



Abstract of Doctoral Dissertation¹

Role of Kerala State Co-operative Consumers' Federation Limited in Retailing

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I. Introduction

Retailing is an emerging field of study because of its impact on the economy, its importance in distribution and due to its dynamic nature. A retailer must learn how best he can serve customers while earning a fair profit. He must stand out a distinctive entity where customers have so many choices. Retailing is not just the sale of tangible goods through a store. However, it includes service aspect, location of store, ambience, assortment of goods, layout of the store, and so on. It is the last stage in a channel of distribution and includes all those involved in the physical movement and transfer of ownership of goods and services to final consumers. Recently, in a big way traditional stores have been replaced by hypermarkets and supermarkets all over the world. In other words, organized retailing formats conquered all sectors of retailing including food, grocery and convenience goods. In the Indian sub-continent also, retailing sector has dynamically changed in the last few years and thousands of

superstores with wide choice of products started functioning by replacing small unorganized retailers. Meanwhile, the lives of low and middle class became more miserable due to sudden rising of prices of essentials in the country. In these circumstances, the functions of the two institutions- Kerala State Civil Supplies Corporation (SUPPLYCO) and Kerala State Co-operative Consumers Federation Limited (CONSUMERFED) have become a consolation to the public to make available consumer goods at reasonable prices. For this purpose, they function a number of supermarkets at many populous places of Kerala. They compete with Private Organized Supermarkets including Margin-Free Markets in most of the places where they operate. These stores along with a number of temporary outlets of the Federation supply essentials and effectively hold the price levels of them during the days of important festivals of the state, which has been recognized to be another major role of CONSUMERFED. Against this backdrop, the

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present study is a pioneer one aimed at evaluating the role played by the federation in the essential goods retailing. The researcher reviewed the essential retailing in Kerala controlled by the government and found that about 19242 consumer outlets functions in the state all together with the Ration Retail Shops under PDS, Neethi stores of primary co-operatives, outlets of SUPPLYCO and CONSUMERFED, and consumer stores of district wholesale stores. The study is descriptive one with analytical background. Both primary and secondary data were used in the study.

II. Statement of the Problem

Consumers, who were, dependent on retail outlets of the Kerala State Co-operative Consumers' Federation Ltd., now have different options to get their products and services. New players in the retail trade compete with one another in serving consumers. All retail outlets owned and operated by consumer co-operatives have been put into a new environment and forced to compete with the new private retail players. The competition is not only on products and services but also on quality measures of products and services, price level and promotional parameters. CONSUMERFED, the apex body of consumer co-operatives in Kerala state, is controlled by the Government of Kerala. It has hundreds of retail stores known as 'Triveni Supermarkets' spread over the state to supply essential consumer goods. It performs two major functions namely: a) to retail consumer goods, especially essential commodities with its retail stores and b) to act as a regulator in the essential commodities market with a view to control/hold price levels of these commodities. The undifferentiated marketing strategy is followed by the outlets of CONSUMERFED has been hindering their growth as there is chaos even to their aims. As one of the largest organized chain food and grocery retailers in the state, the

Federation has to understand its customer base. This understanding is essential to plan and implement customer-driven marketing strategies to retain existing customers and to attract new customers. It seems that the firm neither follows modern marketing methods to identify its customer groups nor has proper retail strategies to satisfy them. Likewise, it is also observed that the service quality of Triveni stores is not sufficient to compete with private organized retail players. The Federation claims that they sell a wide range of consumer goods under one roof at low prices and at superior qualities. There are doubts whether the Federation is fulfilling its retailing objectives efficiently with a competitive spirit. It is against this backdrop, the present study is undertaken. Hence, it is necessary to evaluate the perception of customers to ascertain whether the retailing activities of the outlets are satisfactory or not. In addition, it also aims at studying the effectiveness in holding price levels of essentials in Kerala. Moreover, the competitive position of Triveni Supermarkets while comparing Margin-Free Markets and Private Supermarkets are also need to apprehend.

