# Customers' Opinion on Small Scale Retail Stores : A Case Study

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## ABSTRACT

**The Indian Retail sector is dominated by small scale retailers. The organized sector occupies only 5 per cent share in the total retail sector. The presence of millions of small scale retailers in different product categories makes one realize that a large number of people depend upon this activity. In the light of severe competition from the fast growing and more challenging big retailers in the fast changing scenario, the survival and growth of small scale retailers depends upon their ability to provide customer satisfaction. Customer loyalty and support are the pillars of success for these retailers. The present study aims to examine the opinion of customers on small scale retail establishments. The customers' opinion on facilities, ambience factors, communication, sales promotion techniques, and service performance of small-scale retailers are ascertained and analyzed in this paper.**

***Keywords*** **: ambience factors, customer loyalty, means of communication, retailing, sales promotion techniques**

Retailing involves selling goods and services in small quantities directly to customers. It consists of all activities involved in marketing of goods and services to consumers directly for their personal, family and household use. The retail industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market (Dhanabhakyam & Shanthi (n.d.)). The retail opportunities have peaked in recent years. The new entrants in the business found excellent opportunities to establish themselves and achieve desired growth. India is expected to account for the third largest share of retail investments at US$ 2.7 billion by 2015 in Asia (Research Firm Ovum, 2011). According to the Business Monitor International's (BMI) India Retail Report for the second-quarter of 2011, the total retail sales in India grew from US$ 395.96 billion in 2011 to US$ 785.12 billion by 2015. Strong underlying economic growth, population expansion, the increasing wealth of individuals and the rapid construction of organized retail infrastructure are key factors behind the growth forecast. With the expanding middle and upper class consumer base, there will also be opportunities in India's tier II and tier III cities (Indian Brand Equity Foundation). The Indian retailing industry is becoming intensely competitive, as more and more players are vying for the same set of customers.

## RETAIL IN INDIA : A HISTORICAL PERSPECTIVE

The Indian retail industry is divided into organized and unorganized sectors. Organized retailing refers to trading activities undertaken by licensed retailers such as those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, such as the local *kirana* shops, owner manned general stores, *paan/beedi* shops, convenience stores, handcart and pavement vendors, etc. (Corporate Catalyst India).

In the beginning, there were only kirana stores called Mom and Pop stores, the friendly neighbourhood stores selling everyday needs. In the 1980s, manufacturer's retail chains like DCM, Gwalior Suitings, Bombay Dyeing, Calico, Titan, etc. started making their appearance in metros and small towns. Multi brand retailers came into the picture in the 1990s. In the Food and FMCG sectors, retailers like Food World, Nilgiris are some of the examples. In the music segment, Planet M, Music World ; and in books, Crossword and Fountainhead are some other examples. Shopping Centres began to be established from 1995 onwards. A unique example was the establishment of margin-free markets in Kerala (Sreejith & Raj, 2007). The 21st century saw the emergence of supermarkets and hypermarkets. Big

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players like Reliance, Bharti, Tata, HLL, ITC, etc. entered into the organized retail segment. The international retail bigwigs are waiting in the wings for favorable FDI guidelines to establish their own retail outlets in the country.

According to a CPAS study, the unorganized retail sector of small and medium retailers employs over 40 million people. There are 11 retail outlets for every 1000 people (Sasi, 2000) in India. This fact suggests a considerable element of 'forced employment' in this sector. Only 4 per cent of India's 11 million retail outlets have floor areas in excess of 500 sq.ft. (Singhal, 1999). Retail in India is mostly the millions of tiny shops with pucca and semi-pucca premises, and millions more on handcarts and pavements (Guruswamy & Sharma (n.d.)).

## REASONS FOR THE BOOM IN THE RETAIL SECTOR IN INDIA

The most important factors responsible for the development of the retail sector in India are liberalization of the economy, upward mobility of the middle class, shifting consumer demands, and expansion of ICTs (A.T.Kearney Report, 2007). Since the liberalization of the economy, there has been a visible impact on the income level of the middle class, which as a whole is upwardly mobile, with a huge disposable income in hand. Along with this, there has been a change in the spending habits with more focus on improving the quality of life through increasing consumption of high end products, which previously the middle class refrained from using (Shabnam & Bino, 2008). Thus, the changes in economic and industrial policies in India, growth in the size of the middle-income households, changes in consumer buying and consumption habits, technology and information access to consumers, and the changing life styles are some of the prominent reasons for the retail sector boom in India.

