

# **A STUDY ON THE CUSTOMERS PERCEPTION ABOUT THE GROWTH OF RETAIL INDUSTRIES IN BANGALORE**

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## **ABSTRACT**

*The origin of retailing in India can be traced back to the emergence of kirana stores and mom and pop stores. These stores are used to cater the local people in a limited radius. Eventually the government supported the rural retail and many small indigenous stores came up with the help of khadi and village industries commission. Indian economy began to open up in the 1980s resulting in the change were in the face of retailing. The first few companies to come up with retail chains were in textile sector such as Bombay dyeing, s Kumar, Raymond etc. later titan came up with such retail showrooms exhibiting their wide ranges. Thereafter many new entrants came into pure retailing. Even few renowned manufactures shifted from manufacturing to retailing. Retail outlets such as food world in FMCG, planet M and music world in music, crossword in the books entered the markets before 1995. Shopping malls emerged in the urban areas giving a world class experience to the customers. Eventually hypermarkets emerged. The evolution of the sector includes the continuous improvement in the supply chain management, distribution channels, technology, back end operations etc. this would finally lead to more of consolidation, mergers and acquisitions and huge investments.*

**Key Words:-** FMCG, Supply chain management, Perception, Retail

## **1.INTRODUCTION**

With the country witnessing a spiralling retail and consumer boom, the retail industry in Bangalore too has seen manifold growth when compared to its population density in the past decade. But the supermarket and mall culture has caught up pace only as late as 2008 and now it has grown to a sizeable number but no way comparable either to Gurgaon or Ludhiana. The city saw the advent of organised retail even in the 1970s when Nilgiris (food), Viveks (consumer durables) and others started their operations while corporates like the Tata's (Star Bazar), the Birla's (More), Ambani (Reliance Retail), RPG Enterprises (Food World), and mega retailers like the Crosswords, Shopper's Stop, and Pantaloons raced to revolutionise the retailing sector and hoping to turn the retail sector as an industry in the city. However, the scenario in the organised retail sector in India is dismal as the average sales in such big outlets is below 20,000 dollars compared to 2.5 million dollars in the US. Even today, 97 per cent of the retail sales in the country take place through the Kirana store which is in the unorganised sector. As per industry estimates, for every 100 household, there is more than one retail outlet in Bangalore which is not so in other cities of the country like Mumbai. With more than 25,000 retail outlets in Bangalore, the livelihood of more than three to four lakh people is at stake. On an average, a single outlet provides employment to three families or an estimated 10 people. Out of the existing retail outlets, 50 per cent of them are run by communities like the Settee's, Marwari's, Kakas (Malabar Muslims ), Shahs and a host of other communities where ownership and management are predominantly family controlled and they are basically in the business of selling groceries. Way back in 1971 itself, the establishment of Nilgiris super market paved way for the starting of the food retail chain in Bangalore. As there were no new players entering in the next two decades, there was not much growth of food retail chains in Bangalore. But with the entry of Food World in 1996, there was a rapid expansion of organised food retail chains in Bangalore with many new players like Fab Mall, Subiksha, Trinethra, Namdhari Fresh, etc. entering the market and opening up their outlets in the city. The rapid rise in the super market chains can also be attributed to many international and national players showing interest in Bangalore to star

## **2.OBJECTIVE OF THE STUDY**

1. To know about the customers perception on the growth of retail industry in Bangalore.
2. To find out the reasons for the growth of retail industries in Bangalore.
3. To analyse the influence of retail growth on Indian economy.

