of ultimate consumption.

**Lucas (1997)** defined retailing as all activities involved in the marketing of goods and services directly to the consumers for their personal, family or household use.

**Varshney (2000)** explained retailing as the final connection in the marketing channel that brings goods from manufacturers to consumers. In other words, retailing is the combination of activities involved in selling goods and services directly to ultimate consumers for their personal or household use.

**Kotler (2003)** explained retailing as it included all activities involved in selling goods or services directly to final consumers for their personal non business use.

In this study, retailing refers to sale of fruits and vegetables to the customers or institutions.

### **Retailer**

**Cundiff and Still (1968)** defined retailer as a merchant or occasionally an agent whose main business was selling directly to ultimate consumers for non-business use.

**Mamoria and Joshi (1979)** defined retailer as an intermediary who sold to consumers to consume the products.

**Stanton (1984)** defined retailers as a business enterprise that sold primarily to household consumers for non business use.

**Kotler (2003)** explained retailer as those who engaged in selling goods and services directly to final consumers for their personal use and the sales volume primarily coming from retailing.

In this study, retailer referred to Big Bazaar-Food Bazaar outlets selling fruits and vegetables to the ultimate customers.

### **Retail format**

**Messinger and Narsimhan (1997)** defined that it is the mix of variables that retailers use to develop their business strategies and constitute the mix of assortment, price, transactional convenience and experience.

**Enders and Jelassi (2000)** explained that store formats are based on the physical store, where the vendor interacts with the customer.

**Levy and Weitz (2002)** defined that format as a type of retail mix, used by a set of retailers.

In this study, retail format referred to Big Bazaar-Food Bazaar outlets are hypermarket format, where customers buy fruits and vegetables from the store.

## **Consumer**

**Glenn (1974)** defined consumer as an individual who purchased or had the capacity to purchase goods and services offered for sale by marketing institutions in order to satisfy personal or household needs, wants or desires.

**Bhatt (1985)** explained that consumer was an individual who consumed goods, whether manufactured by business unit or created by nature such as air, water etc and utilities offered by the government, business organizations like hospitals, religious, educational and other voluntary organization etc.

**Deolankar (1985)** stated that consumer was a person who exercised the role of initiator, influencer and decider in order to make a purchase of a product for his consumption or use. The consumer passed through five stages in the buying process to effect a purchase. They were (1) recognition of unsatisfied need, (2) identification of alternatives, (3) evaluation of alternatives, (4) purchase decision and (5) post purchase feelings.

**Bitta (1988)** defined consumers are those individuals who purchased for purpose of individual or household consumption.

**Schiffmann and Kanuk (1992)** stated that the term consumer was often used to describe two different kinds of entities namely, the personal consumer and organizational consumer. The personal consumer bought goods or services for his or her own use. The later encompassed profit and non profit businesses, government agencies and institutions which bought products, equipments and services in order to run their organizations.

**Nagendra (1994)** defined consumer as a person who bought goods or services for own use and needs and not for resale.

**Cravens (1996)** consumers represented people in families and other kinds of households who purchased and used products in order to satisfy their personal needs and wants.

**Kotler (2000)** consumers included all the individuals and households who purchased or acquired goods and services for personal consumption.

In this study, consumer was considered as an individual who purchased fruits and vegetables from the Big Bazaar outlet and also used the same for personal or household consumption.

## **Buying behaviour**

**Elling (1973)** defined four factors that determined the buying behaviour. They were rational forces, emotional forces, life cycle of the customer and life cycle of the product.

**Walters (1974)** defined buying behaviour as the process, wherein the individuals decide on whether, what, how and from whom to purchase goods and services.

**Mehta (1974)** opined that buying behaviour involved those activities like search of alternatives, evaluation of alternatives, choice of decision and post purchase feelings and reactions.

**Iyer (1990)** consumer's behaviour referred to selection of specific brand of a product, out of the available brands in the market by considering their various attributes, price, name and distribution.

**Sutherland (1993)** described newer measures to evaluate the impact of the advertisements in the consumer's buying behaviour. The measures were broadly classified into two categories viz., i) Brand-focussed measures which include brand awareness, brand image and brand attitude/purchase intention; and ii) Ad-focussed measures which include ad recall/recognition, correct branding and message take-out.

**Naik (1994)** defined buying behaviour as the influence of numerous uncontrollable components such as product, price, promotion and distribution.

In this study buying behaviour was considered as the consumers decision on whether, what, how much quantity of fruits and vegetables to be purchased from Big Bazaar.

## **Consumer preference**

**Day (1968)** explained brand preference as the pre disposition of the consumers to prefer some brands or brand over others. This pre disposition was influenced by factors such as experiences, customers habits, reference groups, exposure to advertising and also the availability of the brands.

**Markin (1982)** stated that consumers favoured a brand over most others and if it was out of stock, they would accept a substitute.

**Singh and Prabhakar (1989)** defined brand preference as an attempt to create a unique image for products, an image that enables them to achieve an advantage over their competitor's products.

**Sabeson (1991)** defined brand preference as favoring a brand over most others but in case of its non-availability, substituted it with another brand of same product.

In this study consumer preference referred to the reasons preferred by the consumers to buy fruits and vegetables from Big Bazaar as compared to the competitors outlets.

### **Awareness**

**Rogers and Shoemaker (1971)** defined awareness as a function or a stage of decision process when the individual is exposed to an innovative existence and gains some understanding of how it functions.

**Venugopal and Perumal (1991)** defined awareness as the thing known to an individual is presented as a cognitive domain. It is a pre-requisite for adoption of innovation as this would enable the farmers to completely understand the aspects behind a technology and also its relative advantages.

**Supe (1994)** awareness is the first stage of the innovation decision process wherein the individual is exposed to an idea but lacks detailed information about it.

In this study awareness referred to the consumers knowledge about the availability of fruits and vegetables from Big Bazaar outlet.

### **Attitude**

**Aiken (1982)** defined attitude as a tendency to react positively or negatively to some person, object, situation or event. Attitude scale is a measure of the degree of an individual liking or disliking an institution, situation, object, event etc.,

**David and Albert (1998)** defined attitude as learned pre dispositions to respond to an object or class of objects in a consistently favourable or unfavourable way. It is also said as an enduring factor of motivational, emotional, perceptual and cognitive process with respect to some aspect of the individual's world.

**Griffin (1999)** attitude are complexes of beliefs and feelings that people have about specific ideas, situations or other people. Attitude is important because they are the mechanism through which most people express their feelings.

**Kotler (2007)** an attitude is a person's enduring favourable or unfavourable evaluation, emotional feeling and action tendencies towards some object or idea. People have attitude towards almost everything: religion, politics, clothes, music and food.

In this study attitude referred to the consumers liking and disliking for purchase of fruits and vegetables from Big Bazaar outlet.

### **House hold**

**National council of Applied Economic Research (1965)** defined household as a group of persons related by blood or adoption, who normally took meals from the same kitchen.

**Batchelor (1971)** defined household as one comprising of all persons, who occupy a housing unit that was a house or apartment or other group of rooms or a room that constituted separated living quarters.

**Strauss (1991)** considered household as persons who ate meals together and slept in the same dwelling for at least three-month out of the previous year.

**Shah (1996)** a household consisted of persons staying together under one common roof and having a common kitchen.

### **Household income**

**Visaria (1982)** defined household income included wages and salaries from employment, profit from business, pension, remittances, other cash receipts and non-monetary income.

**Kumar (1982)** defined household income as the sum of earnings in a year, both cash and kind of all the members of the family pooled together.

In this study household income referred to the sum of earnings of the respondents and all the members in respondent's family.

## **Brand**

A name, term, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may also identify one item, a family of items, or all items, or all items of that seller.

**Branson and Nowell (1983)** a brand has both a name by which it is called and often a mark by which it is recognized visually. Also, the brand name could communicate to both consumers and retailers as to what to expect the product.

**Sivakumar (1987)** viewed brand as an aggregate of all characteristics of a product of a firm that enabled to differentiate it from the similar products of other firms.

**Wood (2000)** the integrated definition considered a brand as a mechanism for achieving competitive advantage for firms such as in terms of revenue, profits, added value or market share through differentiation.

**Kotler (2005)** defined a brand as a name, term, symbol, or design or a combination of them which is intended to identify the goods and services of one seller and to differentiate them, from those of the competitors.

In this study brand referred to the Big Bazaar outlet where availability of various food and non food products differentiated from the similar products of competitors firms.

## **Review of past studies:**

### **Consumer preference**

**Tauseef and Inderjeet (1983)** in their study on factors influencing consumer decision making process towards biscuits found that quality and taste were considered as prime reasons for buying a particular brand of biscuit. Low price and easy availability were the other reasons considered for buying a particular brand.

**Dhunna (1984)** while studying consumer behaviour with respect to soft drink found that brand awareness is more in males than females. A certain brand or a particular drink was preferred by consumers mainly because of its taste and refreshing ability.

**Sapp and Knipe (1990)** in their consumer market survey for processed pork in Japan found that Japanese prefer sausage products over the other types of processed pork. Respondents were universally concerned about food safety, freshness and controlling fat in diet. Regarding

product information, advertisements for new products themselves seem to have little effect on choice.

**Sabeson (1991)** in his study on consumption towards processed fruits and vegetables stated that increase in educational level of household head and wife lead to increased consumption of processed products. Similarly, consumption was more in the case of employed housewife and higher income groups. The consumers were found to give more weightage to the quality of the product, price and keeping quality while selecting a brand.

**Ganesan (1994)** in a study on consumer response to AGMARK graded products found that good quality and good for health were considered to be the most important reasons for the consumption of AGMARK products.

**Singh (1995)** examined the consumer attitude towards walnut in urban Punjab. He found that consumer preference had consistent and similarity among the entire income group but the factors influencing consumption marginally differed among income groups.

**Sinha (2004)** reported that the biggest change is happening not in the market place but in the consumer's mind, the place where brands really live. Brands can command, are commanding, will continue to command in the minds of consumers.

**Munavar (2005)** reported the primary attribute responsible for influencing customer preferences were found to be product range, shelf display and regular price updation.

**Taneja and Kaushik (2007)** reported that responsiveness, discounts, physical evidence, core services, tangibility and promotional activity influence the satisfaction level of customer and concluded that there is a significant relation between the family income and preference of retail formats.

### **Awareness and Attitude**

**Majeed *et al.* (1993)** proposed that more consumers preferred to buy hot peppers at supermarkets compared to roadside or farmers markets, respectively. Convenience, freshness, sorted and graded produce were major factors influencing the decision to shop at supermarket outlets.

**Low and Lamb (2000)** came out with an interesting conclusion that well-known brands tend to exhibit multi-dimensional brand associations, consistent with the idea that consumers

have more developed memory structures for more familiar brands. Consumers might be willing to expend more energy in processing information regarding familiar brands compared to unfamiliar brands.

**Srinivasan *et al.* (2001)** proposed that brand awareness could play a dominant role in brand choice if customer had strong awareness of some brands but not other brands, because brands with little awareness were unlikely to be considered for purchase.

**Nandagopal and Chinnaiyan (2003)** concluded that the level of awareness among the rural consumers about the brand of soft drinks was high which was indicated by the mode of purchase of the soft drinks by “brand name”. The major source of brand awareness was the word of mouth followed by advertisement, family members, relatives and friends.

**Yesodha *et al.* (2007)** came out that majority of the consumer prefer to buy in the departmental stores due to the availability of all types of products under a single roof, majority of the respondents prefer to buy once in a month and study factors of the respondents have significant influence over the consumer’s attitude towards departmental stores.