III. Significance of the Study

New formats of retailers employ modern methods and means of customer satisfaction. These organizations slowly replace small traders in the unorganized sector and attempt to capture the consumer market in Kerala through modern customer oriented marketing strategies. CONSUMERFED is now in a situation to compete with internationally acclaimed big retailers adopting professional management techniques to optimize their revenues and the satisfaction level of their customers. This Kerala based retail organization has to adapt to the new situation. There is a need for them to identify consumer expectations and methods of distribution in line with the changing needs of customers. Relatively, Triveni outlets of CONSUMERFED are



small in size compared to the firms in the organized private sector. It has to follow a target marketing either concentrated or micro marketing, which may be helpful to increase its sales. Possibly, there may be the need to re-orient their employees so that the customers are equally satisfied with services provided by big retailers. The modern concept of supplying all goods under one roof or satisfying all product needs at one stop is not pursued efficiently in the Triveni Supermarkets. Every dimension of running a retail store is to be considered in depth to bring in changes needed to maintain the same standards established by big retailers. As in the case of government run organizations there could be some sharp observations relating to efficiency. The concept of operating on traditional lines has to undergo revision to make Triveni retail outlets on par with big retailers. Even though, CONSUMERFED is in the co-operative sector, more than 90 percent of its capital is contributed by the state and so it is equivalent to a government institution. However, no systemic arrangement seems to exist to evaluate the efficiency of a very prominent enterprise like CONSUMERFED.

The study aims at finding out the role played by the Federation in the retail sector of Kerala in holding the price levels of essential goods along with an assessment of consumer satisfaction levels of Triveni Supermarkets and to recommend measures to strengthen it so as to enable it to compete with other established retailers in Kerala. The study also intends to compare the stores of the Federation with those of its competitors namely Margin-Free Markets and Private Supermarkets with selected variables. This is done to identify the gaps, if any, Triveni stores could take advantage of. They should try to enhance their working space and empower themselves to employ modern methods of creating customer experience with a view to retain and attract new customers. The study assesses the satisfaction

level of customers of consumer goods at the retail outlets of the Federation and thereby attempts to understand the customer experience that they are creating through their retail services. No significant studies have been made on CONSUMERFED so far. The study is pertinent since it aims at unearthing the potentials of CONSUMERFED in the field of retailing. This descriptive and analytical exercise will emphasize the centrality of the Federation in maintaining a healthy environment in the retail sector.

IV. Objectives of the Study

The study is to be conducted with the following precise objectives:

- 1) To study briefly the essential consumer goods retailing system controlled by the government in Kerala state.
- 2) To examine the objectives, functions and financial performance of CONSUMERFED.
- 3) To identify the major customer groups of Triveni Stores and assessment of its effectiveness in consumer goods retailing.
- 4) To evaluate the effectiveness of CONSUMERFED outlets in holding the price levels of essential consumer goods in the state.
- 5) To assess the level of satisfaction of the customers of Triveni Supermarkets with selected retail factor variables.
- 6) To compare Triveni Supermarkets with Margin-Free Supermarkets and other Private Supermarkets in consumer goods retailing with selected variables.

V. Hypotheses of the Study

Following hypotheses (alternative) are framed and validated in the study.



V. (A) Effectiveness of Retailing

Effectiveness of retailing considers the view of customers on store preference, duration of relationship with retailers, product preference, type of goods purchased, frequency of visit, and price of goods. Accordingly, the following alternative hypotheses are generated;

- 1) There is association between store preference and the region, area of residence and income levels of customers respectively for the purchase of essential goods.
- 2) There is association between the duration of customer relationship with Triveni stores and their region, area of residence and income levels respectively.
- 3) There is association between merchandise preference from Triveni stores and the region of customers.
- 4) There is association between the type of goods purchased from Triveni stores and the family size of respondents.
- 5) There is association between the frequency of customer visit and the income levels of Triveni customers.
- 6) There is no difference between observed distribution and binomial distribution of consumers' opinion on price of goods in Triveni Supermarkets with parameter 0.50.

V. (B) Holding the Price Levels of Essentials.

Special Triveni stores are also opened by CONSUMERFED during special occasions to maintain the price levels of essentials at different places of the state in addition to Triveni supermarkets. It is interested to see how consumers feel about the price line and availability.