Indian shoppers are very different in many ways from their counterparts elsewhere in the world. Loyalty is not a virtue with the Indian shopper. According to a McKinsey report, in the great Indian retail bazaar, around 60 per cent of the consumers surveyed bought from more than one retailer as compared with 10 per cent in Brazil and 24 per cent in China. Indian consumers associate packaged food with lack of freshness, and it is not surprising that almost 65 per cent of the respondents indicated they will never buy packed fruits or vegetables as compared to 24 per cent in China and 6 per cent in the US. Furthermore, shoppers in India place a lot of importance on convenience. Around 64 per cent buyers surveyed said they do not mind paying extra for conveniently located stores, as compared with 31 per cent in China. According to the survey, women in India prefer ethnic apparel and jewellery. More than 75 per cent women's clothing and 85 per cent jewellery sold in India are traditional in style and design. Around 38 per cent shoppers in India said they buy clothes mostly for special occasions; whereas only 6 per cent Chinese and 3 per cent Russians are driven by occasions for most of their apparel purchase. Indian shoppers are willing to compromise a bit on food and grocery, the survey said. For instance, 57 per cent respondents said buying a well-known brand of shampoo is important; while as many as 49 per cent indicated that they were willing to buy lesser-known brands. When it comes to electronic goods, almost 85 per cent shoppers said they would only go with a reputed brand (Great Indian Bazaar, 2008).

The Indian consumers are not simple and accepting; they want the lowest prices for the best quality at convenient locations along with quality service and some freebies thrown in for good measure. Success in India depends on understanding the complexities of a diverse country, evaluating its potential in terms of a company's customer focus and having a plan that can be adapted to the Indian consumer. Retail in India has always been a lucrative business. Traditionally, the Vaishya's were the trader class, and their businesses were passed on from father to son. Even now, small family-run stores, also called *kiranas*, offer consumers low prices, convenient locations, longer store hours and home delivery at no extra charge. It is not surprising to note that these kiranas have traditionally dominated the Indian retail sector. These stores have low operating costs as they employ household labour and usually pay no taxes. According to a Research and Markets study, in 2003, there were over 12 million retail stores in India, of which about 78 per cent were small family-run enterprises using family labour. India's retail industry has traditionally followed no recognizable format, but has grown organically, attuned to local needs. This has made it hard for traditional retailers to adapt to new ways of doing business and competing with international retailers (Bahadur, 2006). Small-scale retailers continue to play a vital role in Indian retailing in spite of the tremendous growth of organized retailing in recent years. The consumers are lured by the big retailers by providing many shopping experiences. The fact is that the big and small retailers are fighting for the same consumer. In the changing scenario, the studies of consumer opinion regarding small-scale retailers will prove to be vital for the sector and to the policymakers. The present study was taken up with an objective of eliciting customer opinion on various aspects of small-scale retailing, and to identify gaps between customer expectations and the retailer services.

## RESEARCH METHODOLOGY

The study covers small-scale retail units in different retail categories. The study was conducted during April 2010 to January 2011. For the purpose of the study, five retail categories were selected based on the number of retailing units established in Andhra Pradesh. The five categories selected for the study were: Food and Grocery, Textile and Apparel, Electrical and Electronics, Jewellery and Footwear. To elicit the opinion of the customers regarding small-scale retail establishments, a sample of 450 customers was selected from the three regions of the state viz, Coastal Andhra, Telangana and Rayalaseema. Scaling techniques were used to measure the opinions and weighted scores were calculated for analysis and interpretation. The scaling technique was used to ascertain the opinions. The five-point scale ranging from strongly agree to strongly disagree was used. The data were obtained by using the Likert scale, that had been converted into weighed scores as shown below :

| Scale | Weight |
|---|---|
| 1. Strongly agree | 5 |
| 2. Agree | 4 |
| 3. Neutral | 3 |
| 4. Disagree | 2 |
| 5. Strongly disagree | 1 |

Score: n x Rating x Weight

Wherever scores are calculated, the weighed mean and percentage to maximum possible score (MPS) were calculated for data analysis.