### **Consumer behaviour**

**Velavan (1992)** in his study found that, the expenditure on non-food items was greater in high-income group and least in low-income group people.

**Raghavan (1994)** in his study stated that quality, regular availability, price, accuracy in weighing and billing, range of vegetables and accessibility were the factors which influenced the purchase of vegetables by the respondents.

**Elangovan (1998)** in his study found that consumers who preferred branded products were very particular about the quality of the product. Price increase in the existing brands was the reason that the consumers switched to other brands and taste of the existing brands was the reason for the other customers who were loyal to the brand. The consumers were ready to use products if the price was increased with quality improvement in the product. Consumers belonging to upper middle income and high-income group had high brand loyalty.

**Sheeja (1998)** inferred in her study that consumers in Coimbatore district considered quality aspects like aroma, taste, freshness and purity were the major factors deciding the preference for a particular brand of processed spices.

**Narayanan (2007)** in his study revealed that the factors such as freshness and assured quality contributed to consumers decision of buying fruits and vegetables.

### **Store evaluation**

**Dash et al (1976)** suggested that specialty store shoppers were more certain than the department store shopper about their product choice being satisfactory.

**Zeithaml (1998)** found that consumers consider both monetary and non monetary costs such as time and effort to evaluate the value of shopping at a particular store, hence anything that can be built to reduce time, effort, and search costs can increase perceptions of value.

**Blackwell and Miniard (2001)** observed that price level, assortment and location of store appear as important drives for consumer's choice of store format, quality and service on the other hand did not differentiate between formats.

**Sharma and Krishnan (2002)** in their study found that sales people do not seem to enhance preference for stores. Thus, a simple not so literate grocer at a kirana store might prove to be more effective than well trained sales people at big hyper market.

**Sinha and Banerjee (2004)** found that overall proximity and merchandise were the primary reasons followed by ambience and kind of service offered by the store. It was also observed that generally shoppers have just one, at most two good reasons for patronizing a store. This reason would be the over riding criterion that would cause shopper to choose a store.

## **CHAPTER III**

### **DESIGN OF THE STUDY**

Research should initiate with a proper design for the findings to be reliable and applicable to solve the problem and useful to any firm for making decisions. It needs a careful analysis of the customers of the retail outlet through which the results for the present study can be extracted for framing suitable strategies. In this chapter, a brief description of the research methodology adopted in selection of the area, sample consumers, method of data collection and various tools of analysis employed are presented and discussed.

#### **Selection of the study area**

Chennai is a cosmopolitan city with a huge population, diversified cultures, wide social and economic classes and highly sophisticated lifestyles. The case firm had a strong consumer base and was interested to know about the preferences and attitude of the consumers in Chennai city. Hence, the city was purposively selected for the study.

#### **Sampling design**

Consumers visiting the selected retail outlet during February 2008 covering both peak and odd business hours were purposively selected and thus a total of 120 consumers formed the sample of the study. Selected consumers were in the category of regular purchaser, occasional purchaser and non purchaser of fruits and vegetables from Big Bazaar.

#### **Collection of data**

The required primary data were collected through a well-structured and pre-tested interview schedule. The sample consumers were interviewed personally at the retail outlets. The purpose of the study was briefly and clearly explained to the sample respondents to understand, respond better and gain their cooperation during interview. The primary data were collected on demographic, economic, social, psychographic and behavioural features of the consumers, consumers awareness, preferences and attitude for buying fruits and vegetables from Big Bazaar. The secondary data like physical, social, economical and other related aspects of the study area were collected through surfing the website and published report.

## Tools of analysis

The data collected were coded, processed and analyzed using appropriate statistical techniques and categorized into tables to draw inferences. The analytical techniques employed in this study are explained below.

### 1. Percentage analysis

Percentage analysis was used to study the characteristics of the consumers with respect to various factors like demography, socio-economic and behavioural factors. The factors were categorized and percentages were calculated to draw meaningful inferences.

### 2. Multi dimensional scaling technique

In this approach, the sample consumers were asked to indicate on a five point scale whether they strongly agree, agree, neutral, somewhat disagree and strongly disagree with the attributes for evaluating the store. The responses were recorded and the scores were given to their responses to obtain the mean score. The score for each factor responses are given in Table 3.2.1

**Table 3.2.1 Five point scale for the multidimensional scaling analysis**

Particulars	Strongly Agree	Agree	Neutral	Somewhat Disagree	Strongly Disagree
Scale	5	4	3	2	1

### 3. Garrett's ranking technique

Garrett's ranking technique was adopted to analyse the factors responsible for the preference to purchase fruits and vegetables in Big Bazaar. The sample respondents were asked to rank the reasons for purchase of fruits and vegetables such as freshness, product range, shelf display, assured quantity, price value, packing. The ranks assigned to the above reasons by the sample consumers were converted to scores using the formula;

$$\text{Percent Position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where  $R_{ij}$  = Rank given for the  $i^{\text{th}}$  factor by  $j^{\text{th}}$  individual.

$N_j$  = Number of factors ranked by  $j^{\text{th}}$  individual.

The percent position of each rank obtained was converted into scores by referring to the table given by Garrett. Mean score was estimated for each factors. These mean scores for all the factors were arranged in descending order and factors with the highest mean score was given first rank. The most important factors were thus identified.

#### **4. Chi-Square test**

In the present study, Chi Square ( $\chi^2$ ) test was used to analyze the association between various factors that might influence the purchase decision of the sample consumers. The formula used for the Chi-Square test is presented below,

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where, O = Observed frequency;

E = Expected frequency.

Expected frequency of any cell =  $\frac{\text{CRT} \times \text{CCT}}{\text{Grand total}}$

Where, CRT = Corresponding row total,

CCT = Corresponding column total

If following a  $\chi^2$  distribution with (r-1) (c-1) degree of freedom where 'c' means number of columns and 'r' means number of rows. The test of significance was carried out at five per cent level of probability. If the calculated value was greater than the table value, we concluded that there was a significant association between the attributes.

#### **5. Consumer preference profile**

This technique was used to measure the consumers attitude towards organized and unorganized outlets.

**Foxall (1981)** described an alternative technique for attitude assessment. He indicated how the formal definition of consumers attitude in terms of their evaluations of preferences for specific food products may be operationalised by means of a consumer preference profile and how the use of indices derived from this measure of attitude facilitated the implementation of the meaning attributed, by consumers to those products.

**Sabeson (1991)** used consumer preference profile in his work on processed and vegetable products.

The method by the above authors was used in the study to measure consumers attitude towards purchase of fruits and vegetables from organized and unorganized retail outlets. Primary purpose was to identify the variables in terms of which the consumer evaluates and chooses between two alternatives. Following features about retail outlets were given to the respondents:

- More appetizing nature
- Expensive
- Superior quality
- Freshness of the fruits and vegetables
- Good store ambience
- Convenient operating hours
- More sales promotion
- Good packing
- Always available
- Preferred by family members
- Worth for money spent
- Available in convenient quantity
- Availability of more varieties

The respondents were asked to state whether the statement was more appropriate to organized retail outlet, unorganized retail outlet or both using the responses of the consumers two indices were prepared.

**i) Index of Statements power to Discriminate (ISD)** between organized retail outlet and unorganized retail outlet.

$$\text{ISD} = \frac{\text{Organized retail outlet} + \text{Unorganized retail outlet}}{\text{Total replies}}$$

ISD indicated the proportion of respondents who do distinguish between the outlets on the attribute named in the statements. If the value of ISD for a statement was higher (above 0.700) it meant that both the outlets were very much different when compared by that statement

and they cannot be substituted by each other on that aspect. If ISD was low below (0.500) it meant that respondents are not differentiating the two items with respect to that statement.

## ii) Index of Statements Relative Applicability (ISRA)

$$\text{ISRA to organized retail outlet} = \frac{\text{Organized retail outlet}}{\text{Organized} + \text{Unorganized retail outlet.}}$$

$$\text{ISRA to unorganized retail outlet} = 1 - \text{ISRA to Organized retail outlet.}$$

ISRA indicated whether the statement has more applicability for organized retail outlets or unorganized retail outlets.

## iii) Index of Statements Assignment Value (ISAV)

$$\text{ISAV for organized retail outlet} = \text{ISD} \times \text{ISRA to organized.}$$

$$\text{ISAV for unorganized retail outlet} = \text{ISD} \times \text{ISRA to unorganized.}$$

The ISAV gives the closeness of the statement to the organized or unorganized retail outlets.

## 6. Markov analysis

Markov analysis is a way of analyzing the current movement of some variable in an effort to forecast its future movement. It is a marketing aid for examining and predicting the behaviour of consumers from the stand point of the loyalty to one product and their switching patterns to other products.

### Transition matrix

A state transition matrix is a rectangular array, which summarizes the transition probabilities for a given Markov process. In such a matrix the rows gives the current state of the system being studied and the columns are the alternative status to which the system can move.

From	To					
	S <sub>1</sub>	S <sub>2</sub>	S <sub>3</sub>	S <sub>4</sub>	S <sub>5</sub>	S <sub>n</sub>
S <sub>1</sub>	P <sub>11</sub>	P <sub>12</sub>	P <sub>13</sub>	P <sub>14</sub>	P <sub>15</sub>	P <sub>1n</sub>
S <sub>2</sub>	P <sub>21</sub>	P <sub>22</sub>	P <sub>23</sub>	P <sub>24</sub>	P <sub>25</sub>	P <sub>2n</sub>
S <sub>3</sub>	P <sub>31</sub>	P <sub>32</sub>	P <sub>33</sub>	P <sub>34</sub>	P <sub>35</sub>	P <sub>3n</sub>
S <sub>4</sub>	P <sub>41</sub>	P <sub>42</sub>	P <sub>43</sub>	P <sub>44</sub>	P <sub>45</sub>	P <sub>4n</sub>
S <sub>5</sub>	P <sub>51</sub>	P <sub>52</sub>	P <sub>53</sub>	P <sub>54</sub>	P <sub>55</sub>	P <sub>5n</sub>
S <sub>n</sub>	P <sub>n1</sub>	P <sub>n2</sub>	P <sub>n3</sub>	P <sub>n4</sub>	P <sub>n5</sub>	P <sub>nn</sub>

The generalized state transition matrix depends on the problem itself. However in general, the diagonal probabilities are those associated with consumers gain and row probabilities indicate to lose. The sum of probabilities in each row must be equal to one. The above condition says on the i<sup>th</sup> row,

$$P_{i1} + P_{i2} + P_{i3} + P_{i4} + P_{i5} + \dots + P_{in} = 1 \quad (i = 1, 2, 3, 4, 5, \dots, n)$$

Can be interpreted as a “customer is bound to have some preference”.

### Steps in construction of transition matrix

#### 1. Calculation of retention probabilities

Retention probabilities are calculated by dividing the number of customers retained by the number of customers in the initial period.

(Number retained = Number of customers in the initial period – Number of customers lost)

#### 2. Calculation of gain or loss probabilities

For gain probabilities, the number of customers in each product gained was divided by the number of customers in the initial period, for loss probabilities the number of customers in product lost was divided by the number of customers in the initial period for that product.

#### 3. Using the results of step 1 and 2 state transition matrix was constructed

The retention probabilities were used, they were inserted in the appropriate row cells of the matrix. In either case, the resulting state transition matrix was the same.