Following research hypotheses (alternative) are generated accordingly:

- 1) There is difference between observed distribution and binomial distribution of consumer opinion on the role of Triveni Supermarkets and special Triveni stores in holding price levels of essentials with parameter 0.50.
- 2) There is difference between observed distribution and binomial distribution of opinion of customers in the supply of sufficient number of goods in regulating price levels of essentials with parameter 0.50.

V. (C) Customer Satisfaction

To assess the level of satisfaction of the customers of CONSUMERFED, twenty variables have been identified and applied by using the five point Likert's scale. These variables are categorized into six retail factors, viz. 1) 'Quality and Attractiveness of Goods', 2) 'Assortment of Goods', 3) 'Service and Staff Dedication', 4) 'Price of Goods' 5) 'Promotion and Customer Education', and 6) 'Cleanliness and Infrastructure'. The observed mean scores of these factors are used to assess the level of customer satisfaction in the study. The central values of the factor variables arrived on the basis of number of variables included in respective factors are meant by their standard values. To test the responses of customers, following alternative hypotheses are generated accordingly.

- 1) There is difference between observed mean of factor variables in the level of customer satisfaction from standard values. (Standard values: 'Quality and Attractiveness of Goods' = 18, 'Assortment of Goods' and 'Service and Staff Dedication' = 6, 'Price of Goods' and 'Promotion and Customer



Education' = 9, and 'Cleanliness and Infrastructure' = 12)

- 2) There is difference in the level of satisfaction related to factor variables among regions, areas of residence and income groups of customers respectively.

V. (D) Comparative Assessment among Triveni, Margin-Free and Private Supermarkets

Six factor variables are used to compare Triveni Supermarkets with Margin-Free Markets and Private Supermarkets. They are 1) Service 2) Availability and Ambience 3) Facilities 4) Quality of Goods 5) Price of Goods and 6) Discount. For evaluating the responses of customers on the three types of outlets, following alternative hypotheses are generated.

- 1) There is difference in the means of factor variables among the three types of retail outlets.
- 2) There is difference in the means of factor variables among regions, area of residence and income groups of customers respectively for the three types of retail outlets.

VI. Research Methodology

'Role of CONSUMERFED in Retailing' is a descriptive and analytical study based on primary and secondary data. CONSUMERFED supermarkets spread throughout the state and compete with Margin-Free Markets and other Private Supermarkets in consumer goods retailing. Most of the customers visit all these three types of consumer outlets for the purchase of various consumer goods. Primary data collected through a structured questionnaire has been statistically tested with the help of the computer software SPSS 17 version (Statistical Package for Social Sciences). A pilot study was conducted to detect the weaknesses of the research design and to test the reliability of the questions used in the interview

schedule. A multi-stage random sampling technique was used to arrive at the respondents.

Statistical tools such as frequencies, cross-tabs, graphs and descriptive statistics such as percentages, arithmetic mean and standard deviation are used to analyze the primary data. The analytical tools used for establishing and analyzing the relation and dependence between variables (for testing hypotheses) include Chi-Square test, One sample t-test, Binomial test, One way ANOVA, Three way ANOVA, Multi-Dimensional Scaling-Ascal, Factor Analysis and Repeated measure MANOVA. For the analysis of secondary data, Percentages, Ratios, Graphs and Compound Annual Growth Rate (CAGR) are resorted.

VII. Major Findings of the Study

The study has the following major findings:

VII. (A) Government Controlled Arrangement for the Distribution of Essential Goods

For essential goods retailing, around 19,242 outlets function in Kerala under the control of the government. They consist of 14,250 ration retail outlets under PDS, 1511 SUPPLYCO retail outlets named 'Mavali stores, Labham Markets, Sabari stores and Peoples bazaars', 1132 CONSUMERFED retail stores called Triveni Supermarkets' and 'NANMA stores', 967 primary consumer co-operative stores, 82 consumer stores of the central consumer co-operatives and 1300 'Neethi stores' run by credit and employees' co-operatives.

VII. (B) Profitability of CONSUMERFED

The average Gross Profit Ratio of CONSUMERFED for the period from 2003-04 to 2010-11 is found to be 4.6 percent. The CAGR of gross profit is recorded at 27.17 per cent during



the period while the CAGR of net sales is recorded at 20.31 per cent.

