

Study on the Consumer Preference and Perception of Supermarket Chain - Case of Dmart

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Abstract:- D-Mart is a one-stop supermarket chain that aims to offer customers a wide range of basic home and personal products. To understand customer preference and perceptions on D Mart products and services. The study reveals that the customers are satisfied with the services.

Keywords:- Supermarket, retail, preference, perception, shopping, Karjat, Badalapur, DMart, ASL, UBS.

I. INTRODUCTION

Problem formulation

The service industry and in particular, the retail market has been vital to the world economy and undergone the ever intensified competition under recent crisis and economic turn-down period. The modern retail industry is booming across the world. Therefore, it is essential for retailers to use strategies which focus on satisfying current customers. Supermarkets and Hypermarkets have played an important role in food distribution since they appeared. For modern life, the existence of traditional markets has been gradually replaced by their descendent supermarkets and people depend on supermarkets for their basic grocery needs. Shopping at the grocery store has become a big deal and it is one of the most important food sources for many households. In addition, unlike previous studies that have focused more on service industry such as bank, healthcare, beauty etc, the researchers considered a supermarket setting which fully represents both product and service characteristics. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015#, driven by income growth, urbanization and attitudinal shifts. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent. D-Mart is a one-stop supermarket chain that aims to offer customers a wide range of basic home and personal products under one roof. Each D-Mart store stocks home utility products - including food, toiletries, beauty products, garments, kitchenware, bed and bath linen, home appliances and more - available at competitive prices that the customers appreciate.

The core objective is to offer customers good products at great value.

DMart was started by Mr. Radhakishan Damani and his family to address the growing needs of the Indian family. From the launch of its first store in Powai in 2002, DMart today has a well-established presence in 163 locations across Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Karnataka, Telangana, Chhattisgarh, NCR, Tamil Nadu, Punjab and Rajasthan. With their mission to be the lowest priced retailer in the regions we operate, their business continues to grow with new locations planned in more cities. The supermarket chain of DMart stores is owned and operated by Avenue Supermarts Ltd. (ASL). The company has its headquarters in Mumbai. The brands D Mart, D Mart Minimax, D Mart Premia, D Homes, Dutch Harbour, etc are brands owned by ASL.

II. OBJECTIVES OF THE STUDY

- To understand customer preference towards D-Mart products.
- To know the customers shopping habits.
- To find out the consumer perception of D-Mart services.
- To find out the effect of D-Mart on competitor's business.
- To study the satisfaction level of customers of D- Mart.

III. SCOPE OF THE STUDY

The data was collected from the respondents across all the income groups, occupation and gender. The total sample size for the study is 110. The study involves ascertaining the customer perception towards various areas such as price, promotions offered, billing system and parking facility etc. The study also tries to know why the customers visit and shop at D-Mart and get valuable suggestions from them. So, the study tried to get the responses almost all kinds of respondents. This research is based on primary data and secondary data. Due to time constraint, only limited number of persons contacted.

IV. RESEARCH METHODOLOGY

Study was conducted in the area of Karjat and Badlapur market. "Simple Random Sampling" is used in this study. Sample Size of the study is 110 respondents. Data Collection is done from various customers through personal interaction. Questionnaire (Interview Schedule) was prepared for

collecting data. Majority questions in the Questionnaire were close ended questions and a few open-ended questions. Data was collected through primary as well as secondary sources.

Data collected is from D Mart Karjat and Badlapur. Data was collected as a part of experiential learning exercise which is a unique learning process at UNIVERSAL BUSINESS SCHOOL(UBS) by students and discussed in the classroom sessions as a case for Research Methodology subject. Precautions were taken to see that there was no bias and correct methods of data collection were used. The collected data was analysed using SPSS software.

V. LITERATURE REVIEW

Kotler and Armstrong (2012) define retailing as all the activities for selling goods or services directly to ultimate buyers for their personal, non-business use.