### 7. Probit analysis

Theoretical framework of the probit model can be explained by the threshold concept. The regular purchase of fruits and vegetables in Big Bazaar by the consumers may be characterized as a dichotomous choice between two mutually exclusive alternatives. Assuming that each consumer has well defined utility function over the purchase decision defining the utility 'U<sub>1</sub>' if a consumer regularly purchases fruits and vegetables from Big Bazaar and utility 'U<sub>0</sub>' otherwise. The utility of either choice is defined from the economic and non economic factors plus a random error.

$$U_{i0} = X_i \gamma_0 + e_{i0}$$

$$U_{i1} = X_i \gamma_1 + e_{i1}$$

Mathematically,

$$I = \gamma_0 + \gamma_1 X_1 + \dots + \gamma_n X_n \dots \dots \dots (1)$$

and  $Y = g(I)$

Where,  $Y = 1$  if  $I > I^*$

$Y = 0$  if  $I < I^*$

'I' is the index reflecting the combined effect of 'X' factors, whether the consumers regularly purchase fruits and vegetables from Big Bazaar ( $Y = 1$ ), when 'I' exceeds the threshold level  $I^*$  otherwise the consumers not regularly purchase fruits and vegetables from Big Bazaar, ( $Y = 0$ ) when 'I' falls short of  $I^*$ . Now probability of getting a positive response ( $Y = 1$ ) is given by

$$Y = F(I/\sigma) = F(Z); Z = I/\sigma$$

Where,

$I$  = is as defined in (1)

$\sigma$  = is the standard error of estimate and  $F(Z)$  is the area under cumulative normal distribution function.

The choice probability must lie between zero and one. However, the index 'I' is in the range (-∞ to +∞). Size  $F(Z)$  gives only the probability of regular purchase, the elasticity gives the percentage change in the choice probability in response to a percentage change in the explanatory variable.

$$\eta = \frac{fF(Z)}{F(Z)} * X_i$$

$$\frac{\partial F(Z)}{\partial X_i} = f(Z) * \frac{\gamma_i}{\sigma}$$

Where,

$f(Z)$  = Value of the 'Y' ordinate of the cumulative normal density function at 'Z'.

$\gamma_i$  = Probit coefficient of the  $i^{\text{th}}$  variable for which the elasticity is to be worked out

The probit equation was fitted to find out the factors influencing the regular purchase of fruits and vegetables from Big Bazaar.

$$\text{FV PURCHASE} = f(\beta_0 + \beta_1 \text{GEN} + \beta_2 \text{AGE} + \beta_3 \text{EDU} + \beta_4 \text{EMP} + \beta_5 \text{MAR} + \beta_6 \text{INC} + \beta_7 \text{FSIZE} + \beta_8 \text{EXP} + \beta_9 \text{DIS} + \beta_{10} \text{MOD})$$

Where,

FV PURCHASE = Fruits and vegetable purchase (1 = Regular purchase and  
0 = Irregular purchase)

GEN = Gender of the respondents (0= Male, 1= Female)

AGE = Age of the respondents (in years)

EDU = Number of years of education of the respondents (in years)

EMP = Employment status of the respondents (0= employed, 1= unemployed)

MAR = Marital status of the respondents (0 = Married, 1 = Unmarried)

INC = Household income of the respondents (Rs. /month)

FSIZE = Family size of the respondents (in numbers)

EXP = Expenditure on fruits and vegetables by the respondents  
(0= <Rs.500/week, 1= > Rs.500/week)

DIS = Distance from home to Big Bazaar outlet (in Km)

MOD = Mode of purchase by the respondents (0= cash, 1= credit)

## **CHAPTER IV**

### **DESCRIPTION OF THE STUDY AREA**

An understanding of the physical, social, economical and other related aspects of the region is necessary for analyzing the problem prevailing in it. These factors get reflected in the culture, lifestyle and behaviour of consumers specific to the study area. This chapter deals with the various aspects of Chennai city.

#### **Physical features**

Chennai city is situated on the North-East end of Tamil Nadu, on the coast of Bay of Bengal. It lies between 12<sup>0</sup>9' and 13<sup>0</sup>9' of the Northern latitude and 80<sup>0</sup>12' and 80<sup>0</sup>19' of the Southern longitude on a sandy shelving breaker swept beach. It stretches nearly 25.60 km along the Bay coast from Thiruvanniyur in the south to Thiruvottiyur in the north and runs inland in a rugged semi-circular fashion. It is bounded on the east by the Bay of Bengal and on the remaining three sides by Chengalpattu and Thiruvallur Districts.

Chennai lies on the thermal equator and is also coastal, which prevents extreme variation in seasonal temperature. For most of the year, the weather is hot and humid. The hottest part of the year is late May and early June, with maximum temperatures around 38–42 °C (100–107 °F). The coolest part of the year is January, with minimum temperatures around 19–20 °C . The average annual rainfall is about 1,300 mm. The city gets most of its seasonal rainfall from the North-East monsoon winds, from mid September to mid December. Cyclones in the Bay of Bengal sometimes hit the city.

#### **Social aspects**

##### **Demographic details**

Residents of Chennai are called Chennaiites by some english-speakers and the english language media. As of 2001, the population density in the city was 24,682 per km<sup>2</sup>, while the population density of the metropolitan area was 5,922 per km<sup>2</sup> making it one of the most densely populated cities in the world. The sex ratio is 951 females for every 1,000 males, slightly higher than the national average of 934. The average literacy rate is 80.14% much higher than the national average of 64.5%.

**Table: 4.1 Demographic profile of Chennai as per 2001 census**

S.No.	Census Data	Males	Females	Total
1	Total Population	21,61,605	20,54,663	42,16,268
2	Population below Age 7	1,90,044	1,84,045	3,74,089
3	Literates	16,70,094	14,08,910	30,79,004
4	Main Workers	11,23,246	2,20,332	13,43,578
5	Marginal Workers	--	--	97,804
6	Total Workers	11,92,924	2,48,458	14,41,382

The majority of the residents of Chennai are Tamils and speak tamil. English is also widely spoken, especially in business, education and white collar professions. Sizeable Telugu and Malayalee communities live in the city. Chennai also has a large migrant population, who come from other parts of Tamil Nadu and the rest of the country. As of 2001, out of the 937,000 migrants (21.57% of its population) in the city, 74.5% were from other parts of the state, 23.8% were from rest of India and 1.7% were from outside the country.

### **Culture**

Chennai's culture reflects its diverse population. The city is known for its classical dance shows and Hindu temples. Every December, Chennai holds a five-week long music season celebrating the 1927 opening of the Madras Music Academy. It features performances (kutcheries) of traditional Carnatic music by hundreds of artists in and around the city. An arts festival called the Chennai Sangamam, which showcases various arts of Tamil Nadu is held in January every year. Chennai is also known for Bharatanatyam, a classical dance form that originated in Tamil Nadu. An important cultural centre for Bharatanatyam is Kalakshetra, on the beach in the south of the city.

Among Chennai's festivals, Pongal, celebrated over five days in January, is the most important. Tamil New Year's Day on April 14, signifying the beginning of the Tamil year. Almost all major religious festivals such as Deepavali, Eid and Christmas are celebrated in Chennai. Tamil cuisine in Chennai includes vegetarian and non-vegetarian dishes. Many of the city's restaurants offer light meals or tiffin, which usually include rice-based dishes like pongal, dosai, idli and vadai, served with steaming hot filter coffee.

## **Transport**

Chennai has the international airport and domestic airport, separately handle domestic as well as international flights and is the third busiest airport in the country. The city is connected to major cities of South Asia, South East Asia, the Middle East, Europe and North America through more than 30 international carriers. The city is served by two major ports Chennai Port, one of the largest artificial ports and Ennore Port. The Chennai port is India's second busiest container hub, handling automobiles and general industrial cargo. The Ennore Port handles cargo such as coal, ore and other bulk products. A smaller harbour at Royapuram is used by local fishing boats and trawlers.

Chennai is well connected to other parts of India by road and rail. Five major national highways radiate outward towards Mumbai, Kolkata, Trichy, Tiruvallur and Pondicherry. The Chennai Mofussil Bus Terminus (CMBT), the terminus for all intercity buses from Chennai, is the largest bus station in Asia.. The city has two main railway terminals. Chennai central station, provides access to trains to major cities like Mumbai, Kolkata, Bangalore, Delhi, Hyderabad, Kochi, Thiruvananthapuram and Coimbatore as well as to smaller towns across India. Chennai Egmore is a stop for trains traveling primarily within Tamil Nadu now it also handles a few inter-state trains.

## **Economic aspects**

Chennai has a diversified economic base anchored by the automobile, software services, hardware manufacturing, healthcare and financial services industries. As on 2000, the city's total personal income was Rs. 12,488.83 crores, making up 10.9% of the total income of Tamil Nadu. In 2001, the total workforce in Chennai was about 1.5 million, which was 31.79% of its population.

The city is base to around 30% of India's automobile industry and 35% of its auto components industry. A large number of automobile companies including Hyundai, Ford, BMW, Mitsubishi, TVS Motors, Ashok Leyland, Nissan, Renault, TI Cycles of India, Tafe Tractors, Royal Enfield, Caterpillar and Madras Rubber Factory (MRF), have manufacturing plants in and around Chennai. The heavy vehicles factory at Avadi produce military vehicles, including India's main battle tank: Arjun MBT. The Integral Coach Factory manufactures railway coaches and other rolling stock for Indian Railways.

The Ambattur-Padi industrial zone houses many textile manufacturers, and an SEZ for apparel and footwear manufacture has been set up in the southern suburbs of the city. Chennai contributes more than 50% of India's leather exports.

The city is becoming electronics manufacturing hub, where multinational companies like Dell, Nokia, Motorola, Samsung, Flextronics and Foxconn have set up electronics and hardware manufacturing plants, mainly in the Sriperumbudur Special Economic Zone (SEZ). Many software companies have development centres in Chennai, which contributed 14% of India's total software exports of Rs.144,214 crores during 2006–07, making it the second-largest exporter of software in the country, behind Bangalore. Prominent financial institutions, including the world bank, have back office operations in the city. Chennai is head quarters to three large national level commercial banks and many state level co-operative banks, and insurance companies. Telecom giants Ericsson and Alcatel-Lucent, pharmaceuticals giant Pfizer and chemicals giant Dow Chemicals are having research and development facilities in Chennai. Chennai has a fully computerised stock exchange called the Madras Stock Exchange.

### **Market**

There are several market in chennai city for the sale of vegetables, meat, fish, egg and oils etc., Kothawal chawadi bazaar is the biggest market for vegetables, fruits and flowers in the entire city. There are number of small to medium size fruit and flower market in the city. Wholesale markets are mostly concentrated in and around Kothawal chawadi bazaar and few are located in other parts of the city with comparatively less transaction. Retail markets are spread throughout the city catering to the local population. The Triplicane Co-operative Society is one of the leading agency serving a large section of the city. Numerous shopping centres have also come up in the areas of residential concentration.

### **Description of the case firm**

Pantaloon Retail (India) Limited, is India's leading retailer that operates multiple retail formats in both the value and lifestyle segment of the Indian consumer market. Headquartered in Mumbai, the company operates over 7 million square feet of retail space, has over 1000 stores across 51 cities in India and employs over 25,000 people.

The company's leading formats include Pantaloons, is a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain. Food Bazaar, is a supermarket chain, blends the look, touch and feel of Indian bazaars with aspects of modern retail like choice, convenience and quality. Central, is a chain of seamless destination malls. Some of its other formats are Depot, Shoe Factory, Brand Factory, Blue Sky, Fashion Station, aLL, Top 10, mBazaar and Star and Sitara. The company also operates an online portal, futurebazaar.com (Annexure II).