- 1) The Federation had been incurring heavy losses up to 2005-06 and the growth of the Operating Profit Ratio recorded only an average 0.49 per cent for the period from 2003-04 to 2010-11. The CAGR of the operating profit is recorded at 85.81 per cent during this period.
- 2) CONSUMERFED had been functioning at heavy losses up to the financial year 2006-07 and from the next year onwards at a marginal profit. The average Net Profit Ratio of CONSUMERFED is found to be -1.29 per cent for the period from 2003-04 to 2010-11.
- 3) The average return on assets is observed to be 2.356 per cent for the period from 2003-04 to 20-11, which is considered a very low rate. The CAGR of total assets of the firm is found to be at 23.55 per cent, while Net Profit before Interest and Tax recorded 72.59 per cent during the period, both are considered good rates.
- 4) The average rate of Return on Capital Employed is recorded at 3.41 per cent during the review period, which is also very low. The CAGR of Net Capital Employed is computed as 24.24 per cent, considered to be a good rate.
- 5) The operating cost ratio is found very high during the review period. This shows the poor profitability of the firm due to its huge operating expenses. It is observed that the trading and establishment expense of CONSUMERFED has been increasing at an exorbitant rate, which should be controlled. Low margins and high establishment costs reduce the profitability of the firm.
- 6) Loss due to damage of stock is seen to be increasing every year from 2003-04. The major reasons observed are: a) The stores are not following the principle of 'the first come first sale', b) the storage of goods on wet floors, c) mishandling of merchandise at godowns.
- 7) The Current Ratio is used to assess the liquidity position of CONSUMERFED. The average Current Ratio for the years under study is 3.23. This seems that the Federation keeps current assets more than the ideal level and the liquidity position of the CONSUMERFED seems good. During the years 2003-04, 2008-09 and 2010-11, the ratio shows a higher value than the average.
- 8) The average solvency ratio (total assets/ long term debts to outsiders) for the period from 2003-04 to 2010-11 is found to be 1.53:1. This indicates that the Federation has sufficient assets to cover its long term obligations. The CAGR is recorded at 23.55 percente in the case of total assets and 21.67 per cent in the case of long term liabilities during the period under study.
- 9) The debt equity ratio of the Federation varied from 27.13 to 105 times during the period of study. The average ratio is 61.12:1. This is too high and shows an unfavorable position from the owners' point of view as it depicts the least claim to the owners on the assets of the firm. The ratio shows a high rate as the total debt of the Federation increased from ₹13462.73 lakh in 2003-04 to 64712.29 lakh in 2010-11.

VII. (C) Effectiveness of Triveni Stores in Consumer Goods Retailing

The effectiveness of Triveni Supermarkets in consumer goods distribution is evaluated on the basis of the consumption pattern of respondents,



assortment of goods in Triveni Supermarkets, price and quality of goods supplied, and their competitive skills.