❖Likert scale: MPS of any variable = 5 ;

❖ n of variable x 5 = MPS of that variable ;

❖The score obtained by each variable/MPS x 100 = % to MPS ;

❖Total number of respondents x Maximum weight = MPS.

For example :

| Particulars | Food & Grocery |
|---|---|
| Score | 64 |
| Maximum Score | N x max. weight = 45 x 3 = 135 |
| % to MPS | (64/135) x 100 = 47.41 |

❖ **Limitations of the Study :** The empirical study is limited in its scope as it covers sample customers drawn from only three regions of Andhra Pradesh. Therefore, the findings are subject to measurement errors. The opinions of the respondents are subject to the prevailing business conditions at the time of the study. They may vary from time to time based on changes in the retailing environment.

## RESULTS AND DISCUSSION

**a) Opinion on Facilities Offered :** The opinion of the respondents on facilities provided by the small-scale retailers are presented in the Table 1. The facilities included "Space to move freely in the shop" , "Access to product-shelves", "Delivery of goods ordered over telephone", "Exchange of products", "Support of the sales personnel and availability of the desired goods in stock". The study reveals that "Space to move freely in the shop" was the top rated facility which secured a score of 7818, representing 69.49 per cent to MPS (mean value = 3.47). "Availability of the desired goods in stock" was the facility that secured the second place in rating with a score of 7299, which represents 64.88 per cent to MPS (mean value = 3.24). The facility that was rated third is "Support of the sales personnel". This facility secured a score of 6833, representing 60.74 per cent to MPS. The scores obtained by each facility as a percentage to MPS varied between 51.82 per cent and 69.49 per cent. The mean values of the facilities varied between 2.80 and 3.47.

The Table 2 presents the top three rated opinions on the facilities provided by different categories of small-scale retailers. "Availability of desired goods in stock" and "Space to move freely in the shop" were the two factors that

| Table 1: Opinion on the Facilities Offered by the Small Scale Retailers | | | |
|---|---|---|---|
| **Particulars** | **Score** | **WM** | **% to MPS** |
| Space to move freely in the shop | 7818 | 3.47 | 69.49 |
| Access to product-shelves | 6696 | 2.98 | 59.52 |
| *Delivery of goods ordered over telephone | 2332 | 2.59 | 51.82 |
| Exchange of products | 6308 | 2.80 | 56.07 |
| Support of the sales personnel | 6833 | 3.04 | 60.74 |
| Desired goods in stock | 7299 | 3.24 | 64.88 |
| WM = Weighed Mean, MPS = Maximum Possible Score<br>* Applicable only to food and grocery and electrical and electronics categories.<br>Source: Primary Data | | | |

| Table 2: Top Three Facilities Provided by the Small Scale Retail Shops (Respondents' Opinion) | | | | | |
|---|---|---|---|---|---|
| **Factor Ratings** | **Food & Grocery** | **Textile & Apparel** | **Electrical & Electronics** | **Jewellery** | **Footwear** |
| 1 | Desired goods in stock | Space to move freely in the shop | Desired goods in stock | Space to move freely in the shop | Space to move freely in the shop |
| 2 | Support of the sales personnel | Access to product-shelves | Space to move freely in the shop | Access to product-shelves | Desired goods in stock |
| 3 | Delivery of goods ordered over telephone | Exchange of products | Support of the sales personnel | Desired goods in stock | Support of the sales personnel |
| Source: Primary Data | | | | | |

secured the top three ratings of four categories. "Support of the sales personnel" was the factor that was identified in the three categories. "Access to product shelves" was considered as an important facility in Textile and Apparel and Jewellery categories. "Delivery of goods ordered over telephone" was one of the top rated facilities in Food and Grocery categories, while "Exchange of products" was a facility specially recognized in the Textile and Apparel category.