### 3.NEED FOR THE STUDY

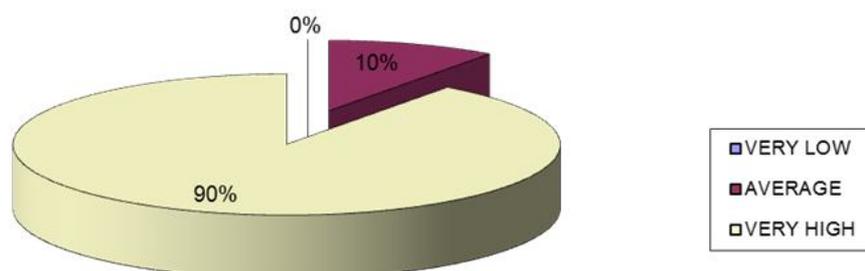
1. The study gives a valuable insight into the customer's perception about retail industry in Bangalore and the factors that are responsible for its growth.
2. The study also helps to gain an in-depth knowledge about retail industries.
3. The study gives way to understand the importance of retail organizations and the satisfaction level of customers shopping in such organizations.
4. The study helps to know about the influence of retail growth on Indian economy.

### 4.RESEARCH METHODOLOGY

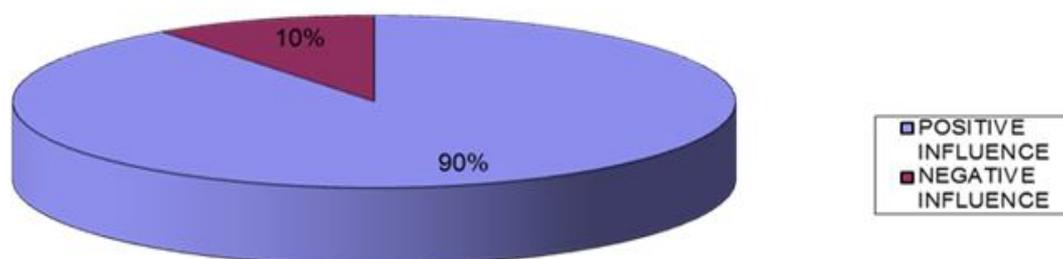
The research design used for this study is descriptive in nature and the study is confined to Bangalore city. The study comprises of both primary and secondary data. Primary data is collected through a questionnaire comprising of 18 questions designed specifically for the customers of retail outlets in Bangalore. The sample size used for the study is one hundred customers visiting various retail outlets in Bangalore. Percentage method is adopted for analysing the data, and the analysis is supported by tables and graphs.

### 5.FINDINGS OF THE STUDY

1. 70% of the customers have high level of satisfaction shopping in retail outlets.
2. 60% of them feel that price at retail outlet is moderate
- 3.50% of the customers feel that the major attraction of retail outlets is the promotional activities.
- 4.90% of the customers feel that the reason for the growth of retail industry in Bangalore is due to the growth of IT industry and Double income groups.
- 5.80% of the customers say that the influence of retail growth on employment is very high.
- 6.90% of the customers feel that there is positive influence of retail growth in Indian economy.
- 7.80% of the customers say that the influence of retail growth on employment is high.
- 8.80% of the customers say that the growth of retail industry in Bangalore has led to the growth of traffic problems.



**Figure 1** GRAPH SHOWING THE RATE OF RETAIL GROWTH IN BANGALORE



**Figure 2** GRAPH SHOWING THE INFLUENCE OF RETAIL GROWTH IN INDIAN ECONOMY

### 6.SUGGESTIONS

1. More emphasis should be given to personalised services of the customers thereby building long-term relationships with customers.
2. Safety measures should be provided in the malls to avoid accidents.
3. Billing counters should be more for easy process and should be efficient such that the waiting time of the customers can be reduced.
4. Sufficient number of sales counters should be provided at every floor.
5. Frozen and perishable commodities should be as fresh as possible.
6. Parking facilities should be adequate to avoid dissatisfaction of the customers.

## 7.CONCLUSION

As customer tastes evolve, formats will constantly evolve and niche formats will develop. Hypermarkets will continue to pose a threat to speciality and discount retailers. Department stores will come under the threat of hypermarkets and speciality stores. Malls will get re-invented and shoppers become smarter and will embrace technology. Purchases through in-store and on-line will increase and in future suppliers will become retailers. Hence it is necessary for the retailers to innovate constantly and build good relationship with customers so that they can beat the competition and sustain in the market.

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