- 1) Store preference of the respondents were found to be in favour of Triveni stores as 44.9 per cent prefer Triveni stores for the purchase of their daily needs. 40.4 per cent prefer all types of stores, 7.5 prefer to buy from Private Supermarkets, 4.6 per cent like supply co stores and only 2.7 per cent prefer traditional stores.
- 2) Considering region-wise preference, more customers in the northern region prefer Triveni outlets followed by those in the southern region. It was seen that among the customers in the central region, only 16.5 percent prefer Triveni outlets and the rest prefer all types of stores and private Supermarkets. ***There is a high degree of association between store preference and the region of customers in the purchase of essential goods. (value of Chi-Square 56.661 with $p=0.000<0.05$).***
- 3) It is found that urbanites (36.1 per cent) prefer Triveni stores more than rural (32.5 per cent) and semi-urban customers (31.4 per cent). Among those prefer all type of stores, semi-urban customers (36.2 per cent) is the prevalent group whereas urban and rural area customers are tied with each other. Rural customers like traditional stores more compared to urban and semi-urban customers. It was found that more urbanites prefer private supermarkets than other residents. ***The statistical association of store preference and area of customers is found to be not significant by observing the value of Chi-Square (Chi-Square value 13.202 with $p=0.105>0.05$).***
- 4) No association is found between store preference of respondents and their income levels. The income groups between 10000 and 30000 are the major customers of all kinds of outlets, including Triveni outlets. 77.4 percent from among the respondents who prefer Triveni stores, 65 per cent of those who prefer SUPPLYCO; 67 per cent preferring traditional stores; 78 per cent supermarkets and 69.6 per cent all outlets belong to middle income groups. Other income groups also do not show marked variations except low income groups. ***Store preference and income levels of customers are not found associated (Chi-Square value 21.248 with $p=0.169>0.05$).***
- 5) Middle income groups are found to be the largest category among those who prefer Private Supermarkets (78.2 per cent). No low income customers show affinity to private Supermarkets.
- 6) 43.2 per cent of the selected customers reported that they have been using Triveni stores for more than five years. This depicts that CONSUMERFED stores have a fairly good number of loyal customers. The central region has the highest number of loyal customers compared to other regions. The number of customers showing 3-5 year affinity is more in the southern region, while the northern region records a maximum of 1-2 years. ***The association between the duration of customer relationship with Triveni stores and the customer region is found significant by observing the Pearson Chi-Square value 43.823 with $p=0.000<0.05$.***
- 7) It was found that only 3.7 per cent customers have less than one year relation with Triveni stores. This shows that



Triveni stores could not attract a considerable number of new customers even though, it retains a fair number of old customers.

- 8) There is specific reference to the level of affinity in different areas; urban customers seem to be more associated with Triveni stores in the long run (more than 5 years) while semi-urban consumers show affinity for 3-5 years only. More rural customers are found among new customers. ***There is a high degree of association between the longevity of relationship with Triveni stores and the area of residence of its customers (the Chi-Square test value 68.273, df 6 with $p = 0.000 < 0.05$).***
- 9) While considering the role of the income of the customers on the longevity of customer relationship with Triveni stores, it was found that no degree of association exists between the two factors ($p=1.00 > 0.05$) as per cent ages of different income groups are almost equally spread across all classes. But, there is specific reference to the duration of affinity based on the income level of the customers; 10000-20000 and 20000-30000 income groups seem to have the longest loyalty with the firm. May be this is due to the outlets serving more middle class population.
- 10) Among the higher income customers who visit Triveni stores, a high percentage (58) has long term loyalty with the stores. Similarly, low income groups (71 per cent) also show affinity for a fairly long period with these stores. This clearly depicts that Triveni stores have succeeded in retaining their customers at a high rate.
- 11) Considering the merchandise preference of respondents, the majority of customers (70.4 per cent) prefer to buy all type of goods available in Triveni stores. Among them,

customers from northern region come first and those from southern region follow. Also customers from southern region stand first among those prefer food grains, bakery, baby food and home care items. Customers from central region are seen to use the facilities for their requirements on provisions and groceries more than those from other regions. ***The test of independence provides a chi-Square value 75.974 ($p=0.000 < 0.05$) which shows the high degree of association between merchandise preference from Triveni stores and the region of customers.***

- 12) There is a marked division among family sizes in the relative use of Triveni stores. Medium size families resorted to Triveni stores more than large and small size families for buying all type of essential goods including food provisions and grocery items. Small families buy bakery, baby food and cleaning goods. Large families depend less on these stores, the majority among them preferring to buy all goods offered by the stores. ***There is a high degree of association between the family size of respondents and the type of goods purchased from Triveni stores (Chi-Square value 17.497 with $p=0.008$).***

VII. (D) Customer Satisfaction Level of Triveni Supermarkets

To assess the level of customer satisfaction of Triveni customers, twenty selected retail variables applicable to Triveni Supermarkets have been considered and the customer responses on them were collected on a five point Likert's scale. The mean scores of the twenty variables depict the satisfaction level of customers with respect to the particular aspect of Triveni Supermarkets. But, for assessing the level of customer satisfaction, these twenty variables have been grouped in a



priori factor structure (Confirmatory Factor Analysis Method) in to six groups and the observed mean scores of them are assessed and used. The retail factor variables and the number of variables included them are:

- 1) Quality and Attractiveness of goods (contains 6 variables),
- 2) Assortment of Goods (contains 2 variables),
- 3) Service and Staff Dedication (contains 2 variables),
- 4) Price of Goods (contains 3 variables),
- 5) Promotion and Customer Education (contains 3 variables) and
- 6) Cleanliness and Infrastructure (contains 4 variables)

The mean scores of the factors are drawn by adding the mean scores of variables included in the respective factors (Cumulative means of variables). Based on the mean score of these factors, the level of customer satisfaction of Triveni Supermarkets are measured.