**b) Opinion on Ambience Factors :** Ambience factors play an important role in marketing of retail services. These factors influence the behaviour of the consumers in participation of the service production and consumption process.

| Table 3: Opinion on the Ambience Factors of Small Scale Retailers | | | |
|---|---|---|---|
| **Particulars** | **Score** | **WM** | **% to MPS** |
| Lighting | 8803 | 3.91 | 78.29 |
| Ventilation | 7342 | 3.26 | 65.26 |
| Painting of the walls and ceiling | 7528 | 3.35 | 66.92 |
| Decorations | 7286 | 3.24 | 64.76 |
| Air conditioning | 6264 | 2.78 | 55.68 |
| Store display | 7486 | 3.33 | 66.54 |
| Cleanliness | 7572 | 3.37 | 67.31 |
| Spatial layout | 7277 | 3.23 | 64.68 |
| Signage | 6864 | 3.05 | 61.01 |
| Seating arrangement | 7301 | 3.24 | 64.90 |
| Orderly placement of the products | 7665 | 3.41 | 68.13 |
| WM=Weighed Mean, MPS=Maximum Possible Score<br>Source: Primary Data | | | |

The opinion of the respondents was elicited in the study on the factors such as "Lighting", "Ventilation", "Painting of walls and ceiling", "Decoration", "Air conditioning", "Store display", "Cleanliness", "Spatial layout", "Signage", "Seating arrangements", and "Orderly placement of products". The data presented in the Table 3 reveals that "Lighting" was the numero uno ambience factor. This factor got an overall score of 8803, which represents 78.29 per cent to MPS. "Orderly placement of the products" got the second place with a score of 7665 representing 68.13 per cent to the MPS. "Cleanliness" occupied the third place with a score of 7572- 67.31 per cent to the MPS. All the ambience factors rated by the respondents got mean values > 3 each, except the factor "Air conditioning". The scores obtained by each factor as percentage to MPS varied between 55.68 per cent and 78.29 per cent.

**Table 4: Top Three Facilities with reference to Ambience provided by the Small Scale Retailers (Respondents' Opinion)**

| Factor Ratings | Food & Grocery | Textile & Apparel | Electrical & Electronics | Jewellery | Footwear |
|---|---|---|---|---|---|
| 1 | Lighting | Lighting | Lighting | Lighting | Lighting |
| 2 | Orderly placement of the products | Store display | Cleanliness | Air conditioning | Seating arrangement |
| 3 | Ventilation | Painting of the walls & ceiling | Orderly placement of the products | Cleanliness | Spatial layout |

Source: Primary Data

The Table 4 shows the top three rated opinions of the respondents on the ambience factors of different categories of small-scale retailers. "Lighting" was the most prominent factor that occupied the first place in rating in all the retail categories under study. "Orderly placement of the products" contributed to the ambience in Food and Grocery and Electrical and Electronics retail categories. "Ventilation" was the prominent ambience factor in Food and Grocery, while "attractively painted walls and ceiling" contributed significantly to the ambience in the Textile and Apparel category. "Cleanliness" was the factor identified in Electrical and Electronics and Jewellery categories. "Store display" had a special significance in Textile and Apparel, while "Spatial layout" was rated as one of the three most important ambience factors in the Footwear category.

**Table 5: The Most Attractive Types of Display**

| Particulars | Food & Grocery | Textile & Apparel | Electrical & Electronics | Jewellery | Footwear |
|---|---|---|---|---|---|
| Store front windows | 212 (47.11) | 243 (54.00) | 78 (17.33) | 24 (05.33) | 364 (80.89) |
| Showcase | 147 (32.67) | 204 (45.33) | 365 (81.11) | 425 (94.45) | 74 (16.44) |
| Found-space | 91 (20.22) | 3 (00.67) | 7 (01.56) | 1 (00.22) | 12 (02.67) |
| **Total** | **450 (100.00)** | **450 (100.00)** | **450 (100.00)** | **450 (100.00)** | **450 (100.00)** |

Source: primary data

**c) Opinion on Display :** The opinions of the respondents regarding attractiveness of the display in the retail outlets were ascertained and presented in the Table 5. The study reveals that "Store's front windows" used for display are more attractive in the case of Food and Grocery, Textile and Apparel and Footwear categories. In the case of Electrical and Electronics and Jewellery categories, "Display in showcase" was more attractive for the respondents.