According to Amit & Kameshwari, (2012), the origin of word "retail" comes from the French „retailer“, that means „to cut a piece off“ or „to break bulk“. In other words, it shows a first hand-transaction with the customer. The retailer is a person or agent or agency or company or organization who sends the products or services to the ultimate consumer. Thus, the customer and the fulfillment of customer desires and needs which are the key points of retailing are the retailing focus.

According to Tiwari,(2009),. Retailing is as old as exchange. Retailing is one of the oldest businesses in the world and was practiced in prehistoric times. Earlier it was the exchange of food and traditional weapon which followed the emergence of traders and peddlers. The day barter has been replaced by exchange through money (in any form) the retailing came into existence. A few centuries ago, in the 16th and 17th centuries, some retail chains in some European cities were known. However, the beginning of retailing development is acknowledged to be at the end of the 19th century and early of the 20th century. At the beginning, retailers dominated with any merchandise. Later, retailers specializing in the market began to gain momentum. Last few years, there are very large stores, but again selling every kind of merchandise. In countries that have developed retailing, competition has reached high levels and has again started focusing on specialized stores.

According to Hansemark & Albinsson (2004), "satisfaction is an overall attitude towards a product provider or an emotional reaction to the difference between what customers expect and what they actually receive regarding the fulfilment of a need". Kotler (2000) also define satisfaction as a person's feelings of pleasure, excitement, delight or disappointment which results from comparing a products perceived performance to his or her expectations.

Nair Suja (2008) in her book 'Retail Management' has tried to explain the growth of retailing in Indian context especially in the context of new economic policy, global

economic development, changes in the marketing and economic system as well as changing pattern and classification of economic activity.

Hamilton Ryan (2009) in their research paper majorly focused on the important decision that retailers always involves in selecting the number of items constituting their assortments. A key issue in making these decisions is the role of assortment size in determining consumers choice of a retailer. The authors address this issue by investigating how consumer choice among retailers offering various-sized assortments is influenced by the attractiveness of the options constituting these assortments. The data show that consumer preference for retailers offering larger assortments tends to decrease as the attractiveness of the options in their assortments increases and can even lead to a reversal of preferences in favour of retailers offering smaller assortments. This research further presents evidence that the relationship between assortment size and option attractiveness is concave, such that the marginal impact of assortment size on choice decreases as the attractiveness of the options increases. Data from eight empirical studies offer converging evidence in support of the theoretical predictions.

Krishnaveni (2006) identified that the most important paradigm which is associated with promotion of loyalty among consumers is the attribute of quality. Present generation invest more on the basic factors such as books, clothes, food, music and gadgets such as mobile phones.

Kuruville and Ganguli (2008) explained that shopping develops into important aspect in the lives of people, as they are becoming financially sound to do purchase in malls and they begin to consider the shopping value as an important factor along with the price of the products. In 1990s the modern trend in shopping mall concept had been introduced by 'Spencer Plaza' in Chennai and 'Crossroads' in Mumbai. After that, there has been a great improvement in this modern concept.

Dwivedi (2010) explained that when compared to major cities in India, the smaller cities seem to be a better place for investment. This is because these cities have low priced lands, low functional and operational expenses and greater number of available lands. He further specified and explained that there has been a transition in the taste and purchasing priorities of the customers from Tier II and III cities in the past ten years. He also presented the views of Ernst and Young which illustrated that there was twenty six percentage of growth in mall of the metropolitan cities while malls in Tier II and III cities showed fifty five percentage of growth.

Bijapurkar (2008) explained that the reduction indicates the increase in the number of middle class populations who can manage to pay for food, beverage and entertainment in addition to their basic needs. In India a great increase in family income has been observed.

Feinberg, Sheffler, Meoli and Rummel (1989) considered the social stimulation provided by malls, finding that the mall served as an outlet for social behaviour.

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

VI. ANALYSIS OF THE RESEARCH

Locations: Now, let us analyse the brief profile of the two locations where the research were conducted.