### **Big Bazaar**

Big Bazaar is a Pantaloon group's discount store chain in India, currently with 75 outlets. It is owned by the Pantaloon Retail India Ltd,. The Pantaloon Big Bazaar in Delhi is the sixth for the group, and the first in North India. It works on the same economy model as Wal-Mart and has considerable success in many Indian cities and small towns. The idea was pioneered by entrepreneur Kishore Biyani, the CEO of Future Group. Currently Big Bazaar stores are located only in India. It is the biggest and the fastest growing chain of department store and aims at being 350 stores by the end of year 2010. Big Bazaar stores in cities such as Hyderabad, Bangalore and Mumbai attract footfalls of 20,000 to 25,000 people per day, more so during weekends. Pantaloon retail currently has 3.2 million sq ft spread across several formats and is expected to have 10 million sq ft of space in the country by 2010. Again, in Tier-II cities, where lease rentals are 40-50% lower than those in top tier cities.

### **Food Bazaar**

Food Bazaar operates in major cities in India with a floor space ranging from 6,000 sq ft to 16,000 sq ft and the format sells both food and non-food items. The non-food items contribute about 22 per cent of total sales and rest is contributed by the food related items. A food store stocks an average of 7,000 Stock Keeping Units (SKUs) and over 50,000 articles. The SKU's are divided into the broad categories as staples, fresh produce and branded foods, home and personal care products. Staples include groceries like rice, wheat, dhal, spices and oils. Fresh produce comprise of fruits and vegetables, which are sold loose through the concessionaire arrangement.

Along with national brands and local brands the store keeps private labels in some product categories such as utensil cleaners, preservatives and bakery products. For example in utensil cleaner category private label gives the highest margin about 25 per

cent and commands a share of 50 per cent in the store. The private labels offer flexibility to both the retailer and the consumer on price front. The objective of the store is to offer variety at affordable price in each category. Food Bazaar is made the transition from a just grocery retailer to developing emotional bonding with shoppers by providing some value added services to the shoppers. Some of these initiatives include:

**Live chakki** : Allows customers to buy fresh wheat and have it ground there at the store.

**Fresh Juice counter** : This provides customers with fresh juices.

**Live dairy** : This provides customers with fresh milk and milk products.

**Live kitchen** : Customers have the option of buying vegetables, getting them chopped, cooked fully or partly. Soups, salads and sandwiches are also available.

# CHENNAI



● Study area

Figure 4.1 City map of Chennai

## CHAPTER V

### RESULTS AND DISCUSSION

The data collected from 120 respondents of the Big Bazaar retail outlet were analyzed in accordance with objectives of the study and results are presented and discussed in this chapter under different section as follows:

5.1 General characteristics of the sample respondents

5.2 Consumer buying behaviour of fruits and vegetables in Big Bazaar

5.3 Consumer preference for fruits and vegetables in Big Bazaar

5.4 Awareness and attitude of fruits and vegetables in Big Bazaar

5.5 Evaluation of store and switching behaviour of the respondents

#### 5.1 General characteristics of the respondents

The general characteristics of the respondents such as age, income, family size, education and employment pattern are discussed below.

##### 5.1.1 Gender of the respondents

The gender of respondents may influence their preference to purchase fruits and vegetables from Big Bazaar. Hence the same was analysed and the results are presented in Table 5.1.1.

**Table 5.1.1** Gender classification of the respondents

S. No.	Gender of the respondents	No of respondents	Percentage to total
1	Male	41	34
2	Female	79	66
Total		120	100

It could be inferred that 66 per cent of the respondents were female, which is high when compared to male's (34) percentage. Thus the study clearly indicate that most of the respondents of fruits and vegetables division were female so, majority of the business occurs from the female population.

##### 5.1.2 Age of the respondents

The respondents were classified into four groups based on their age. The results are presented in Table 5.1.2.

**Table 5.1.2 Age distribution of the respondents**

S. No.	Age of the respondents (in years)	No of respondents	Percentage to total
1	Less than 30	44	37
2	31 – 40	34	28
3	41 – 50	17	14
4	More than 50	25	21
Total		120	100

It could be inferred that most of the respondents (37 per cent) belonged to the age group of less than 30 years, followed by 28 per cent in the age group of 31 to 40 years, 21 per cent were in the age group of more than 50 years and 14 per cent were in the age group of 41 to 50 years. Organized retail outlets attracted more young consumers.

### 5.1.3 Educational status of the respondents

The educational status of the respondents may influence the decision making regarding purchase of fruits and vegetables from Big Bazaar. The results are presented in Table 5.1.3.

**Table 5.1.3 Educational status of the sample respondents**

S. No.	Educational status	No. of respondents	Percentage to total
1	High School	2	1
2	Higher Secondary	25	21
3	Graduate	66	55
4	Post Graduate	27	23
Total		120	100

It could be inferred from Table 5.1.3 that about 55 per cent of the sample respondents were graduate, followed by post graduates about 23 per cent, which is again followed by about 21 per cent studied till higher secondary. Thus it could be inferred that most of the respondents were educated so communication can play a major role in sales promotion of fruits and vegetables.

#### 5.1.4 Employment pattern of the respondents

Nature of job combined with income level determines the purchasing power. The occupational distributions of respondents are presented in Table 5.1.4

#### 5.1.4 Employment pattern distribution of the respondents

S. No.	Employment pattern	No. of respondents	Percentage to total
1	Government sector	6	5.0
2	Private sector	43	36.0
3	Self-employed	15	12.5
4	House Wife	43	36.0
5	Retired	8	6.5
6	Students	5	4.0
Total		120	100

It could be concluded that 36 per cent of the respondents were employed in private sector, 36 per cent were house wife, 12.5 per cent were self employed, 6.5 per cent were retired, 5 per cent were employed in government sector and 4 per cent were students.

#### 5.1.5 Marital status of the respondents

The data regarding marital status of the sample respondents were analysed and the results are furnished in Table 5.1.5

#### 5.1.5 Marital status of the respondents

S. No.	Marital status	No. of respondents	Percentage to total
1	Married	105	87.5
2	Un married	15	12.5
Total		120	100

With regard to marital status most of the respondents were married (87.5 per cent) and followed by unmarried (12.5 per cent).

#### 5.1.6 Family size of the respondents

The size of the family influence the purchase decisions such as quantity of purchase and place of purchase of the households. The family size of respondents is directly related with the expenditure of households. The details of this factor are presented in Table 5.1.6.

**Table 5.1.6 Family size of the respondents**

S. No.	Family size (in numbers)	No. of respondents	Percentage to total
1	Less than four	68	57
2	Four and five	46	38
3	More than five	6	5
Total		120	100

It could be inferred that 57 per cent of the respondents belonged to a family size of less than four, followed by 38 per cent of the families with four and five members and 5 per cent with more than five members.

### 5.1.7 Income level of the respondents

Income of the household largely influence the place of purchase and the percentage of expenditure on different items. Income level is one of the major criteria to influence the buying behaviour of the respondents. The results are furnished in Table 5.1.7

**Table 5.1.7 Annual household income of the respondents**

S. No.	Annual Income (Lakhs/ year)	No. of respondents	Percentage to total
1	1 - 3	50	42
2	3.1-6	37	31
3	6.1-9	8	6.5
4	9.1-12	11	9
5	> 12	14	11.5
Total		120	100.00

It was found that 42 per cent of the respondents belonged to income group of Rs.1-3 lakhs per annum, followed by 31 per cent, 11.5 per cent, 9 per cent and 6.5 per cent belonged to the income groups of Rs.3.1 to 6 lakhs, more than Rs 12 lakhs, Rs.9.1 to 12 lakhs and Rs.6.1

to 9 lakhs per annum respectively. From the Tables, it was clear that well educated respondents with high purchasing power choose to shop in organized retail outlet like Big Bazaar.

## 5.2 Consumer buying behaviour of fruits and vegetables in Big Bazaar

The buying behaviour of respondents such as quantity purchased per week, frequency of purchase, duration like to purchase, amount spent for purchasing etc., are discussed below

### 5.2.1 Regularity in purchase of fruits and vegetables by the respondents

The data regarding regular purchase of fruits and vegetables from Big Bazaar by sample respondents were analysed and the results are given in Table 5.2.1

**Table 5.2.1 Regularity in purchase of fruits and vegetables by the respondents**

S. No.	Regularity in purchase	No. of respondents	Percentage to total
1	Regularly	60	50
2	Occasionally	60	50
Total		120	100

From Table 5.2.1 it could be inferred that 50 per cent of respondents were regular purchaser of Big Bazaar and remaining 50 per cent were not regular purchaser. Firm should concentrate on regular customers to retain them and to increase their amount of purchase. Similarly on non regular consumers to convert them as regular customers.

### 5.2.2 Frequency of purchase of fruits and vegetables by the respondents

The data on frequency of purchase by sample respondents were collected, analysed and the results are presented in Table 5.2.2.

On the frequency of purchase of fruits and vegetables, it could be inferred that 50 per cent respondents were regular purchaser which is constituted by 27 per cent of respondents purchased twice in a week and 23 per cent of respondents purchased once in a week, followed by 25 per cent respondents purchased while shopping and 25 per cent never purchased.

**Table 5.2.2 Frequency of purchase of fruits and vegetables by the respondents**

S. No.	Frequency of purchase	No. of respondents	Percentage to total
1	Twice in a week	32	27

2	Once in a week	28	23
3	While shopping	30	25
4	Never purchased	30	25
Total		120	100

### 5.2.3 Annual income of the respondents in relation to frequency of purchase

The relation between annual income of the respondents and frequency of purchase by the respondents are given in Table 5.2.3.

$H_0$  : There is no association/ relation between annual income of the respondents and frequency of purchase

$H_1$  : There is association / relation between annual income of the respondents and frequency of purchase.

**Table 5.2.3 Annual income of the respondents and frequency of purchase**

Frequency	1-3 lakhs/yr	3.1-6 lakhs/yr	6.1-9 lakhs/yr	9.1-12 lakhs/yr	>12 lakhs/yr	Total
Twice a week	9	7	5	4	7	32(27)
Once in a week	16	7	1	2	2	28(23)
While shopping	10	14	1	3	2	30(25)
Never	15	9	1	2	3	30(25)
Total	50(42)	37(31)	8(6.5)	11(9)	14(11.5)	120(100)

(Figures in parentheses indicate percentage to total)

Calculated  $\chi^2 = 17.66$  and Table  $\chi^2$  12 df, (5%) = 21.02

Calculated value is less than the table value so it could be inferred that there is no association/relation between income and frequency of purchase. Location played a major role in frequency of purchase. Respondents nearer to the store purchase frequently than others.

### 5.2.4 Responsibility to purchase fruits and vegetables from the outlet

The data regarding the person responsible for purchase of fruits and vegetables from the outlet were collected, analysed and presented in Table 5.2.4.

**Table 5.2.4 Responsibility to purchase fruits and vegetables from the outlet**

S. No.	Responsibility to purchase	No. of respondents	Percentage to total
1	Husband	24	20
2	Wife	46	38
3	Both	38	32
4	Children	12	10
Total		120	100

From Table 5.2.4 it could be inferred that the responsible person to buy fruits and vegetables from the outlet were wife (38 per cent) followed by 32 per cent were both (husband and wife), 20 per cent were husband and 10 per cent were children. So the firm should make necessary steps to attract women population.