- 1) The customers of Triveni Stores are found to be at a highly satisfied level with respect to the factor variable ‘Quality and Attractiveness of Goods’ (factor mean score 25.986 for six variables). A significant difference has found between the observed mean and the standard value with t- value 76.716, $p=0.000$. Among the six variables considered in this factor, the highest level of satisfaction has been derived from the arrangement of goods (mean value 4.50) followed by attractive display (mean value 4.33), quality of convenience goods (mean value 4.32), freshness of goods (mean value 4.29), package of goods (mean value 4.27) and quality of food and groceries (mean value 4.26).

- 2) A significant difference is found among the southern, the central and the northern regions of Kerala in the level of customer satisfaction on factor ‘Quality and Attractiveness of Goods’. The satisfaction level of customers of the northern region is higher than that in the other two regions. No significant difference is found among areas of residence and different income levels of customers in this regard. This can be found valid in three way ANOVA Post-hoc model with the F values for the observed mean variations as per estimated means tables.
- 3) Regarding the factor ‘Assortment of Goods’ (factor mean score 7.238 for two variables), it is found that the customers are satisfied. A significant variation exists between the standard value and the mean score of the factor with $p=0.000$. In this factor, customers are more satisfied with the range of provisions and grocery than that of personal and home care items in Triveni stores. The assortment of goods in the central region is reported at a low level (mean 6.502) than that of other regions. This may be because of the central customers having more awareness about different products and their availability. Rural people also reported that the size of assortment is not significant in the stores. The major reason may be the smallness of the stores in rural areas.
- 4) Considering the variation in the level of customer satisfaction, significant differences exist among regions and residential areas of customers and the differences are not significant among different income levels of customers. Customers of the southern region are found to be more satisfied than those of other regions, while the semi-urban customers are more satisfied than urban and



rural customers. This is proved valid statistically by using three way ANOVA with Post- hoc model by considering region-wise, area-wise and income level mean variations of the responses of the selected customers in this regard.

- 5) Selected customers are found satisfied with the factor variable ‘Service and Staff Dedication’ (mean value 7.025). Among the two variables included in the factor, ‘Staff responsiveness to customers’ has a low mean, which shows ineffective customer service from the staff. It is seen that the level of customer satisfaction is more in the northern region than in other regions. Similarly, a significant difference exists between urban and rural, semi-urban and rural areas in this regard. Based on income levels, the difference in the level of satisfaction is not found to be significant. This can be found valid in three way ANOVA with Post- hoc model showing statistically significant values for observed mean variations as per the estimated means tables for regions and areas.
- 6) Considering the factor ‘Price of Goods’ in Triveni stores, selected customers are found to be highly satisfied as it scored the highest factor mean value (14.109) considering the number of variables included in it. Among them, ‘Price of other convenience goods’ scored more (the highest mean value 4.73) than ‘Price of personal and home care’ (4.71) and ‘Price of food and grocery’ (4.66). This shows Triveni Stores sell goods at comparatively low prices. Their pricing strategy followed by them is comparatively better and is found accepted by the customers. It is observed that there exists a significant difference in the level of

satisfaction in the factor ‘price of goods’ between the central and the northern, the northern and the southern regions. However, the customers of the northern region are more satisfied on this factor than those of other regions. No significant variation is found among either area of residence or income levels of customers in this respect. This is found significant as per the F values given by three way ANOVA with Post-hoc model. This is further substantiated by the means tables for the regions, areas and income groups of customers.