➤ *Karjat an Overview*

We look into the overall view of the location Karjat. The basic information of these places was based on the Census 2011 data provided by the Government of India. Karjat is a Municipal Council city in district of Raigarh, Maharashtra. The Karjat city is divided into 17 wards for which elections are held every 5 years. The Karjat Municipal Council has population of 29,663 of which 15,248 are males while 14,415 are females as per report released by Census India 2011. Population of Children with age of 0-6 is 3039 which is 10.25 % of total population of Karjat (M CI). In Karjat Municipal Council, Female Sex Ratio is of 945 against state average of 929. Moreover Child Sex Ratio in Karjat is around 917 compared to Maharashtra state average of 894. Literacy rate of Karjat city is 88.38 % higher than state average of 82.34 %. In Karjat, Male literacy is around 91.65 % while female literacy rate is 84.94 %. Karjat Municipal Council has total administration over 6,820 houses to which it supplies basic amenities like water and sewerage. It is also authorize to build roads within Karjat Municipal Council limits and impose taxes on properties coming under its jurisdiction. The area is well connected with other places like Panvel, Mumbai, Thane and Pune.

➤ *Badalapur an Overview*

Badalapur is a city in Thane District of Maharashtra state in India. Badalapur city is a group of 4 villages namely, Katrap, Kulgaon, Badlapur & Manjarli. Over a period of time, Badalapur has transformed into a major residential area, comprising of various communities & people of different cadre. Badalapur is typically known to Mumbai people as a week-end picnic spot, as it hosts two major dams and few waterfalls appear during monsoon. Its proximity to Mumbai has transformed Badlapur into one of the major residential zone. Although it is approx. 70 km from Mumbai main city, its quiet surroundings, beautiful nature and somewhat cool temperatures made it a place liked by many. Badalapur has a Municipal Council which takes care of civic amenities and

keep-up of the city. Funds are generated essentially through property taxes. Maharashtra State Assembly has two nominations from Badlapur. As per provisional reports of Census India, population of Badalapur in 2011 is 174,226; of which male and female are 90,365 and 83,861 respectively. Although Badalapur city has population of 174,226; its urban / metropolitan population is 18,394,912 of which 9,872,271 are males and 8,522,641 are females.

Now, let us understand the study findings of consumer preference towards Dmart in these two locations.

➤ *Shopping Trend*

From the research conducted it can be inferred that majority of the people in Badlapur visit the store in the evening, whereas half of the population in Karjat visit the store at that time. Slightly less than half in Karjat visit the store at night in comparison to Badlapur which is a very small percentage. Morning visitor in both the place is a small minority. When it comes to offering D’mart products online there was a divided opinion from customer from both the location with half of respondents preferring the options. Majority of the customer in Badlapur and Karjat mentioned that they use their personal transport to get to the outlets. While as a minority use auto services to reach the outlet.

➤ *Mode of Payment*

| Badlapur | | | | | | Karjat | | | | | |
|---------------------------------------|----|------------------|---------|---------|---------|---------------------------------------|----------------|------------------|---------|---------|---------|
| Case Processing Summary | | | | | | Case Processing Summary | | | | | |
| | | Valid | | Missing | | | | Valid | | Missing | |
| | | N | Percent | N | Percent | | | N | Percent | N | Percent |
| Time * payment | 3 | 16.0% | 13 | 81.2% | 16 | 100.0% | Time * payment | 3 | 17.6% | 14 | 82.4% |
| Time * payment Crosstabulation | | | | | | Time * payment Crosstabulation | | | | | |
| | | % within time | | | | | | % within Time | | | |
| | | 4 | 13 | 26 | Total | | | 8 | 21 | 41 | Total |
| Time | 3 | | | | 100.0% | Time | 1 | | | | 100.0% |
| | 7 | 100.0% | | | 100.0% | | 29 | 100.0% | | | 100.0% |
| | 33 | | 100.0% | | 100.0% | Total | 30 | 100.0% | | | 100.0% |
| Total | | 33.3% | 33.3% | 33.3% | 100.0% | | | 33.3% | 33.3% | 33.3% | 100.0% |
| a) Morning | 3 | a) Debit card | 26 | | | a) Morning | 1 | a) Debit card | 41 | | |
| b) Evening | 33 | b) Credit card | 4 | | | b) Evening | 30 | b) Credit card | 0 | | |
| c) Night | 7 | c) Cash | 13 | | | c) Night | 29 | c) Cash | 21 | | |
| | | d) Paytm/Digital | | | | | | d) Paytm/Digital | | | |