#### **5.2.5 Preferred purchasing time by the respondents**

The data regarding desired duration to buy fruits and vegetables from the outlet by the respondents are furnished in Table 5.2.5

**Table 5.2.5 Preferred purchasing time by the respondents**

S. No.	Purchasing time	No. of respondents	Percentage to total
1	Morning	24	20
2	Afternoon	22	18
3	Evening	74	62
Total		120	100

Most of the respondents liked to purchase fruits and vegetables from the outlet in evening hours (62 per cent), followed by 20 per cent of respondents in morning and 18 per cent in afternoon. Most of the respondents preferred evening hours because they can purchase leisurely. Fresh products can be displayed during evening hours.

#### **5.2.6 Quantity of vegetables purchased by the respondents**

The data regarding quantity of vegetables purchased per week by the respondents are presented in Table 5.2.6

**Table 5.2.6 Quantity of vegetables purchased by the respondents**

S. No.	Vegetables purchased ( In Kg)	No. of respondents	Percentage to total
1	< 2	9	10
2	2-4	30	33
3	4-6	43	48
4	> 6	8	9
Total		90	100

Most of the respondents (48 per cent) purchased 4-6 Kgs, followed by 33 per cent purchased 2-4 Kgs, 10 per cent purchased less than 2 Kgs and 9 per cent purchased more than 6 Kgs. By providing more range of vegetables firm can increase the quantity of purchase by the consumers.

### **5.2.7 Quantity of fruits purchased by the respondents**

The data regarding quantity of fruits purchased per week by the respondents are presented in Table 5.2.7

**Table 5.2.7 Quantity of fruits purchased by the respondents**

S. No.	Fruits purchased (In Kg)	No. of respondents	Percentage to total
1	< 3	35	39
2	3-6	43	48
3	> 6	12	13
Total		90	100

It could be inferred that most of the respondents (48 per cent) purchased 3-6 Kgs, followed by 39 per cent purchased less than 3 Kgs and 13 per cent purchased more than 6 Kgs.

In present days, people prefer to take more fresh fruits and vegetables in their food, thus by providing fresh and quality products make the consumers to buy regularly from the outlet.

### **5.2.8 Average household expenditure on fruits and vegetables by the respondents**

The data regarding expenditure on fruits and vegetables per week by the respondents were analysed and the results are given in Table 5.2.8

**Table.5.2.8 Average household expenditure on fruits and vegetable**

S. No.	Household expenditure (In Rs)	No. of respondents	Percentage to total
1	< 300	10	11
2	300-500	27	30
3	>500	53	59
Total		90	100

Majority of the respondents (59 per cent) spent more than Rs.500 per week to purchase fruits and vegetables, followed by 30 per cent spent Rs.300-500 and 11 per cent spent less than Rs.300. Most of the respondents were health conscious so they spend more to purchase fruits and vegetables.

### **5.2.9 Mode of purchase by the respondents**

The data on mode of purchase by the sample consumers were collected, analysed and the results are presented in Table 5.2.9

**Table 5.2.9 Purchase mode by the respondents**

S. No.	Mode of purchase	No. of respondents	Percentage to total
1	Cash	67	74
2	Credit	23	26
Total		90	100

It could be concluded from Table 5.2.9 that majority of the respondents purchased by cash (74 per cent) and 26 per cent purchased using credit cards.

### **5.2.10 Preferred vegetable category by the respondents**

The data regarding category of vegetables preferred to purchase by the respondents from Big Bazaar are presented in Table 5.2.10.

**Table 5.2.10 Vegetable category preferred to purchase by the respondents**

S. No.	Category of vegetables	No. of respondents	Percentage to total
--------	------------------------	--------------------	---------------------

1	Basic	33	27.5
2	Regular	27	22.5
3	Exotic	25	21.0
4	All	34	29.0
Total		120	100

Most of the respondents (29 per cent) preferred to buy all (basic, regular and exotic) vegetables from the outlet followed by 27.5 per cent preferred basics vegetables like tomato, potato and onion , 22.5 per cent preferred regular vegetables like cabbage, beans, brinjal, bhendi and 21 per cent preferred exotic category of vegetables like celery, lettuce, broccoli. Thus firm should take necessary care to make available of all kinds of vegetables to satisfy the customers in product range.

#### 5.2.11 Preferred fruits category by the respondents

The data regarding category of fruits preferred to purchase by the respondents from Big Bazaar are presented in Table 5.2.11

Most of the respondents (49 per cent) preferred to buy seasonal fruits which are available in the respective season every year like mango, water melon, followed by 29 per cent preferred all (seasonal, non seasonal and imported), 18 per cent preferred imported which were imported from other countries like Washington apples and 4 per cent preferred non seasonal category of fruits which are available even after completion of their season. Thus firm should take necessary care to make available of seasonal fruits to satisfy the customers.

**Table 5.2.11 Fruits category preferred to purchase by the respondents**

S. No.	Category of fruits	No. of respondents	Percentage to total
1	Seasonal	58	49
2	Non seasonal	5	4
3	Imported	22	18
4	All	35	29
Total		120	100

#### 5.2.12 Willingness for pre packed fruits and vegetables

The data on willingness to buy pre packed fruits and vegetables by the respondents are presented in Table 5.2.12

**Table 5.2.12 Willingness for pre packed fruits and vegetables by the respondents**

S. No.	Willingness for pre packed fruits and vegetables	No. of respondents	Percentage to total
1	Willing	63	52.5
2	Not willing	57	47.5
Total		120	100

It could be inferred that 52.5 per cent of the respondents liked to buy and 47.5 per cent of the respondents don't like to buy pre packed fruits and vegetables from the outlet.

### 5.2.13 Demographic characters and willingness to buy pre packed fruits and vegetables

The relation between demographic characters (age, education, occupation and income) and willingness to buy pre packed fruits and vegetables by the respondents are given in Table 5.2.13

$H_0$ : There is no association between demographic characters (age, education, occupation and income) and likeness to buy pre packed fruits and vegetables.

$H_1$ : There is association between demographic characters (age, education, occupation and income) and likeness to buy pre packed fruits and vegetables.

**Table 5.2.13 Demographic characters and likeness for pre packed fruits and vegetables**

S. No.	Demographic characters	Calculated $\chi^2$ value	Table $\chi^2$ value	Degrees of freedom
1	Age	14.92	7.815	3
2	Education	17.46	7.815	3
3	Occupation	16.86	11.010	5
4	Income	10.87	9.488	4

From Table 5.2.13 it could be inferred that at 5% level of significance table value is lower than the calculated value thus we reject null hypothesis and say there is association or relation between demographic characters (age, education, occupation and income) and likeness to purchase pre packed fruits and vegetables. Young respondents preferred to buy pre packed fruits and vegetables because they felt as it saved their time in selection and similarly employed women liked to purchase precut and peeled vegetables as it saved time in cooking.

#### 5.2.14 Factors influencing regular purchase of fruits and vegetables from Big Bazaar

The consumer survey data were used to estimate the probit model that explain the factors influencing the consumers decision to purchase fruits and vegetables in Big Bazaar. The exogenous variables used to explain the purchase decision were gender, age, educational status, employment pattern, marital status, family size, income, expenditure on fruits and vegetables, distance from home to Big Bazaar outlet and mode of purchase.

The marginal effects of a change in one of the independent variables on the probability of purchase are calculated at the mean of each variable and are presented in Table.5.2.14. The corresponding elasticities (the percentage change in the probability of selling given a 1% change in the value of the variable) are given for the continuous variables, as is the difference in the probabilities as the discrete variables changes from zero to one.

**Table 5.2.14 Factors influencing regular purchase of fruits and vegetables from Big Bazaar**

Variables	Estimated Coefficient	Standard Error	T-Ratio	Elasticities
Gender	0.527	0.322	1.634	0.271
Age	0.022	0.011	1.9973	0.686**
Education	-0.027	0.064	-0.429	-0.330
Employment pattern	-0.197	0.301	-0.656	-0.070
Marital status	0.497	0.444	1.119	0.048
Income	0.164 E <sup>-04</sup>	0.649 E <sup>-05</sup>	2.528	0.444***
Family size	-0.448	0.118	-0.377	0.115

Amount spent on perishables	-1.584	0.595	-2.661	-1.134***
Distance from home to outlet	-0.060	0.030	-1.947	-0.255*
Mode of purchase	-0.238	0.354	-0.673	-0.035
Log - likelihood function	= - 70.174			
Log – likelihood (o)	= - 83.178			
Likelihood ratio test	= 26.006			

Note: \*\*\* - 1%, \*\* - 5% and \* - 10% level of significance

Table 5.2.14 present the model estimates. Influence of the relevant characteristics on purchase decision of fruits and vegetables in Big Bazaar and their significance are explained by the estimated coefficients of the model.

It could be inferred from Table 5.2.14 that among the various factors age, income, expenditure on fruits and vegetables and distance from home to Big Bazaar outlet were the most influencing factors for the regular purchase of fruits and vegetables in Big Bazaar among the consumers.

Age significantly and positively influenced the regular purchase of fruits and vegetables from Big Bazaar and for each year increase in age, the probability of regular purchase of fruits and vegetables would increase by 0.69 per cent on an average for the entire sample. Traditional fruits and vegetables markets are far away from the residential areas, elderly people prefer Big Bazaar for purchase of fruits and vegetables.

One per cent increase in income is expected to result in about 0.44 per cent increase in the probability of regular purchase of fruits and vegetables from Big Bazaar. When income increases people prefer to shop in convenient, modern outlets so they prefer to purchase fruits and vegetables from Big Bazaar.

Amount spent on fruits and vegetables negatively influenced the regular purchase from Big Bazaar, one per cent increase in amount spent on fruits and vegetables would result in about 1.13 per cent decrease in the probability of regular purchase of fruits and vegetables from Big Bazaar.

The elasticity of the distance to the outlet variable has shown that one km increase in the distance from consumer home to Big Bazaar outlet would result in 0.25 per cent decrease in the probability of regular purchase of fruits and vegetables from Big Bazaar.

### **5.3 Consumer preference for fruits and vegetables in Big Bazaar**

Consumer preference to purchase fruits and vegetables from Big Bazaar and their preference profile for organized and unorganized outlets are discussed in this section:

#### **5.3.1 Consumer preference profile for purchasing perishables in organized & unorganized retail outlets**

To study the reasons for consumers preference for purchasing fruits and vegetables in organized and unorganized retail outlets, consumer preference profile was employed, the response obtained from the consumers are presented as respective indices, the Index of Statements Discriminative power (ISD), Index of Statements Relative Applicability (ISRA), Index of Statements Assignment Value (ISAV) are presented in Table 5.3.1.

From Table 5.3.1, it could be observed that ISD's for 10 statements, out of 13 were above 0.700, and for one statement it was between 0.600 to 0.700, only for 2 statements, it found below 0.600. Higher number of statements having ISD values of more than 0.700, one could infer that the respondents perceive fruits and vegetables from organized outlet as entirely different from the unorganized outlet. This meant that they cannot be substituted for each other.

**Table 5.3.1 Consumer preference profile for purchasing perishables in organized & unorganized retail outlets**

<b>S. No.</b>	<b>Statements</b>	<b>ISD</b>	<b>ISRA Unorg</b>	<b>ISRA Org</b>	<b>ISAV Unorg</b>	<b>ISAV Org</b>
1	Superior quality	0.791	0.652	0.348	0.515	0.275
2	Freshness	0.783	0.617	0.383	0.483	0.299
3	Good store ambience	0.766	0.913	0.086	0.699	0.065
4	Availability of more varieties	0.808	0.587	0.413	0.474	0.333
5	Good packing	0.775	0.860	0.140	0.666	0.108
6	Worth for money spent	0.550	0.681	0.319	0.374	0.175
7	Convenient operating hours	0.716	0.406	0.594	0.290	0.425

8	Available in convenient quantity	0.700	0.761	0.239	0.532	0.167
9	More appetizing nature	0.666	0.787	0.213	0.524	0.141
10	Always available	0.708	0.858	0.142	0.607	0.100
11	More sales promotion given in the store	0.975	0.897	0.103	0.874	0.100

The highest value of ISD with respect to the statement regarding sales promotion given in the store suggests that the consumers are, by and large highly conscious for the money spent. The other ISD values greater than 0.700 were found to be for the statements with regard to availability of more varieties, superior quality and freshness.

