



# CUSTOMERS OPINION TOWARDS EFFECTIVENESS OF MERCHANDISING IN RETAIL SECTOR WITH REFERENCE TO COIMBATORE CITY

K.Rajeswari<sup>1</sup>, R.Saranya<sup>2</sup>, V.Ambika<sup>3</sup>  
Assistant Professor, Dr.N.G.P.Institute of Technology

## ABSTRACT

The research study entitled with “Customers opinion towards Effectiveness of Merchandising in Retail Sector with reference to Coimbatore City”. It is necessary to understand the problems faced by the customers with reference to 1) Customer perspective and Involvement 2) Visual Merchandising 3) Customer Feedback (Expectations) followed by the organization to support the customers in deriving the satisfaction is drawn to find out the fact using the questionnaire and the same is distributed among them to find out the factual situation on all the three dimensions. The study helps the retail outlets to understand merchandising effectiveness to take proper steps to compete with their competitors and gives a broader range of insight to support the management.

**Keywords:** retailing, merchandising, customer opinion, visual merchandising

## INTRODUCTION

Multinational Corporations and independent stores alike are always trying to get the edge on their competitors. One way to do this is to find a merchandising solution to design custom store displays that will attract more customers as per different demographics. Every year millions are spent on in-store marketing programs by largest retailers to make seasonal and promotional changes. As products change, so does a retail landscape. Facing techniques can also be used by retailers to create the look of a perfectly-stocked store, even when it is not. This study is to enhance the merchandising of retail outlets in

order to create customer satisfied destination stores.

## OBJECTIVES OF THE STUDY

- To analyze the factors influenced to step into the retail showroom and their overall satisfaction in the retail outlets.
- To find out the Customer perspective and Involvement (infrastructure), Visual Merchandising and Customer Feedback (Expectations)
- To analyze the opinion of the customers on promotional activities conducted by the retail outlets.
- To contribute suitable measures based on the findings.

## RESEARCH METHODOLOGY

### Research Design

For this study the design used was descriptive. This study analyses the Customers Opinion towards Effectiveness of Merchandising in Retail Sector With Reference To Coimbatore City. Here the descriptive research was conducted to find out the information about the factors and to spot light the areas that need the management’s attention.

### Sampling Technique

The sampling technique selected for the study is Convenient Sampling Technique.

### Source of Data

**Primary Data:** The objective of the study has been accomplished with the help of primary data collected from 97 respondents.

### Statistical Tools and Techniques

The collected data have been analyzed with the help of tools like simple percentage method and chi-square test.

**DATA ANALYSIS AND INTERPRETATION****Customer perspective and Involvement****Table No.1****Respondents' opinion towards factors induced to visit the retail outlet**

Factors	Count	Percentage
Ambience	9	9%
Price	12	12%
Product Variety	34	35%
Service	42	43%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

It is clear from the above table that less than half (43%) of the respondents are induced to visit the retail outlet for the services, 35% stated that they are induced to visit because of the availability of

product variety, 12% visited for the availability of material for all category with suitable price and the remaining 9% of the respondents stated that they were induced to visit for its ambience.

**Table No. 2****Respondents' frequency of visit to the retail outlets**

Frequency	Count	Percentage
Frequently	18	19%
Occasionally	56	58%
Rarely	9	9%
Sometimes	14	14%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table shows that more than half (58%) of the respondents occasionally visited retail outlets, 19% of the respondents visited

frequently, 14% visited sometimes and the remaining 9% of the respondents visited retail outlets rarely.

**Table No. 3****Respondents' opinion towards the types of facilities provided to the customers**

Types of facilities	Count	Percentage
All	28	29%
Parking Area	16	16%
Refreshment	9	9%
Rest Room	3	3%
Trial Room & Rest Room	4	4%
Trial Rooms	37	38%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

It is clear from the above table that 38% of the respondents stated that they are impressed with the trial room facility provided to the customers by the retail outlets, 29% of the respondents expressed that are impressed with all the facilities namely, parking, refreshment, rest room trial room, etc. available in the retail

outlets, 16% of the respondents indicated that they were impressed with the parking area facilities provided by the retail outlets, and the remaining 9, 4, 3 percentages of the respondents were impressed by the refreshment, restroom, trial and rest room facilities provided by the retail outlets respectively.

**Table No. 4****Opinion about the provision of enough space to merchandise all the products adequately**

Opinion	Count	Percentage
Yes	76	78%
No	21	22%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table reveals that majority (78%) of the respondents stated that the retail outlet have

enough space to merchandise all their products adequately and 22% of the respondents have a different opinion.

**Table No. 5****Respondents' opinion on freedom to access to the products to their choice**

Opinion	Count	Percentage
Yes	72	74%
No	25	26%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table shows that majority (74%) of the respondents feel they are allowed freely to access

to the products to their choice and 26% of the respondents had different opinion.