The display in stores' front windows attracted about 81 per cent of the respondents in the Footwear category, 54 per cent of the respondents in the Textile and Apparel category, and 47.11 per cent of the respondents in the Food and Grocery category. Display through a showcase attracted 94.45 per cent of the respondents in the Jewellery category, 81.11 per cent of the respondents in the Electrical and Electronics category, 45.33 per cent of the respondents in the Textile and Apparel category and about 33 per cent of the respondents in the Food and Grocery category. "Display at available space" could attract a few respondents in the Textile and Apparel, Jewellery, Electrical and Electronics, and Footwear categories. However, about one-fifth of the respondents got attracted to "Display at available space" in the Food and Grocery retail category.

| Table 6: Medium Used for Advertising about Offers/ Schemes by the Small Scale Retailers | | |
|---|---|---|
| **Particulars** | **Score** | **% to MPS*** |
| Advertisements in newspapers | 6446 | 57.30 |
| Advertisements in local TV channels | 3433 | 30.52 |
| Distribution of leaflets | 4313 | 38.34 |
| Hoardings | 2544 | 22.61 |
| Advertisements in cinema halls | 1477 | 13.13 |
| Audio on wheels | 2843 | 25.27 |
| Display at entry points | 5691 | 50.59 |
| Exhibitions and trade shows | 2758 | 24.52 |
| Sales personnel | 8871 | 78.85 |
| Radio | 1893 | 16.83 |
| Wall writings | 2903 | 25.80 |

*MPS= Maximum Possible Score
Source: Primary Data

**d) Opinion on Means of Communication :** The small-scale retailers adopted varied means to communicate their marketing offers to the customers. The study reveals that the retail categories under study were communicating with the customers through advertisements in newspapers, advertisements in local T.V. channels, distribution of leaflets, hoardings, advertisements in cinema halls, audio on wheels, display at entry points, exhibitions and trade shows, sales personnel, radio, and wall writings. The effectiveness rating of various communication sources from the retailers of the five categories under the study are presented in the Table 6. It can be inferred that "Sales personnel" were the most effective source of communication in small-scale retail units. This source secured a score of 8871, representing about 79 per cent to MPS. "Advertisements in newspapers" secured the second place in effectiveness, as this source got a score of 6446, representing 57.30 per cent to MPS. "Display at entry points" was the source that was placed at the third position by the respondents. This source got a score of 5691, representing 50.59 per cent to MPS. All other sources got less than 50 per cent rating for their effectiveness by the respondents. The top three communication sources as voted by the respondents are shown in the Table 7. "Sales personnel" were identified as one of the top three communication sources by the respondents in all retail categories under study. "Display at entry points" was the source of communication in Food and Grocery, Electrical and Electronics, and Footwear categories. "Distribution of leaflets" was identified as one of the top three sources of communication in Food and Grocery and Electrical and Electronics categories. "Advertisements in newspapers" and "Advertisements in local TV channels" were perceived to be effective in the case of the Textile and Apparel and Jewellery categories. "Advertisements in newspapers" were also found to be effective in the Footwear category.

| Table 7: Top Three Rated Means of Communication about Offers/Schemes provided by the Small Scale Retailers | | | | | |
|---|---|---|---|---|---|
| **Ratings** | **Food & grocery** | **Textile & apparel** | **Electrical & Electronics** | **Jewellery** | **footwear** |
| 1 | Sales personnel | Sales personnel | Sales personnel | Advertisements in newspapers | Sales personnel |
| 2 | Display at entry points | Advertisements in newspapers | Display at entry points | Sales personnel | Display at entry points |
| 3 | Distribution of leaflets | Advertisements in local TV channels | Distribution of leaflets | Advertisements in local TV channels & display at entry points | Advertisements in newspapers |

Source: Primary Data

**e) Opinion on Sales Promotion Techniques :** The opinion of the respondents regarding the sales promotion techniques adopted by the small-scale retailers were ascertained in the study. The sales promotion techniques adopted

| Table 8: Response to the Sales Promotion Techniques adopted by the Small Scale Retailers | | | |
|---|---|---|---|
| **Particulars** | **Score** | **WM** | **% to MPS** |
| Credit | 5337 | 2.37 | 47.44 |
| Free Servicing | 3044 | 1.35 | 27.06 |
| Offering products for trial use | 3937 | 1.75 | 35.00 |
| Discounts | 6105 | 2.71 | 54. 27 |
| Gift coupons | 5113 | 2.27 | 45.45 |
| Display of the products | 7549 | 3.36 | 67.10 |
| Free offers | 3968 | 1.76 | 35.27 |
| Product bundling | 2890 | 1.28 | 25.69 |
| Saving Schemes | 733 | 0.33 | 6.52 |
| Finance schemes | 689 | 0.31 | 6.12 |

