International Journal on Arts, Management and Humanities **6**(1): 83-88(2017)

ISSN No. (Online): 2319–5231

Organized Retailing sector in Bharat: A Socio-Economic Study of Customers' Perception of Bhopal District

Suteekshan Dwivedi
Senior Lecturer Department of Modern Office Management,
Government Women's Polytechnic College, Khargone, Madhya Pradesh, INDIA.

(Corresponding author: Suteekshan Dwivedi)
(Received 08 April, 2017, Accepted 22 May, 2017)
(Published by Research Trend, Website: www.researchtrend.net)

Abstract: The retailing business evolved in stages, from the Karana store to the super market, or from the village to global levels. Initially unorganised, this industry is now steadily developing into super and hypermarkets. The paper will highlight the key factors influencing the retail industry by concentrating on the Indian revolution, consumer perceptions of organised versus unorganised retail, middle-class income growth, infrastructure improvement, and shifting consumer preferences. Since its introduction a decade ago, organised retailing has grown to become one of India's burgeoning markets. The effect of organised retailing on the unorganised and rural sectors is discussed in the article. The study will show how organised retailers will benefit consumers more than unorganised retailers. The current study aims to examine how consumers in BHARAT perceive organised and unorganised retailing, their sources of supply, and the variables that affect their mall shopping.

I. INTRODUCTION

The word "retail" comes from the French word retailer, which meaning to split mass or to cut off a piece. A retailer is a person who removes a little fragment from anything. Marketing products or services to end users for their own use or that of their homes is known as retailing. By planning their distribution on a comparatively big scale and distributing them to clients on a comparatively small scale, it achieves this [1]. A retailer is a person, agent, agency, business, or other entity that plays a key role in getting products or services to end users, ultimate consumers, or end users of merchandise. Retailing is the practise of purchasing goods and services in bulk from wholesalers or manufacturers and selling them to consumers for their own use [5]. A comprehensive set of procedures or actions used to offer goods or services to customers is known as retailing.

II. INDIAN RETAIL INDUSTRY

The retail market in India is the fifth-largest in the world. By 2022, modern retail will have a 42% share of the overall retail sector. India has the most retail establishments per capita in the entire globe. Nearly 7.2 million of the 14.5 million retail, 1 million wholesalers, distributors, and multitier structure shops in the nation offer food and associated products [4]. Although unorganised businesses have dominated the industry, the advent of domestic and foreign organised firms is expected to change the situation. The term "retail" was defined by The High Court of Delhi in 2004 as a sale for final consumption as opposed to a sale for additional sale or processing (i.e. wholesale). India's populace works in retail at the tune of 11% [2, 3]. The retail industry in India is split into two main categories. Retailing that isn't organised and organised retailing.

Unorganized Retailing: Unorganised retailing describes the conventional low-cost selling models, such as neighbourhood Karana shops, general stores run by the owners, pan/bed shops, convenience stores, etc. Large numbers of small retailers make up the so-called "unorganised retail" or traditional retail in India, which includes neighbourhood Kirana shops, owner-manned general stores, pharmacies, footwear stores, clothing stores, pan and beedi shops, [8] hand-cart hawkers, etc. The unorganised sector is defined by the National Commission for Enterprises in the Unorganised Sector (NCEUS) as "all unincorporated private enterprises owned by individuals or households engaged in the sale or production of goods and services operated on a proprietary or partnership basis and with less than ten total workers.

Organized Retailing: Licenced retailers who are registered for taxes such as sales tax and income tax are referred to as engaged in organised retailing.[6] Hypermarkets, retail chains, and privately owned major retail businesses are some examples of these.

— This concept will lead to the following descriptions of the organised retail sector:

— Employees will be subject to the minimum wages act. These outlets can be "standalone company owned showrooms" or "The retail space" in any supermarket or mall, etc. Practically speaking, there may be fewer than ten workers, though.

III. EMPIRICAL ANALYSIS OF CUSTOMERS' BEHAVIOUR

Retailers are working to create new, successful tactics for meeting customer requirements and wants because public perception in the industry is more variable and unpredictable than ever. Customers want a huge variety of producers offering significant discounts.[10] They are less swayed by brand names now, but they are still quite picky about quality and price.

— Organised Retailing's Effect on the Unorganised Sector

The advent of organised retail chains on local kirana shops in the nation would not have a long-term influence, according to the Indian Council for Research in International Economic Relations (ICRIER).[9] The following are the direct effects of organised retailing on the unorganised sector:

A. The negative effect on sales and profit gradually fades.

B. While there is some employment decline, it also weakens over time.

C. The rate of unorganised retail store closures in gross terms is determined to be 4.2% annually, which is significantly less than the global average of small company closures.

D. At 1.7% annually, the closure rate due to competition from organised retail is much lower.

Since kirana stores and pan shops are regarded as essential to daily living in communities, unorganised retail will continue to exist. However, according to ICRIER, if organised retail does not expand, the unorganised sector won't be able to meet the soaring demand. Being unorganised in retail is a serious step; organised retailing in India still faces difficulties.