**Visual Merchandising****Table No. 6****Opinion on the arrangements of lighting, racks and dressing code of the sales person**

Opinion	Count	Percentage
Yes	78	80%
No	19	20%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table shows that majority (80%) of the respondents stated that the store arrangement

was with adequate lighting, racks and dressing code of the sales person was pleasing and 20% of the respondents had different opinion

**Table No. 7****Opinion about the products preferred to be placed first**

Products preferred	Count	Percentage
Basics & New Arrivals	29	30%
Fast Moving	3	3%
Fast Moving & Trend Items	5	5%
Fast Moving Item	23	24%
Key Brand	20	21%
Key Brand & Fast Moving	2	2%
Key Brand and Basics & New Arrivals	2	2%
Promotional based items	2	2%
Trend Items	11	11%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

It is clear from the above table that 30% of the respondents stated that basics and new arrivals should be placed first, 24% of the respondents expressed fast moving items should be placed first, 21% of the respondents opined

key brand products should be placed first, 11% of the respondents indicated trend items should be placed first and the remaining 5, 3, 2 percentages of the respondents opined fast moving & trend items, key brand & fast moving, promotional based items respectively.

**Table No. 8**

**Opinion about the order of arrangement of the products**

Arrangement	Count	Percentage
Price (Low or High)	30	31%
Variety	38	39%
Fast Moving Items	5	5%
Slow Moving Items	3	3%
Discount Items	14	14%
Price (Low or High), Discount Items	2	2%
Price (Low or High), Variety, Slow Moving Items	2	2%
Variety, fast moving items	3	3%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table reveals that majority (39%) of the respondents opined that the order of arrangement shall be based on the variety, 31% of the respondents indicated based on price (low or high) the order of arrangement shall be made,

14% of the respondents indicated discount items, 5% stated fast moving items, 3% expressed slow moving items and the remaining 3% & 2% of the respondents expressed with two or more combination as the order of arrangements respectively.

**Table No. 9**

**Opinion about the responsibility and skill to merchandise the store**

Responsible person	Count	Percentage
Floor Heads	27	28%
Managers	26	27%
Sales People	12	12%
Supervisors	32	33%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

It is clear from the above table that 33% of the respondents stated that the supervisor may take the responsibility and skill to merchandise the store, 28% of the respondents opined floor heads,

27% of the respondents expressed managers and the remaining 12% of the respondents opined sales people should take the responsibility and skill to merchandise the store.

**Table No. 10**

**Respondents' opinion about the key success in store merchandising**

Opinion	Count	Percentage
Customer Service	41	42%
Floor Layout	16	16%
Lighting	15	15%
Product Display	23	24%
Signage	2	2%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table shows that less than half (42%) of the respondents stated that the customer service is the key to success in a store merchandising, 24% of the respondents opined

product display, 16% expressed floor layout, 15% opined lighting and the remaining 2% of the respondents indicated signage as the key factor of success in store merchandising.

**Table No. 11**  
**Frequency of updation of front display**

Frequency of updation	Count	Percentage
During the festival times	24	25%
Once in a month	18	19%
Once in a week	46	47%
Whenever a new arrival comes	9	9%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table shows that less than half (47%) of the respondents feel that the front display shall be updated once in a week, 25% of the respondents opined that the display shall be

updated during the festival times, 19% wants to be once in a month and the remaining 9% of the respondents stated that whenever a new arrival comes the display shall be updated.

**Customer Feedback (Expectations)**

**Table No. 12**  
**Opinion about the type of advertisement**

Type of advertisement	Count	Percentage
Any mails to the existing customers	25	26%
Bit Notices	19	20%
Tele Shopping	11	11%
Through TV & Radio	42	43%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table shows that less than half (43%) of the respondents feel that the advertisement should be through Television and Radio, 26% of the respondents indicates any mails to the existing customers is a good way of advertising,

20% of the respondents believe the bit notice advertisement will do a lot of good and the rest 11% of the respondents stated tele-shopping advertisement will be an effective means for advertisement.

**Table No. 13**  
**Opinion about the salesman's showmanship**

Opinion	Count	Percentage
Interest in showing large number of varieties	34	35%
Showing only in small numbers	23	24%
Vary according to the customer	40	41%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above tables reveals that less than half (41%) of the respondents stated that the salesman showmanship vary according to the customer, 35% of the respondents indicated that they are

interested in showing large number of varieties and the remaining 24% of the respondents reported that the salesman show only in small numbers of variety.

**Table No. 14**  
**Opinion on preferring brand when not available in the store**

Opinion	Count	Percentage
Prefer Some other brand	54	56%
Do not prefer some other store	43	44%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table exhibits that more than half (56%) of the respondents prefer some other

brand when they opt for the required brand not available in the store and 44% of the respondents opined that they do not prefer any other brand.

**Table No. 15**  
**Respondents' expectation from the retail outlet**

Expectations in future	Count	Percentage
In-Store merchandising services	5	5%
Products with cheap cost	30	31%
Quality products	56	58%
Timely delivery	6	6%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

It is understood from the above table that more than half (58%) of the respondents expect more quality products from the retail outlet, 31%

of the respondents expect products with cheaper cost, 6% expects timely delivery and the remaining 5% of the respondents expects in store merchandising services from the retail outlet.