WM=Weighed Mean, MPS=Maximum Possible Score
Source: Primary Data

| Table 9: Top Three Rated Sales Promotion Techniques Adopted by the Small Scale Retailers (Respondents' Opinion) | | | | | |
|---|---|---|---|---|---|
| **Ratings** | **Food & grocery** | **Textile & apparel** | **Electrical& Electronics** | **Jewellery** | **footwear** |
| 1 | Credit | Discounts | Display of products | Display of products | Offering products for trial use |
| 2 | Product bundling | Display of products | Free servicing | Offering products for trial use | Display of products |
| 3 | Display of products | Offering products for trial use | Discounts | Free servicing | Discounts |

Source: Primary Data

by retailers included credit, free servicing, offering products for trial use, discounts, gift coupons, display of products, free offers, product bundling, saving schemes, and finance schemes. The overall opinions of the respondents on sales promotion techniques adopted by the selected small scale retail categories are presented in the Table 8. It can be seen from the table that "Display of products" was considered to be a highly favoured sales promotion technique by the respondents. This factor secured a score of 7549, representing 67.10 per cent to MPS (mean value = 3.36). "Discounts" occupied the second place as this technique got a score of 6105, which represents 54.27 per cent to MPS, while "Credit facility" occupied the third place with a score of 5337, representing 47.44 per cent to MPS. "Free

| Table 10: Problems Incurred while Dealing with Small Scale Retailers | | | |
|---|---|---|---|
| **Particulars** | **Score** | **WM** | **% to MPS** |
| High prices | 2727 | 1.21 | 40.40 |
| Discriminative prices | 2241 | 1.00 | 33.20 |
| Discrimination in extending services | 1050 | 0.47 | 15.56 |
| False information | 1452 | 0.65 | 21.51 |
| Pressure-selling | 649 | 0.29 | 09.61 |
| Limited product range | 1938 | 0.86 | 28.71 |
| Adulteration | 975 | 0.43 | 14.44 |
| Poor quality standards | 1427 | 0.63 | 21.14 |
| Cheating while weighing | 497 | 0.22 | 07.36 |
| Selling duplicate products | 388 | 0.17 | 05.75 |

WM=Weighed Mean, MPS=Maximum Possible Score
Source: Primary Data

servicing", "Product bundling", "Saving schemes", and "Finance schemes" got less than 30 per cent rating as sales promotion techniques used by small scale retailers.

The top three rated sales promotion techniques adopted by small scale retailers as per respondents' perceptions are presented in the Table 9. "Display of products" was found to be an effective sales promotion technique across all retail categories. This technique was identified as one of the top three rated sales promotion techniques. "Offering products for trial use" was identified in Textile and Apparel, Jewellery, and Footwear categories as an effective sales promotion technique. "Discounts" were found to be effective in Textile and Apparel, Electrical and Electronics, and Footwear categories. "Credit and product bundling" were special for Food and Grocery retailing as sales promotion techniques, while "Free servicing" was specific to Electrical and Electronics and Jewellery categories.

**f) Problems with Retailers :** The problems listed by the respondents with the small scale retailers included "High prices", "Discriminative prices", "Discrimination in extending services", "False information", "Pressure-selling", "Limited product range", "Adulteration", "Poor quality standards", "Cheating while weighing", and "Selling duplicate products". The data relating to the rating of the respondents on the problems faced with small scale retailers belonging to categories under study are presented in the Table 10. It can be seen from the table that all the problems got a score representing less than 50 per cent to MPS. The mean values of each of the problems varied between 0.17 and 1.21. The scores of the problems as a percentage to MPS varied between 5.75 per cent and 40.40 per cent. It can be inferred from the data that the respondents did not face any serious problems with the retailers. However, the problems such as "High prices", "Discriminative prices", and "Limited product range" need to be addressed by the retailers as they were identified by a large number of respondents.