Higher ISD values were also obtained for the statements regarding good packing, good store ambience,. These statements with higher ISD values showed that, the consumers differentiated purchase of fruits and vegetables in organized and unorganized outlets with respect to those characters. So, attributes exposed by these statements could be considered by the organized outlets for their further developments.

Apart from these, the statements obtained ISD value between 0.600 - 0.700 and below 0.600 were with the statements related to more appetizing nature, worth for money spent, these characters have major bearing with respect to the consumers decision making process.

By using the Index of Statements Assignment Value (ISAV), the consumers conceptions for purchasing fruits and vegetables in organized and unorganized outlets are discussed under three groups.

**i) Buying**

With respect to quality, organized outlets were preferred by the respondents more than the unorganized outlets (ISAV for organized outlet is 0.515; ISAV for unorganized outlet is 0.275). This was mainly due to that organized outlets procure quality fruits and vegetables from the vendors.

The consumers revealed that, they could purchase in convenient quantities from the organized outlets (ISAV for organized outlet is 0.532; ISAV for unorganized outlet is 0.167). The respondents perceived that the fruits and vegetables in organized outlets were better in freshness than the unorganized outlets (ISAV for organized outlet is 0.483; ISAV for

unorganized outlet is 0.299). The other three statements viz., availability of more varieties, always available and good packing also had higher ISAV's for organized outlets. With regard to appetizing nature, the perishables purchased from organized outlets better than unorganized outlets (ISAV for organized outlet is 0.524; ISAV for unorganized outlet is 0.141).

**ii) Store Image**

It was found that the consumer preferred to purchase fruits and vegetables from organized outlets as more sales promotions were given in the store ((ISAV for organized outlet is 0.874; ISAV for unorganized outlet is 0.100). Consumers were motivated by the sales promotion given in the outlet. With regard to store ambience, consumers found good in the organized outlets than unorganized outlets (ISAV for organized outlet is 0.699; ISAV for unorganized outlet is 0.065).

The respondents opined that unorganized outlets operated in convenient hours than the organized outlets (ISAV for organized outlet is 0.290; ISAV for unorganized outlet is 0.425).

When the various attributes obtained from the study were reviewed, it could be noted that for most of the statements which obtained high ISD values, the ISAV's were found to be in favour of purchase of fruits and vegetables from the organized outlets, and in most of the cases the difference between the ISAV's for organized outlets and ISAV's for unorganized outlets were also found to be higher.

Hence it could be concluded, that the consumers prefer to purchase fruits and vegetables from organized outlets more than the unorganized outlets.

**5.3.2 Ranking of reasons for purchasing fruits and vegetables in Big Bazaar**

The factors influencing purchase of fruits and vegetables from Big Bazaar outlet by the respondents are given in Table 5.3.2

**Table 5.3.2 Ranking of reasons for purchasing fruits and vegetables in Big Bazaar**

S. No.	Factors	Mean score	Rank
1	Brand image	64.97	I
2	Quantity assurance	64.26	II
3	Packing	62.10	III

4	Hygiene & cleanliness	55.18	IV
5	Freshness	50.65	V
6	Product range	48.43	VI
7	Display	45.64	VII
8	Nearness to the outlet	43.68	VIII
9	Price	34.43	IX
10	Quick service by the employees	24.86	X

From Table 5.3.2 it could be inferred that the factor viz., brand image with mean score 64.97 was the major factor influenced the purchase of fruits and vegetables by the respondents. The factors such as; quantity assurance, packing and hygiene & cleanliness had a mean score of 64.26, 62.10 and 55.18 respectively were other major factors influenced the purchase of fruits and vegetables from Big Bazaar.

Quick service and price were the least preferred factors by the consumers to purchase fruits and vegetables from Big Bazaar.

Thus, Big Bazaar should maintain the brand image and other preferred factors. It should also concentrate to overcome the least preferred factors such as price and quick service so that it can able to provide a good and best service to the customers there by increase the consumer base.

#### **5.4 Awareness and attitude for fruits and vegetables in Big Bazaar**

Consumers attitude and awareness for fruits and vegetables in Big Bazaar are given below:

##### **5.4.1 Awareness about availability of fruits and vegetables**

The data regarding awareness about availability of fruits and vegetables in Big Bazaar were collected, analysed and presented in Table 5.4.1

**Table 5.4.1 Awareness about availability of fruits and vegetables in Big Bazaar**

<b>S. No.</b>	<b>Awareness of the consumers</b>	<b>No. of respondents</b>	<b>Percentage to total</b>
1	Aware	104	87

2	Not aware	16	13
Total		120	100

From Table 5.4.1 it could be inferred that majority of respondents were aware of availability of fruits and vegetables in Big Bazaar and only 16 per cent were not aware. So still more advertisements can be given to achieve cent per cent awareness.

#### **5.4.2 Source of awareness**

The data about source of awareness of fruits and vegetables in Big Bazaar were collected and given in Table 5.4.2

It is evident from Table 5.4.2 that 41.5 per cent of respondents were aware of availability of fruits and vegetables through friends/relatives, followed by 20 per cent through newspapers/magazines, 12.5 per cent through television/radio and 15 per cent while shopping. Thus we can say word of mouth played a major role, by satisfying the existing customers firm can increase the level of awareness among the non customers.

**Table 5.4.2 Source of awareness**

<b>S. No.</b>	<b>Source of awareness</b>	<b>No. of respondents</b>	<b>Percentage to total</b>
1	TV / Radio	15	12.5
2	News paper / Magazines	24	20.0
3	Friends / Relatives	50	41.5
4	While shopping	15	12.5
5	Never heard	16	13.5
Total		120	100

#### **5.4.3 Familiarity of perishables available in Big Bazaar**

The data regarding familiarity of fruits and vegetables available in Big Bazaar were collected from the respondents and presented in Table 5.4.3.

**Table 5.4.3 Familiarity of perishables available in Big Bazaar**

S. No.	Familiarity nature	No. of respondents	Percentage to total
1	Never heard of it	16	13.5
2	Aware but not purchased	14	11.5
3	Purchase only some time	35	29.0
4	Purchase on regular basis	55	46.0
Total		120	100.00

From Table 5.4.3 it could be inferred that 46 per cent of respondents purchased fruits and vegetables regularly from Big Bazaar, followed by 29 per cent purchased occasionally or while shopping, 13.5 per cent never heard of availability of fruits and vegetables in Big Bazaar and 11.5 per cent were aware but not purchased.

#### **5.4.4 Attitude of the respondents for perishables in Big Bazaar**

The data regarding attitude of the customers towards the fruits and vegetables available in the outlet and their various other characteristics are discussed in Table 5.4.4.

**Table 5.4.4 Attitude of the respondents for perishables in Big Bazaar**

S.No	Attributes	Mean score
1	Display	3.54
2	Freshness	3.47
3	Sorting & Grading	3.45
4	Packing	3.55
5	Product range	3.39
6	Price	2.95

Multidimensional scaling was used to know the attitude of the consumer towards the fruits and vegetables available in the outlet. From the above Table 5.4.4 it could be inferred that respondents were satisfied with packing (3.55) and display (3.54), but were some what satisfied with freshness (3.47), sorting & grading (3.45) and product range (3.39) and are not satisfied with the price (2.95). Firm should concentrate on the pricing to satisfy the customers.

#### **5.4.5 Willingness for offers and discounts by the respondents**

The data about the willingness for offers and discounts given in the outlet were collected from the respondents and presented in Table 5.4.5.

**Table 5.4.5 Willingness for offers and discounts by the respondents**

<b>S. No.</b>	<b>Willing for offers and discounts</b>	<b>No. of respondents</b>	<b>Percentage to total</b>
1	Willing to have	73	61
2	Not willing to have	47	39
Total		120	100

Majority of the respondents (61 per cent) liked to have offers and discounts and 39 per cent not willing to have. So firm can continue to give offers and discounts because it acted as a motivation factor of purchase.

#### **5.4.6 Type of offers and discounts liked by the respondents**

The data regarding type of offers and discounts liked by the respondents were collected and given in Table 5.4.6

**Table 5.4.6 Type of offers and discounts liked by the respondents**

<b>S. No.</b>	<b>Kind of offers and discounts</b>	<b>No. of respondents</b>	<b>Percentage to total</b>
1	Price cut	36	49.3
2	Quantity offers	37	50.4
Total		73	100

Half of the respondents (50.4) liked to have quantity offers and 49.3 per cent of the respondents liked to have price cuts.

#### **5.4.7 Impact of offers and discounts to the respondents**

The information about impact of offers and discounts to the respondents were collected, analysed and presented in Table 5.4.7

**Table 5.4.7 Impact of offers and discounts to the respondents**

S. No.	Impact of offers and discounts	No. of respondents	Percentage to total
1	Motivated to purchase	73	61
2	Not motivated to purchase	47	39
Total		120	100

It could be inferred from Table 5.4.7 that 61 per cent respondents were motivated to purchase by the offers and discounts given in the outlet and 39 per cent respondents were not motivated.

#### 5.4.8 Demographic characters in relation to impact of offers and discounts

The relation between demographic characters (age, education, occupation and income) and impact of offers and discounts to the respondents are given in Table 5.4.8

$H_0$ : There is no association between demographic characters (age, education, occupation and income) and impact of offers and discounts to the respondents

$H_1$ : There is association between demographic characters (age, education, occupation and income) and impact of offers and discounts to the respondents.

**Table 5.4.8 Demographic characters and impact of offers and discounts**

S. No.	Demographic characters	Calculated $\chi^2$ value	Table $\chi^2$ value	Degrees of freedom
1	Age	14.056	7.815	3
2	Education	8.234	7.815	3
3	Occupation	21.169	11.010	5
4	Income	9.603	9.488	4

From Table 5.4.8 it could be inferred that at 5% level of significance table value is lower than the calculated value thus we reject null hypothesis and say there is association or relation between demographic characters (age, education, occupation and income) and impact of offers and discounts to the respondents. Young respondents liked to have offers and discounts whereas older respondents felt they may get older stocks through offers and discounts so it didn't

motivated them to purchase. Lower income respondents liked to have more offers and discounts whereas high income respondents were not attracted more for it.

#### **5.4.9 Willingness to purchase fruits and vegetables in future from Big Bazaar**

The data about willingness to purchase fruits and vegetables in future from Big Bazaar were studied to understand the loyalty status of the respondents. The data are presented in the given in Table 5.4.9.

It could be inferred from Table 5.4.9 that 34 per cent of the respondents revealed that they will definitely purchase fruits and vegetables again from Big Bazaar, followed by 21 per cent probably purchase, 19 per cent might/might not purchase, 17.5 per cent probably will not purchase and 8.5 per cent definitely will not purchase. About 55 per cent of the respondents again purchase from the outlet so necessary care should be taken by the firm to retain them and attract others.