- 7) Customers are moderately satisfied with respect to the variables included in the factor ‘Promotion and Customer Education’ (mean value 8.842 for three variables) measures adopted by Triveni Supermarkets. While considering the variables included in the factor, customers are found to be least satisfied with the higher percentage of discount and the customer education strategies of Triveni stores. No significant variation exists between the observed value and standard value in this respect. A significant variation in the satisfaction level is found among regions, areas of residence and income levels of customers with regard to the factor ‘Promotion and Customer Education’. The southern customers are found to be satisfied, while the customers in the central and the northern regions are only moderately satisfied in this respect. The urban customers are comparatively more satisfied than rural and semi-urban customers. Considering the income levels of customers, the low income groups are more satisfied with the promotion measures of Triveni stores. Here also, marginal means of factor ‘Promotion and Customer Education’ for the three regions, three



areas and five income groups are evaluated and substantiated by the relevant statistical test- three way ANOVA with Post hoc test.

- 8) Regarding the factor 'Cleanliness and Infrastructure', customers are highly satisfied (factor mean score 16.662 for four variables). Among the four variables considered in this factor, 'space layout' has scored more, followed by other indicators like 'support facilities', 'cleanliness in the store' and 'parking facilities' respectively. Considering regional differences, the northern customers are more satisfied than central and the southern customers. Likewise, significant difference exists between urban and semi-urban, urban and rural, semi-urban and rural customers on the level of satisfaction. But the variation is insignificant when the income levels of customers of Triveni stores are considered. This may be statistically valid in the estimated means tables with the highest mean scores and the significant F values having $p=0.000 < 0.05$ in three way ANOVA Post-hoc model.

VII. (E) Comparative and Overall Customer Satisfaction

While comparing all the six retail factors, customers are highly satisfied with the factor 'Price of Goods' (average score 4.70), followed by factors "Quality and Attractiveness of Goods" (average score 4.33), 'Cleanliness and Infrastructure' (4.16). In the case of 'Assortment of Goods' (3.62), 'Service and Staff Dedication' (3.51), customers are found to be satisfied, while they are found to be moderately satisfied with the factor 'Promotion and Customer Education' (2.94). Considering all factor variables together, the customers of Triveni Supermarkets stay at a certain level of satisfaction (3.991).

Triveni Supermarkets, Margin-Free Markets and other Private Supermarkets perform similar kind of activities: satisfying household needs of customers or serving as food and grocery retailers. In most places, they compete with each other. They offer a large assortment of products with wide choice and self service facilities. To compare the Supermarkets with one another, 18 indicators (variables) are used and each variable is rated separately for the three types of outlets by the sample customers at a 7 point scale based on their perception. By using Exploratory Factor Analysis method, these variables are categorized in to six factors and the mean score of the factors are used for comparing three types of Supermarkets. The major findings are reported below.

- 1) Six factors are found to be dominant in the comparison of the performance of the three types of retail outlets as per the Total Variance Explained Table. The first factor is named 'Service', which includes five variables, viz; Space layout of the store, Quality of packing, Parking facilities, Complaint redress mechanism and speediness in billing. The second factor 'Availability and Ambience' carries another five indicators – Customer personal care, Availability of fresh stock, Brands available, Location advantage and attractiveness in display. Another three indicators to assess the outlets, namely, Cleanliness in the shop, facilities for customers and working hours are named 'Facilities' factor. The fourth factor, 'Quality of Goods' includes two variables, viz; Quality of food and grocery and Quality of other convenience goods. Price of food and grocery and price of other convenience goods are categorized into the fifth factor 'Price of Goods' and the sixth factor 'Discount' carries only one variable, viz; discount offers of supermarkets.