**Table 11: Top Three Problems with Small Scale Retailers (Respondents' Opinion)**

| Factor Ratings | Food & Grocery | Textile & Apparel | Electrical & Electronics | Jewellery | Footwear |
|---|---|---|---|---|---|
| 1 | High prices | Discriminative prices | Discriminative prices | High prices | Discriminative prices |
| 2 | Limited product range | Poor quality standards | High prices | Limited product range | Limited product range |
| 3 | Adulteration | False information | Discrimination in extending services | Poor quality standards | Poor quality standards |

Source: Primary Data

**Table 12: Performance Rating of the Small Scale Retail Stores**

| Particulars | Score | WM | % to MPS |
|---|---|---|---|
| Product information | 7596 | 3.38 | 67.52 |
| Customer classification and treatment | 7070 | 3.14 | 62.84 |
| Service recovery | 6919 | 3.08 | 61.50 |
| Handling consumer grievances | 7064 | 3.14 | 62.79 |
| Dealing with aggrieved customers | 7161 | 3.18 | 63.65 |
| Information reporting | 7120 | 3.16 | 63.29 |
| Techniques in receiving the customers into the shop | 7608 | 3.38 | 67.63 |
| Techniques of identifying the exact needs of the customers | 7457 | 3.31 | 66.28 |
| Exhibition of the products to the customers | 7779 | 3.46 | 69.15 |
| Explaining the features of the products and the shop | 8013 | 3.56 | 71.23 |
| Techniques of persuading the customers to buy the products | 7626 | 3.39 | 67.79 |
| Product placement/window display | 7640 | 3.40 | 67.91 |

WM = Weighed Mean, MPS= Maximum Possible Score
Source: Primary Data

The Table 11 presents the top three rated problems faced by the respondents with the small-scale retailers. "High prices" was the problem rated in Food and Grocery, Electrical and Electronics, and Jewellery retailing. "Discriminative prices" was the problem rated in the Textile and Apparel, Electrical and Electronics, and Footwear categories. "Limited product range" was the problem identified in case of Food and Grocery, Jewellery, and Footwear categories. "Adulteration" was the problem identified in Food and Grocery; while "False information" was a problem that was identified in the Electrical and Electronics category and also, "Poor quality standards" was the problem recognized by the respondents in the Jewellery and Footwear categories.

**g) Opinion on Performance of Small Scale Retailers :** The respondents were asked to give their rating on the performance of small-scale retail stores on the factors such as product information, customer classification and treatment, service recovery, handling consumer grievances, dealing with aggrieved customers, information reporting, techniques in receiving the customers into the shop, techniques of identifying the exact needs of the customers, exhibition of the products to the customers, explaining the features of the products to the customers, explaining the

**Table 13: Top Three Factors Related to the Performance of Small Scale Retail Units**

| Factor Ratings | Food & Grocery | Textile & Apparel | Electrical & Electronics | Jewellery | Footwear |
|---|---|---|---|---|---|
| 1 | Product information | Explaining the features of the products and the shop | Explaining the features of the products and the shop | Product placement/ window display | Product placement/ window display |
| 2 | Service recovery | Exhibition of the products to the customers | Product placement/ window display | Explaining the features of the products and the shop | Exhibition of the products to the customers |
| 3 | Techniques identifying the exact needs of the customers | Product placement/ window display | Techniques of persuading the customers to buy the products | Exhibition of the products to the customers | Explaining the feature of the products and the shop |

Source: Primary Data

**Table 14: Service Rating of Small Scale Retailers Vs. Large Retailers**

| Particulars | Score | WM | % to MPS |
|---|---|---|---|
| Convenience | 7898 | 3.51 | 70.20 |
| Required product range | 6637 | 2.95 | 59.00 |
| Prices | 7259 | 3.23 | 64.52 |
| Product quality | 7021 | 3.12 | 62.41 |
| Product information | 7123 | 3.17 | 63.32 |
| Inventory | 6291 | 2.80 | 55.92 |
| Impulses | 5759 | 2.55 | 50.92 |
| Customer service | 7239 | 3.22 | 64.35 |
| Relationship | 7076 | 3.14 | 62.90 |
| Credit facility/payment terms | 6465 | 2.87 | 57.47 |
| Social status | 6183 | 2.75 | 54.96 |
| Responsiveness | 6952 | 3.09 | 61.80 |
| Exchange facility | 6894 | 3.06 | 61.28 |
| Display | 6472 | 2.88 | 57.53 |
| Shopping experience | 5827 | 2.59 | 51.80 |

WM= Weighed Mean, MPS= Maximum Possible Score
Source: Primary Data

features of the products and the shop, techniques of persuading the customers to buy the products, and products placement/window display.