**Table 5.4.9 Willingness to purchase fruits and vegetables in future by the respondents**

<b>S. No.</b>	<b>Willingness to purchase in future</b>	<b>No. of respondents</b>	<b>Percentage to total</b>
1	Definitely purchase	41	34.0
2	Probably purchase	25	21.0
3	Might/Might not purchase	23	19.0
4	Probably not purchase	21	17.5
5	Definitely not purchase	10	8.5
Total		120	100.00

#### **5.4.10 Recommendation to purchase fruits and vegetables from Big Bazaar**

The data regarding recommending fruits and vegetables purchase from Big Bazaar to others by the respondents were collected, analysed and given in Table 5.4.10.

**Table 5.4.10 Recommendation to purchase fruits and vegetables from Big Bazaar**

S. No.	Recommendation of purchase	No. of respondents	Percentage to total
1	Recommend to others	82	68.5
2	Not recommend to others	38	31.5
Total		120	100

From Table 5.4.10 it could be inferred that majority of the respondents (68.5) recommend purchase of fruits and vegetables from Big Bazaar and 31.5 per cent not recommend to purchase.

### **5.5 Evaluation of store and brand switching behaviour of the respondents**

The consumers opinion and their evaluation about the store, their switching behaviour to purchase fruits and vegetables in present and future are presented in this section.

#### **5.5.1 Factors responsible for selecting a store for purchase**

The data regarding the factors considered in selecting an outlet for the purchase of fruits and vegetables are collected and presented in Table 5.5.1

**Table 5.5.1 Ranking of factors in selecting a store for purchase**

S. No.	Factors	Mean score	Rank
1	Quality & large selection of products	64.1	I
2	Reasonable price	59.8	II
3	Location	49.1	III
4	Fast checkouts/ Billing process	44.3	IV
5	Convenient parking	41.9	V
6	Courteous friendly employees	38.5	VI

From Table 5.5.1 it could be inferred that respondents considered quality and large selection of products as the main factor in selecting an outlet for their purchase of fruits and vegetables, followed by reasonable price and location which had mean score of 59.8 and 49.1

respectively. The other factors responsible in selection of an outlet were fast checkouts, convenient parking and courteous friendly employees. Thus the firm should concentrate more on quality and varieties of fruits and vegetables to attract, satisfy and retain the customers.

### 5.5.2 Respondents opinion towards Big Bazaar

Opinion of the respondents to various statements about Big Bazaar were calculated by the multi dimensional scaling and the results are given in Table 5.5.2

From Table 5.5.2 it could be inferred that respondents agree with the statements viz., store has modern looking equipments, fixtures, clean, attractive and convenient public areas, market image of the store and frequent advertising of the store influences the purchase. Respondents were neutral to the statements viz., store offers high quality products and products are available when the customers wants. They disagree with the statements viz., employees in the store have the knowledge to answer the customers questions, store gives individual attention and operating hours convenient to all.

**Table 5.5.2 Opinion of the respondents towards Big Bazaar**

S. No.	Statements	Mean score
1	The store has modern looking equipments and fixtures.	4.28
2	The store has clean, attractive and convenient public areas.	4.03
3	The store layout at this store makes it easy for customers to move around the store.	3.55
4	This store has products available when the customer wants it.	3.52
5	Employees in this store have the knowledge to answer customer questions.	2.73
6	Market image of the brand influence my decision to buy from this outlet.	3.99
7	This store gives customers individual attention.	2.79
8	This store offers high quality products.	3.56
9	This store has operating hours convenient to all their customers.	2.72

10	Frequent advertising of the outlet influences my decision to visit frequently.	3.85
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### 5.5.3 Brand switching behaviour of the respondents

The switching behaviour and the rate of gains or losses for the various outlets were estimated through Markov chain analysis. The rate of consumer change in preference over various outlets was analysed.

The distribution of consumers purchase of fruits and vegetables from various different outlets are in Table 5.5.3.

The gain column indicates that the number of consumers shifted from the other outlet to that particular outlet. Like wise the loss column indicates that the number of customers shifted from that outlet to any other outlet. The retention column indicates that the number of consumers continues to purchase from particular outlet in the forth coming years also.

**Table 5.5.3 Brand switching behaviour of the respondents**

Brand	No. of customers in the initial period	Changes during the period		No. of customers using	Retention of the customers
		Gain	Loss		
Big Bazaar	56	22	10	68	46
Reliance	6	5	4	7	2
Spencer's	12	3	5	10	7
Palamudir Nilayam	6	1	3	4	3
Local shops / market	40	6	15	31	25
Total	120	37	37	120	

The above Table 5.5.3 indicates that Big Bazaar had more gains (22 customers) over the period than the loss (10 customers) and more retention of the customers (46 customers), followed by the local shops or market with retention of 25 customers. The other outlets were with less retention of customers. Thus it clearly shows that Big Bazaar offered the products liked by the customers and satisfied them.

### Retention, gain or loss of the respondents in various outlets

The retention, gain or losses of respondents were estimated and the details are furnished in Table 5.5.4.

From Table 5.5.4 it could be inferred that the retention in the diagonal axis, loss in the rows and gain in the columns. Big Bazaar retained 46 customers, lost 3 customers to Reliance, 2 customers to Spencer's, 1 customer to Palamudir Nilayam and 4 customers to local markets or shops but gained 2 customers from Reliance, 4 customers from Spencer's, 1 customer from Palamudir Nilayam and 15 customers from local shops. Local shops/markets lost 15 customers to Big Bazaar, 1 customer to Palamudir Nilayam and retained 25 customers.

**Table 5.5.4 Retention, gain or loss of the respondents**

Retail outlets	Big Bazaar	Reliance	Spencer's	Palamudir Nilayam	Local shops	Previous customers
Big Bazaar	46	3	2	1	4	56
Reliance	2	2	1	0	1	6
Spencer's	4	1	7	0	0	12
Palamudir Nilayam	1	1	0	3	1	6
Local shops	15	0	0	1	25	40
No. of present customers	68	7	10	4	31	120

### State transition matrix

Using the retention, gain and loss probability the state transition matrix was structured.

**Table 5.5.5 State transition matrix**

Retail outlets	Big Bazaar	Reliance	Spencer's	Pazhamudir Nilayam	Local shops/market
Big Bazaar	0.822	0.054	0.036	0.017	0.071
Reliance	0.334	0.334	0.166	0	0.166

Spencer's	0.333	0.083	0.584	0	0
Pazhamudir Nilayam	0.166	0.167	0	0.500	0.167
Local shops / market	0.375	0	0	0	0.625

In the state transition matrix the row indicated Big Bazaar outlet retained 82 per cent of its customers, lost 5 per cent to Reliance, 3 per cent to Spencer's, 1 per cent to Pazhamudhir Nilayam and 7 per cent to local shops or markets. Like wise column one indicated Big Bazaar had retained 82 per cent of its customers, gained 33 per cent from Reliance and Spencer's. Local shops or markets retained 62 per cent compared to other outlets. Big Bazaar should maintain the attributes preferred by the consumers to strengthen their existing customer base.

## **CHAPTER VI**

### **SUMMARY AND CONCLUSION**

In this chapter, a comprehensive summary of the work undertaken, tools used, results obtained were presented and conclusions were drawn based on the results. The study was undertaken as a project work for Big Bazaar with the overall objective is to study the consumer preference and attitude for perishables in Big Bazaar-Chennai. The study was undertaken with the following specific objectives:

- vi. To study the consumer buying behaviour of fruits and vegetables in Big Bazaar;
- vii. To examine the factors influencing consumer preference for fruits and vegetables in Big Bazaar;
- viii. To study the awareness and attitude of the consumers towards the fruits and vegetables sold in the outlet.
- ix. To evaluate the store and study the switching behaviour of the consumer.
- x. To suggest suitable strategies for improving and increasing the sales volume of fruits and vegetables division of Big Bazaar

Chennai was selected for the study. Consumers visiting the selected retail outlet were purposively selected and thus a total of 120 consumers formed the sample of the study. Selected consumers were in the category of regular purchaser, occasional purchaser and non purchaser of fruits and vegetables from Big Bazaar. Statistical tools like percentage analysis, Garrett ranking, multidimensional scaling, consumer preference profile, Markov chain, Chi square test and probit analysis were used to analyze the data. The results of the analysis were presented and discussed. The findings of the study are summarized below:

#### **I. General characteristics of the respondents**

It was found that 66 per cent of respondents were female, which is high when compared to male's (34) percentage. Thus the study clearly indicated that most of the consumers visiting to the fruits and vegetables division were female so, the majority of the business occurs from the female population.

Most of respondents (37 per cent) belonged to the age group of less than 30 years, followed by 28 per cent in the age group of 31 to 40 years, 21 per cent were in the age group of more than 50 years and 14 per cent were in the age group of 41 to 50 years.

Regarding the educational status, majority of respondents (55 per cent) purchased fruits and vegetables from Big Bazaar outlet were graduates followed by post graduates at 23 per cent and 21 per cent were educated up to the higher secondary level. Thus it could be inferred that nearly 90 per cent of the sample respondents were well educated and so communication can play a major role in sales promotion of fruits and vegetables.

With regard to the employment pattern, it can be concluded that 36 per cent of respondents were employed in private sector and 36 per cent were house wife, 12.5 per cent were self employed, 6.5 per cent were retired, 5 per cent were employed in government sector and 4 per cent were students.

It was found that 42 per cent of respondents belonged to income group of Rs.1-3 lakhs per annum, followed by 31 per cent, 11.5 per cent, 9 per cent and 6.5 per cent belonged to the income groups of Rs.3.1 to 6 lakhs, more than Rs.12 lakhs, Rs.91 to 12 lakhs and Rs.6.1 to 9 lakhs per annum respectively.

With regard to marital status majority of the respondents were married (87.5 per cent) and followed by unmarried (12.5 per cent).

On the family size, it could be inferred that 57 per cent of the respondents belonged to a small family size of less than four, followed by 38 per cent of the families with four to five members and 5 per cent with more than five members.

## **II. Buying behavior of the respondents**

On the frequency of purchase of fruits and vegetables, it could be inferred that 50 per cent respondents were regular purchaser which is constituted by 27 per cent of respondents purchased twice in a week and 23 respondents purchased once in a week, followed by 25 per cent respondents purchased while shopping and 25 per cent had never purchased.

From the chi-square analysis, it could be inferred that there is no association / relation between income and frequency of purchase. Location played a major role in frequency of purchase. Respondents nearer to the store purchase frequently than others.

The responsible person to buy fruits and vegetables from the outlet were wife (40 per cent) followed by 31 per cent were both (husband and wife), 15.5 per cent were husband and 13.5 per cent were children. So the case firm should make necessary steps to attract women population.

Most of the respondents liked to purchase fruits and vegetables from the outlet in evening hours (74 per cent), followed by 23 per cent of respondents in morning and afternoon. Most of the respondents preferred evening hours because they can purchase leisurely. Fresh products can be displayed during the evening hours.

Regarding purchase of fruits and vegetables most of the respondents (48 per cent) purchased 4-6 Kgs, followed by 33 per cent purchased 2-4 Kgs, 10 per cent purchased less than 2 Kgs and 9 per cent purchased more than 6 Kgs. By providing more range of vegetables firm can increase the quantity of purchase by the consumers.

Most of the respondents (48 per cent) purchased 3-6 Kgs, followed by 39 per cent purchased less than 3 Kgs and 13 per cent purchased more than 6 Kgs. In present days, people take more fresh fruits and vegetables in their food thus by providing fresh and quality products make the consumers to buy regularly from the outlet.

Majority of the respondents 59 per cent spent more than Rs.500 per week to purchase fruits and vegetables, followed by 30 per cent spent Rs.300-500 and 11 per cent spent less than Rs.300. Most of the respondents were health conscious so they spend more to purchase fruits and vegetables.