- 2) While considering the three outlets individually as separate categories and the region-wise ratings by the respondents, it is found that there is significant difference in the mean scores of all retail factor variables of Private Supermarkets and Triveni Supermarkets among all the three regions, while only one factor (Price of Goods) shows significant variation in the case of Margin-free Markets. This shows that there exist significant regional variations in the perception of customers on the performance of the two outlets. This can be found valid in the One way ANOVA tables for regions with significant F values with $p < 0.05$.
- 3) The mean scores obtained for retail factors except 'Price of Goods' of Margin-Free Markets, are found not significantly varying among regions. The region-wise difference of factor variables is validated by using the One way ANOVA with significant values.
- 4) From the comparison between the three types of outlets, it is found that a statistically significant difference exists among the means of all factor variables for the three types of consumer retail outlets. The findings show that the respondents clearly distinguished the consumer outlets by the performance perceived by them. In considering factor variables, the comparative position of the three types of retail outlets, are shown below:
 - a) Private Supermarkets stay at the top in four retail factors, viz:- 'Service', 'Availability and Ambience', 'Facilities' and 'Quality of Goods' followed by Triveni Supermarkets. Margin- Free Markets scored the least on all the four factors. The mean scores of the four factor variables clearly indicate that in comparison to Private Supermarkets, Triveni Supermarkets and Margin-Free Markets are far behind in the performance of retailing in Kerala.
 - b) Considering factors 'the Price of Goods' and 'Discount', Triveni Supermarkets are found the best, they sell goods at low prices than Margin-Free and Private Supermarkets. They also offer a higher discount to the customers. Margin-Free Markets are perceived by the customers to be the second low pricing outlets and Private Supermarkets charge high prices for the goods and offer low discounts. Therefore, Triveni Supermarkets supplied goods at low prices, which is one of the major objectives of Supermarkets. The findings are found to be valid and statistically significant by observing the retail factor group means tables of the outlets with the highest mean scores and significant 'F' ratios (Pillai's Trace and Wilks' Lambda) with $p = .000 < .05$ in the Repeated measure MANOVA test (Multivariate Test for within-subjects).
- 5) It is found that regional and income level differences of customers interacted with the changes in the mean scores of retail outlets. There is difference among the means of all factor variables for the three types of retail outlets among different regions and income levels of customers. This shows that there is significant difference among three regions as per customer perception in the performance of the three types of outlets. This is the same considering the five income groups of customers. This is also found valid as per region and income- wise group means tables of the three retail outlets and the significant 'F' ratios with significant level ($p > 0.05$) reported in the Repeated measure MANOVA test (Multivariate test for



between subject main effects, regional and income level effects) for region and income levels.

- 6) Considering the opinion of customers on the basis of area of residence, there is significant difference in the performance of outlets perceived by them with regard to the factor indicators 'Service', 'Availability and Ambience', 'Quality of Goods', 'Price of Goods' and 'Discount' ($p < 0.05$). But no significant difference is found in the responses of respondents on the factor 'Facilities' while considering their residential area ($p > 0.05$). This is substantiated by the Test of between Subject Effects under Repeated measure MANOVA with 'F' ratios and significant 'p' values.

VIII. Conclusion

Retailing is the predominant sector in India as well as in most other countries in the world. The retailing sector has recorded a fair growth of more than 5 per cent globally even during the recent financial meltdown. 15 among the largest 100 companies (as per Forbes Magazine) in the world during 2012 were from the retailing sector. But most of them are food retailers including Wal-Mart, world's giant in retailing. Organized retailing is prevalent in most of the developed countries and it accounts for about 50 to 70 per cent of their retail turnover. Indian retailing is considered to be one of the fast growing sectors and it is estimated to grow by US\$ 637 billion by 2015.

The size of Indian food retail is estimated at 60 per cent of the total retailing and it is seen that the rural market grows at double pace to urban Markets in the country. Traditional/mom and pop stores have been prevalent in Indian retailing. But, the format and size has started to change since the beginning of the past two decades. Now large retailers seem to have conquered the market by offering a large number of commodities under one roof. They are either chain or individual retailers and are called organized retailers. Hundreds of supermarkets and hypermarkets started functioning during last few years at various parts of Kerala and they began to replace traditional retailers at a fast rate. These large retailers offer a wide range of products with the facility of self service. Their price level is low when compared to traditional small retailers. Their services to the customers are considered much better than that of small food and grocery retailers. The SUPPLYCO and CONSUMERFED are two prominent organized retailers functioning in the state for supplying essential commodities and they are controlled by the Government. The study concentrates on the retailing activities of CONSUMERFED only. The study intends to identify the major customer groups of Triveni stores, their effectiveness in retailing and the role performed by them in holding the price levels of essentials. It is also aimed at assessing the financial performance of the Federation, and the level of their customer satisfaction in the context of a comparison of Triveni Supermarkets with Private and Margin- Free Supermarkets.