The ratings of the respondents on the performance of small-scale retail units under the selected five categories are presented in the Table 12. The data shown in the table reveals that the factor "Explaining the features of the products and the shop" got the highest score of 8013, representing 71.23 per cent to MPS (mean value = 3.56). The factor "Exhibition of the products to the customers" got the second place in performance rating with a score of 7779, which represents 69.15 per cent to MPS (mean value = 3.46). "Products placement/window display" occupied the third place with a score of 7640, representing 67.91 per cent to MPS (mean value = 3.40). It can be inferred from the table that all the factors got mean values >3, each indicating positive rating by the respondents.

The top three ratings on the performance of the small-scale retail units under study are presented in the Table 13. The performance of the retailers in "Explaining the features of the products and the shop" and "Product placement and window display" were rated in the top three in four of the five categories (with the exception of Food and Grocery). "Exhibition of the products to the customers" was a factor that was rated among the three by the Textile and Apparel and Footwear retailing. The table further reveals that the three factors rated high in performance in Food and Grocery retailing units are different to those of the factors in the other four categories.

**h) Small Scale vs. Big Retailers :** The respondents compared the service performance of small-scale retailers and big retailers on various parameters, including convenience, product range, prices, product quality, product information, inventory, impulses, customer service, relationships, credit facility/payment terms, social status, responsiveness, exchange facility, display, and shopping experience. The overall ratings on services of the small-scale retailers compared to the big retailers under the selected five categories are presented in the Table 14. The table reveals that in all the parameters, the selected small-scale retail categories got a score of more than 50 per cent to MPS. The mean values of the variables varied between 2.55 and 3.51. Thus, the respondents awarded a better rating (in all the selected retail categories) to small retailers as compared to the big retailers. The scores of the variables as percentage to MPS varied between 50.92 per cent and 70.20 per cent. Among the variables, the factor "Convenience" was rated high (score 7898; mean value = 3.51) followed by Prices (score 7259; mean value = 3.23), and Customer Service (score 7239; mean value = 3.22).

## CONCLUSION

The findings of the study indicate the fact that the small-scale retailers are the key players in the Indian retail sector and continue to offer services to the satisfaction of the customers. The boom in organized retailing did not affect the consumer opinion and perceptions against small-scale retailers. The small-scale retailer is the preferred choice of customers in all the product categories. The customers expressed their satisfaction regarding the services offered by the retailers. As far as the facilities offered by small-scale retailers are concerned, customers were satisfied with the moving space, availability of desired stock and the support received from the sales personnel. Among the factors of ambience, most respondents were satisfied with lighting, orderly placement of the products and cleanliness maintained by the small-scale retailers. Shop front displays got a high rating on the satisfaction scale. On the communication front, the respondents were highly satisfied with communication with salespersons followed by advertisements in newspapers and display at entry points. Among the sales promotion techniques, display of the products, discounts offered and credit facility secured a high rating. Interestingly, the respondents rated small-scale retailers better as compared to the big retailers in many factors that contributed to their satisfaction. The findings of the study do not lead to the conclusion that the small-scale retailers can ignore the competition from the big retailers. On the other hand, it cautions the threat and makes them realize the opportunities to build a loyal customer base by continuously improving their marketing offers and interactions. The small-scale retailers will have a bright future in India provided they upgrade the quality of their services continuously.

## SCOPE FOR FURTHER RESEARCH

There are many research areas that can examine retailing in general and small scale retailing units in particular. The impact of organized retailing on the businesses of small retailers may be a subject for an in-depth study. The role of atmospherics influencing consumer behavior can also be explored. Customer relationship management may be another important area that can be examined further.

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