It was found that most of the respondents purchased by cash (74 per cent) and 26 per cent purchased using credit cards.

With regard to vegetables liked to purchase from the outlet, most of the respondents (29 per cent) preferred to buy all (basics, regular and exotic) vegetables from the outlet followed by 27.5 per cent preferred basics, 22.5 per cent preferred regular and 21 per cent preferred exotic category of vegetables. Thus firm should take necessary care to make available of all kinds of vegetables there by firm can satisfy the customers in product range.

Most of the respondents (49 per cent) preferred to buy seasonal fruits from the outlet followed by 29 per cent preferred all (seasonal, non seasonal and imported), 18 per cent preferred imported and 4 per cent preferred non seasonal category of fruits.

By studying the willingness to buy pre packed fruits and vegetables, it was found that 52.5 per cent of the respondents liked to buy and 47.5 per cent of the respondents don't like to buy.

From the Chi square analysis, it could be concluded that there is association or relation between demographic characters (age, education, occupation and income) and willingness to purchase pre packed fruits and vegetables.

Age, income, expenditure on fruits and vegetables and distance from home to Big Bazaar outlet were the most influencing factors for the purchase of fruits and vegetables from Big Bazaar among the consumers.

### **III. Consumer preference for fruits and vegetables in Big Bazaar**

By studying the consumer preference to purchase fruits and vegetables from organized or unorganized outlets through consumer preference profile. It was observed that, when the various attributes obtained from the study were reviewed, it could be noted that most of the statements obtained high ISD values, the ISAV's were found to be in favour to purchase fruits and vegetables from the organized outlets, and in most of the cases the difference between the ISAV's for organized outlets and ISAV's for unorganized outlets were also found to be higher. Hence it could be concluded, that the consumers preferred to purchase fruits and vegetables from organized outlets more than the unorganized outlets.

It was inferred that the factor viz., brand image with mean score 64.97 was the major factor that influenced the purchase of fruits and vegetables by the respondents. The factors such as; quantity assurance, packing and hygiene and cleanliness had a mean score of 64.26, 62.10 and 55.18 respectively were other major factors influenced the purchase of fruits and vegetables from the Big Bazaar. Quick service and price were the least preferred factors by the consumers to purchase fruits and vegetables from Big Bazaar. Thus, Big Bazaar should maintain the brand image and also other factors which were most preferred. It should also concentrate on the least preferred factors such as price and

quick service so that it can be able to provide a good service to the customers there by increase the consumer base.

#### **IV. Awareness and attitude for Big Bazaar fruits and vegetables**

It was found that majority of the respondents were aware of availability of fruits and vegetables in Big Bazaar and only 16 per cent were not aware. So still more advertisements should be given to achieve cent per cent awareness.

Regarding the source of awareness, 41.5 per cent of respondents were aware of availability of fruits and vegetables through friends/relatives, followed by 20 per cent through newspapers/magazines, 12.5 per cent through television/ radio and while shopping. Thus we can say word of mouth played a major role, by satisfying the existing customers firm can increase the level of awareness among the non customers.

More than 46 per cent of the respondents purchased fruits and vegetables regularly from Big Bazaar, followed by 29 per cent purchased occasionally or while shopping, 13.5 per cent never heard of availability of fruits and vegetables in Big Bazaar and 11.5 per cent were aware but not purchased. Thus firm gets the potential to convert 25 per cent of respondents as their customers if they provide fruits and vegetables with quality, fresh and reasonable price.

Multidimensional scaling was used to know the attitude of the consumers towards the fruits and vegetables available in the outlet. It was concluded that respondents were satisfied with packing (3.55) and display (3.54), but were somewhat satisfied with freshness (3.47), sorting and grading (3.45) and product range (3.39) and are not satisfied with the price (2.95). Firm should concentrate on the pricing to satisfy the customers.

Majority of the respondents (61 per cent) liked to have offers and discounts and 39 per cent not like to have. Majority of the respondents liked to have quantity offers (50.4) and 49.3 per cent of the respondents liked to have price cuts. So firm can continue to give offers and discounts because it acted as a motivation factor to purchase.

From the chi square analysis it could be inferred that at 5% level of significance table value is lower than the calculated value null hypothesis was rejected and say there is association or relation between demographic characters (age, education, occupation and income) and impact of offers and discounts to the respondents. Young respondents liked to have offers and discounts

whereas older respondents felt they may get older stocks through offers and discounts so it didn't motivated them to purchase. Lower income respondents liked to have more offers and discounts whereas high income respondents were not attracted more for it.

It could be inferred from that 34 per cent of the respondents definitely purchase fruits and vegetables again from the Big Bazaar, followed by 21 per cent probably purchase, 19 per cent might/might not purchase, 17.5 per cent probably not purchase and 8.5 per cent definitely not purchase. About 55 per cent of the respondents again purchase from the outlet so necessary care should be taken by the firm to retain them and attract others.

Majority of the respondents (68.5 per cent) recommend purchase of fruits and vegetables from Big Bazaar and 31.5 per cent not recommend to purchase.

## **V. Evaluation of store and brand switching behaviour of the respondents**

It was found that the respondents considered quality and large selection of products as the main factor in selecting an outlet for their purchase of fruits and vegetables, followed by reasonable price and location which had mean score of 59.8 and 49.1 respectively. The other factors responsible in selection of an outlet are fast checkouts, convenient parking and courteous friendly employees. Thus the firm should concentrate more on quality and varieties of fruits and vegetables to attract satisfy and retain the customers.

From the study it could be inferred that respondents agree with the statements viz., store has modern looking equipments, fixtures, clean, attractive and convenient public areas, market image of the store and frequent advertising of the store influences the purchase. Respondents were neutral to the statements viz., store offers high quality products and products are available when the customers wants. They disagree with the statements viz., employees in the store have the knowledge to answer the customers questions, store gives individual attention and operating hours convenient to all.

Big Bazaar outlet retained 82 per cent of its customers, lost 5 per cent to Reliance, 3 per cent to Spencer's, 1 per cent to Pazhamudhir Nilayam and 7 per cent to local shops or markets, gained 33 per cent from Reliance and Spencer's. Local shops or markets retained 62 per cent compared to other outlets. Big Bazaar should maintain the attributes preferred by the consumers to strengthen their existing customer base.

## **Recommendations**

Based on the results and discussions made in the study, following marketing strategies are suggested for improving the sales of fruits and vegetables division of Big Bazaar.

### **Product**

- The firm should make available a wide range and more varieties of fruits and vegetables to cater the needs of the consumers.
- Freshness is one of the important preference factor which influences the purchase of fruits and vegetables from the outlet. So the firm should take necessary care to maintain the freshness of fruits and vegetables.
- Pre packed vegetables can be displayed for sale as 52 per cent of respondents expressed their desire to buy fruits and vegetables pre packed and pre packing can be done on daily basis.
- The firm can also concentrate to sell cut and peeled vegetables to attract working women customers.
- Display of fruits and vegetables should be separate and shelf tags should be written visible for easy identification and selection.

### **Price**

- Competitive pricing of product should be followed as there are organized retailers- Reliance, Spencer's and Pazhamudhir Nilayam catering to the need of the consumers.

### **Place**

- Front view of the outlet is not easily visible to the consumers so firm can take necessary action by placing digital name boards.
- Floor area for the fruits and vegetable division can be increased to provide more range of products.

### **Promotion**

- The firm can give more quantity offers to increase the sales of fruits and vegetables.

- Word of mouth plays a vital role in promoting the sales of fruits and vegetables from the outlet so the firm can increase the satisfaction level among the consumers by providing quality and fresh products.
- Sales people should be given more training to act customer friendly and make the consumer to purchase more by explaining the products available.

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**Annexure I**  
**Current Modern Retailers in India, as on April 2007**

<b>Retailer</b>	<b>Fascia</b>	<b>Market entry date</b>	<b>Format</b>	<b>No of stores</b>	<b>Trading Area (sq ft)</b>
Future Group	Big Bazaar, Food Bazaar, Various	2002	S, H, O	331	5,000,000
Subhiksha	Subhiksha	1997	D	700	500,000
RPG	Spencer's Express, Spencer's Fresh, Spencer's Daily, Spencer's Hyper	1996	C, S, H	125	500,000
Reliance Retail	Reliance Fresh, Reliance Digital	2006	S, O	135	370,000
A V Birla Group	Trinetra	1986	S	124	300,000
Dairy Farm	Foodworld, Health & Glow	1999	S, H & B	97	250,000
Metro Group	Metro	2003	C & C	2	150,000
K Raheja	Hypercity	2005	H	1	150,000
Nilgiris	Nilgiris	1971	S	36	120,000
Margin Free	Margin Free	1994	D	250	75,000
Shoprite	Shoprite	2004	H	1	70,000
Trent	Star India Bazaar	2004	H	1	55,000
Home Stores India Limited	Sabka Bazaar, Sabka Bazaar Mini	2005	S, C	25	45,000
Wadhawan Food Retail	Spinach	2006	S	23	30,000
Modi Enterprises	Twenty Four seven	2004	C	4	10,000
Avenue Supermarkets	DMart	2005	D	6	10,000
Spar International	Spar International	2004	S	1	6000

Key: S – Supermarkets, H & B – Health & Beauty, H – Hypermarket, D – Discount, C – Convenience, C & C – Cash & Carry, O - Others

Source: IGD Research and Estimates, 2007

**Annexure II**  
**Different Formats at Pantaloon Retail India**

<b>Product Category</b>	<b>Status</b>	<b>Formats/Offerings</b>
<b>Food</b>		
Brew Bar	Operational	Beers, snacks and set meals
Cafe Bollywood	Planned	Eateries
Chamosa	Operational	Snack counter in high traffic area
Food Bazaar	Operational	Supermarket
Rain	Operational	Food and beverages
Sports Bar	Operational	Focused on sports lovers
<b>Fashion</b>		
aLL	Operational	Fashion apparel for plus-size individuals
Big Bazaar	Operational	Hypermarket
Blue Sky	Operational	Fashion accessories
Central	Operational	Seamless malls
Fashion Station	Operational	Popular fashion
Gini & Jony	Operational	Kids' fashion
Pantaloons	Operational	Department store
<b>Home &amp; Electronics</b>		
Collection i	Operational	Home furnishings
Electronics Bazaar	Operational	Present within Big Bazaar
e-zone	Operational	Consumer electronics
Furniture Bazaar	Operational	Home furniture
Home Town	Planned	One stop Destination
<b>Telecom &amp; IT</b>		
Gen M	Planned	Hi-tech products
M Bazaar	Planned	Solutions for knowledge, entertainment & communication
M Port	Planned	Standalone stores/shop-in-shop
<b>General Merchandise</b>		
Big Bazaar	Operational	Hypermarket
Blue Sky	Operational	Fashion Accessories
Central	Operational	Seamless malls
Footwear Bazaar	Planned	Footwear and accessories
Navarasa	Planned	N.A
Pantaloons	Operational	Department store
Shoe Factory	Operational	Footwear and accessories
<b>Leisure &amp; Entertainment</b>		
Bowling Co.	Operational	Premium family entertainment center
F 123	Operational	For leisure and entertainment
<b>Health Wellness &amp; Beauty</b>		
Star Sitara	Operational	Beauty salon for men and women
Tulsi	Operational	Pharmacy
Turmeric	Planned	'Cut-in' format at Food Bazaar
<b>Books &amp; Music</b>		
Depot	Operational	Books and music
<b>e-tailing</b>		
online retailing	Operational	futurebazaar.com

Source: Compiled from the company web site