Fig 1



Fig 2:- Badlapur

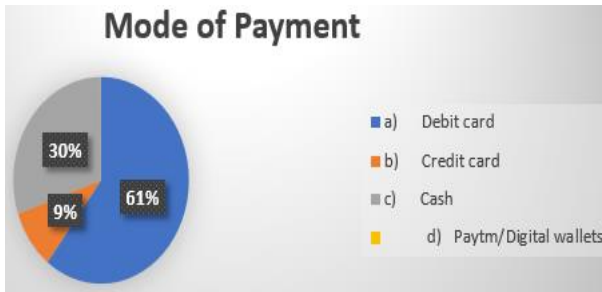


Fig 3:- Badlapur

As per the analysis 77% of the respondents visit the store during evening, and 61% of the respondents pay through debit card for their transactions.

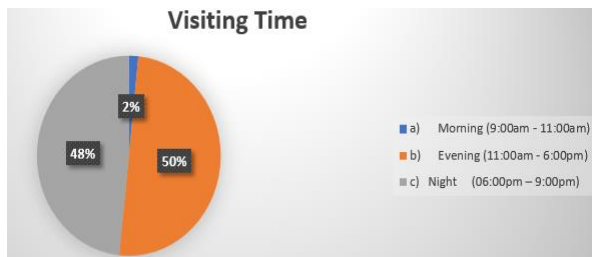


Fig 4:- Karjat

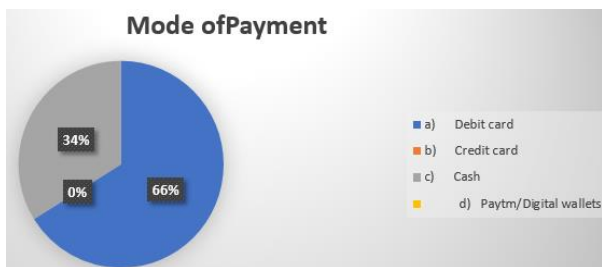


Fig 5:- Karjat

As per the analysis 50% of the respondents visit the store during evening and 48% visits during night, and 66% of the respondents pay through debit card for their transactions. In both the location majority of the purchases were done through debit card and slightly more than a quarter said that they paid using cash. Minority use credit cards. In Badlapur majority of the customers visited the store once a month where in Karjat a slightly more than a quarter visited the store. Almost half of people visit to the store 1 time in a month. Slightly more than a quarter of people visit 2 times in a month. Less than a quarter of people visit 3 times in a month as well as 4 times a month and a minority of people visit more than 4 times in a month.

➤ *Product Preference*

Majority of the customers in both the location purchased confectionary, groceries, garments and stationary item from the store. while a major point of difference was that very few people in Karjat purchase kitchen and homeware products in comparison to Badlapur. When asked what services the customer would like to be offered a large majority of the sample size stated that they would like fresh vegetable and

fruits offered. While another considerable amount said they would like electronics to be sold. Large no of customers stated that they spend Rs 1200 or more where they shop at either of the store. Remaining said that they spend 700-1200 or less. More than half of D'mart customer would like to be offered fresh vegetable/fruits. Less than majority of customer want electronics. A small amount of customers want fresh meats. A lesser amount of customer want musical instruments and a minority want in fresh flower offerings.