**Table No. 16**  
**Respondents' Suggestions**

Suggestions	Count	Percentage
Excellent	16	16%
Give discounts for all festivals	2	2%
Good Service	33	34%
Quality of customer service	2	2%
No Suggestions	26	27%
Products with high price	3	3%
Reduce price	2	2%
Trial room for gents	2	2%
Very good	11	11%
<b>Total</b>	<b>97</b>	<b>100%</b>

**Interpretation**

The above table shows that majority (34%) of the respondents stated that the retail outlets provides good service to their customers, 27% of the respondents do not have any suggestions, 16% of the respondents opined excellent, 3% of the respondents feel that the

products contains high price tags and the remaining 2% each of the respondents expressed to give more discounts during all festivals, increase quality of the customer service, Reduce Price and needs to improve the trial room facility for gents.

**Table No. 17**  
**Relationship between the Gender and Opinion about the salesman's showmanship**

Gender	Interested in showing large number of varieties	Showing only in small numbers	Vary according to the customer	Total
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<b>Male</b>	24	11	24	<b>59</b>
	20.7	14.0	24.3	<b>59.0</b>
<b>Female</b>	10	12	16	<b>38</b>
	13.3	9.0	15.7	<b>38.0</b>
<b>Total</b>	<b>34</b>	<b>23</b>	<b>40</b>	<b>97</b>
	<b>34.0</b>	<b>23.0</b>	<b>40.0</b>	<b>97.0</b>

**Chi-Square Value : 3.003**

**Degree of Freedom : 2**

**Table Value : 5.991**

**Result : Not Significant**

**Interpretation:**

The result of the chi-square test reveals that the calculated chi-square value (3.003) is less than the table chi-square value (5.991) at 5% level of significance and therefore, the relationship between the Gender and Opinion

about the salesman’s showmanship is not significant. Thus the hypothesis is that the relationship between the Gender and Opinion about the salesman’s showmanship does not hold good. Thus the null hypothesis is accepted.

**Table No. 18**

**Relationship between provision of enough space to merchandise all the products adequately and Frequency of updation of front display**

<b>Opinion</b>	<b>During the festival times</b>	<b>Once in a month</b>	<b>Once in a week</b>	<b>Whenever a new arrival comes</b>	<b>Total</b>
<b>Yes</b>	15	15	37	9	<b>76</b>
	18.8	14.1	36.0	7.1	<b>76.0</b>
<b>No</b>	9	3	9	0	<b>21</b>
	5.2	3.9	10.0	1.9	<b>21.0</b>
<b>Total</b>	<b>24</b>	<b>18</b>	<b>46</b>	<b>9</b>	<b>97</b>
	<b>24.0</b>	<b>18.0</b>	<b>46.0</b>	<b>9.0</b>	<b>97.0</b>

**Chi-Square Value : 6.423**

**Degree of Freedom : 3**

**Table Value : 7.815**

**Result : Not Significant**

**Interpretation:**

The result of the chi-square test reveals that the calculated chi-square value (6.423) is less than the table chi-square value (7.815) at 5% level of significance and therefore, the relationship between provision of enough space to merchandise all the products adequately and Frequency of updation of front display is not significant. Thus the hypothesis is that relationship between provision of enough space to merchandise all the products adequately and Frequency of updation of front display does not hold good. Thus the null hypothesis is accepted.

**FINDINGS**

- Less than half (43%) of the respondents are induced them to visit the retail outlet for the services.

- More than half (58%) of the respondents occasionally visited retail outlets.
- 38% of the respondents stated that they are impressed with the trial room facility provided to the customers by the retail outlets
- Majority (78%) of the respondents stated that the retail outlet have enough space to merchandise all their products adequately
- Majority (74%) of the respondents feel they are allowed freely to access to the products to their choice
- Majority (80%) of the respondents stated that the store arrangement was with adequate lighting, racks and dressing code of the sales person was pleasing.

- 30% of the respondents stated that basics and new arrivals should be placed first
- Majority (39%) of the respondents opined that the order of arrangement shall be based on the variety
- Less than half (42%) of the respondents stated that the customer service is the key to success in a store merchandising
- Less than half (47%) of the respondents feel that the front display shall be updated once in a week
- Less than half (41%) of the respondents stated that the salesman showmanship vary according to the customer
- More than half (56%) of the respondents prefer some other brand when they opt for the required brand not available in the store
- More than half (58%) of the respondents expect more quality products from the retail outlet
- Majority (34%) of the respondents stated that the retail outlets provide good service to their customers.

#### **SUGGESTIONS**

- Half (50%) of the respondents stated that the retail outlets provide excellent service to their customers that need to be maintained constantly
- Some of the respondents stated that the retail outlets may provide more discounts during all festival seasons.
- Few of the respondents expressed that the quality of the customers services shall be improved.
- Some of the respondents suggested that there is need to improve the trial room facility existing for gents.

#### **CONCLUSION**

The basis for the purchase of the product is the requirement of customers. It is evident from the study that the customer service is the key to success in a store merchandising and the main dominating factors to promote the product is marginal requirements. The role of price, sales showmanship, display, space and lighting should be taken enough care so that the consumer will get more satisfaction and will start preferring to those specific retail outlets in future visits.

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