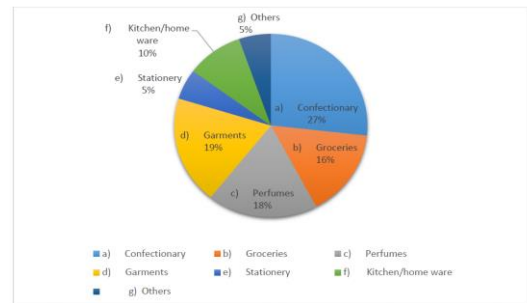


Fig 6:- Karjat

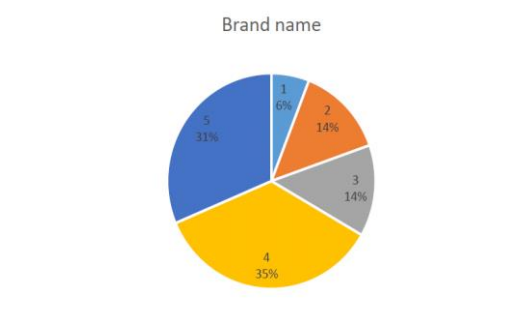


Fig 7:- Karjat

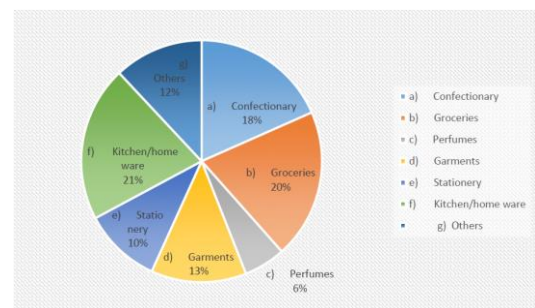


Fig 8:- Badlapur

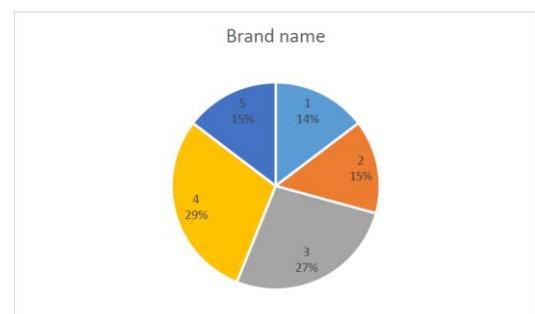


Fig 9:- Badlapur

Majority shoppers rated 4 it means brand name is important for the consumers. A good brand has a major influence on the consumer.

➤ *Service quality satisfaction*

The improvement that would like to be seen by most of the consumers was service, while some other members stated that they would like to see improvements in infrastructure, layout and offerings. Majority of the respondent in both regions were of the opinion that signage and store layout were helpful, they also felt that the return policy was satisfying. Respondents overall had good experience with D'mart. When probed on what motivates customer to shop at D'mart majority of the customers in Badalapur and Karjat said that its discount, convivances & offerings/variety that motivates them to shop at D'mart. A large majority of respondents in Karjat and Badalapur said that discounts and products offered were the biggest advantages D'mart has over its competitors. All respondents in Badalapur and slightly more than a quarter in Karjat said they would recommend D'mart to others.

According to the analysis the consumer of D'mart are satisfied with the services provided by D'mart. Large majority of consumer prefer it. What contribute to the popularity of the demand is the service quality of the service provided by D'mart coupled with the attractive pricing strategy followed by it. D'mart also has huge variety of product all under one roof which is one of its largest competencies. Majority of the people rated D'mart among it's competitors as 4 out of 5 meaning good. Less than a quarter of the people rated as 5 which indicates best. Far less than quarter rated as 3 it shows quite satisfactory. Minority of people rated it 2 among its competitors.

➤ *Survey among Retailer*

While analysing the competitor perception of D'mart it has been seen that D'mart has considerably of its competitor other reason for this is that the lack of ability of competitor to cope up with changing preferences and market development strategy prevalent in the market. D'mart mostly faces competition from small shop which deal in single variety of commodity. The only advantage that the competition has is the proximity to the Karjat market personal relation with the consumer and existing brand image due to them being in the market for multiple generations. The competitions lack the desire to expand, innovate and bring changes to their businesses and are content with the current progress of the business but are in danger of becoming redundant.

VII. CONCLUSION

From the survey conducted it can be inferred that majority of the people in Badalapur visit the store in the evening, whereas half of the population in Karjat visit the store at that time. slightly less than half in Karjat visit the store at night in comparison to Badalapur which is a very small percentage. Morning visitor in both the place is a small

minority. When it comes to offering D'mart products online there was a 50-50 opinion from customer from both the location. When finding out what motivates customer to shop at D'mart majority of the customers in badlapur and karjat said that its discount, convivances & offerings/variety that motivates them to shop at D'mart. Majority of the customer in badlapur and karjat mentioned that they use their personal transport to get to the outlets. While as a minority use auto services to reach the outlet. In both the location majority of the purchases where done through debit card and slightly more than a quarter said that they paid using cash. Minority use credit cards. In badlapur majority of the customers visited the store once a month where is in karjat a slightly more than a quarter visited the store. Customer that visit the store twice, thrice and fourth time a month more or less the same.

Majority of the customers in both the location purchased confectionary, groceries, garments and stationary item from the store. While a major point of difference was that very few people in karjat purchase kitchen and homeware products in comparison to Badalapur. When asked what services the customer would like to be offered a large majority of the sample size stated that they would like fresh vegetable and fruits offered. While another considerable amount said they would like electronics to be sold. Large no of customers stated that they spend Rs 1200 or more where they shop at either of the store. Remaining said that they spend 700-1200 or less. The improvement that would like to be seen by most of the consumers was service, while other quadrants stated that they would like to see improvements in infrastructure, layout and offerings. Majority of the respondent in both regions were of the opinion that signage and store layout were helpfull, they also felt that the return policy was satisfying. A large majority of the respondents never had a bad experience with D'mart. A large majority of respondents in Karjat and Badalapur said that discounts and products offered were the biggest advantages D'mart has over its competitors. All respondents in Badalapur and slightly more than a quarter in Karjat said they would recommend D'mart to others.

According to the analysis we conclude that the consumers of D'mart are satisfied with the services provided by D'mart. Large majority of consumer are loyal to brand what contribute to the popularity of the demand is the service quality of the service provided by D'mart coupled with the attractive pricing strategy followed by it. D'mart also has huge verity of product all under one roof which is one of its largest competencies. While analysing the competitor perception of D'mart it has been seen that D'mart has considerably of its competitor other reason for this is that the lack of ability of competitor to cope up with changing preferences and market development strategy prevalent in the market. D'mart mostly faces competition from small shop which deal in single variety of commodity. The only advantage that the competition has is the proximity to the Karjat market personal relation with the consumer and existing brand image due to them being in the market for multiple generations. The competition lacks the

desire to expand innovate and bring changes to their businesses and are content with the current progress of the business but are in danger of becoming redundant.

Majority of the respondents in Karjat rated Dmart as 4 on 5 points scale where 1 is low and 5 is the highest. Whereas a quarter of respondents in Badalapur rated as 4 and slightly more than the quarter rated as 5, in comparison to Karjat where slightly less than a quarter rated it the same. In both the locations respondents said that brand name, convenience and sales promotions were most important attributes for them while selecting a retailer whereas Advertisement and celebrity endorsement were of least importance. In Badalapur slightly more than quarter of the respondents did not change the retailers while a majority did change. Whereas in Karjat exactly half changed their retailers and the other half did not.

Majority of the respondents in Badalapur had an income between 0-6 Lakhs with all categories having almost equal shares in the chart whereas in Karjat majority had an income between 2-6 lakhs with equal shares of the chart. Minority had 6-8 lakhs. While a small minority who are in Karjat have an income of 6-8 lakhs and above whereas in Badalapur the minority percentage in that income bracket is slightly higher. Thus, the above research was intended to understand the Customers preference and perception about the services of D'mart. The study reveals that the customers are satisfied with the services. It has also been observed during the study, that the presence of the D'mart has made an impact on the retailers.

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