In India, traditional retailing has existed for many years. It has a low cost structure, is primarily owner owned, has minor labour and real estate expenses, and pays little to no taxes. One significant advantage for traditional commerce is the continuity of consumer familiarity through generations. Players in the organised sector, on the other hand, must maintain their pricing low enough to compete with the traditional sector despite having significant expenses to cover [11]. Additionally, organised commerce must contend with the perception of the middle class that goods will be more expensive the bigger and brighter the sales shops

IV. PURPOSE OF THE STUDY

The study was made with the following goals in mind:

1) To compare the factors influencing consumers' decisions to purchase from organised stores against unorganised retailers

2) To research how demographic characteristics affect consumer choices at both organised and unorganised stores.

3) Researching how consumers view organised and unorganised retailers.

V. HYPOTHESES

1) The formats that retailers offer for different types of purchases do not differ significantly.

2) There are no appreciable differences among the formats chosen by merchants for the main shopping criteria.

3) The format preferences of merchants are not significantly different by respondents' gender.

VI. DESIGNING RESEARCH

The research is descriptive in nature. The sampling unit is based on consumers from different age groups, genders, localities, income levels, and educational backgrounds. The sampling framework is based on consumers who shop at both organised and unorganised stores in Allahabad. The sampling approach is purposeful, and the sample size is 100 clients. The primary data were obtained through survey methods (the entire schedule was standardised and formalised), and the secondary data were obtained from respondents and journals as well as from earlier research pertaining to the retailing industry [14]. The schedule is a structured questionnaire with appropriate scaling, and the items are closed-ended, multiple-choice, and on a Liker scale. As a statistical tool, the Chi square test and Weighted Average are employed.

VII. RESEARCH TECHNIQUES

Questionnaires were used as research instruments for the initial data gathering. Three sections made up the questionnaire: Part A contained questions pertaining to the respondents' demographic data.

Part-B dealt with some fundamental facts about the respondents? choice to purchase an item from a specific shop. Semantic differential scales were included in Part-C to gauge how customers felt about various aspects of the store's image.

According to Table 1's demographic breakdown of the respondents, the majority of them (55%) were female. Further research found that 27% of respondents were in the 30–40 year age range, while 42% of respondents were in the 20–30 year range. Maximum percentages of students (30%) and private employees (25%%) are used. The majority of responders (53%) were single. Graduates made up the majority of responders (35%) followed by postgraduates (31%) [12]. This demonstrated that preference for retail establishments was significantly influenced by education level as well.

Table 1: Demographic Profile of Sample Respondents.

Demographic		No. of Respondents	
		Frequency	**Percentage**
Gender	Male	45	45
	Female	55	55
Total		100	100
Age-group	Less than 20yr.	17	17
	20-30yr.	42	42
	30-40yr.		
	40-50yr.		
	Above 50yr.	3	3
Total		100	100
Marital Status	Single	53	53
	Married	47	47
Total		100	100
Educational Qualification	12th	20	20
	Graduate	35	35
	Post Graduate	31	31
	Professional	14	14
Total		100	100
Occupation	Student	30	30
	Private Employee	25	25
	Government yee	12	12
	Business	17	17
	House wife	16	16
Total		100	100
Family Nature	Nuclear	35	35
	Joint	64	64
Total		100	100
Monthly Familye	Less than 20000 Rs.	22	22
	20000-30000Rs.	34	34
	30000-40000Rs.	23	23
	Above50000Rs.	21	21
Total		100	100

Table 2: Respondents 'Opinion of products' purchased from retailers')

Items Purchased	From Organized Retailers'	From Unorganized Retailers'
Grocery, Vegetables & Food	5	18
Homemade Appliances & Cal & Electronic	6	7
Textiles	10	9
Allof above	16	29
Total	37	63

° 2 calculated = 4.1 degrees (5% level of significance) 2 tabulated = 7.8

Interpretation: The aforementioned analysis demonstrates that there is no discernible difference between retailers' format preferences for different types of purchases, hence the null hypothesis is accepted. The respondents don't take into account these merchant formats based on the shopping products.

H_{O2}: Regardless of the household economic level, there are no appreciable differences in the formats that retailers offer. Use of the Chi-Square Test (5% Level of Significance)

Table 3: Response for buying from Organized Retailers 'vis-à-vis from Unorganized Retailers'

Factors	No. of Respondents'	
	From Organized Retailers'	From Unorganized Retailers'
Variety of Products	8	10
Good Quality	4	11
Attractive schemes & Discounts	5	9
Mode of Payment	3	3
For Grocery Items Only	0	10
Door Delivery	3	4
Emergency Buying	0	6
Afford able price	0	7
Good relationship with store owner	0	1
Credit Facility	1	2
Complaint Handling	5	0
Self-service & satisfaction	8	0
Total	37	63

Interpretation: Since the null hypothesis was rejected, we can infer that there are notable differences between the formats selected by retailers for different shopping criteria. These elements are essential in motivating purchases made in all types of retail settings.

The majority of respondents chose to make casual purchases of products like vegetables and food items from organised merchants when asked about their preference for choosing different products based on quality from various retailers. The majority of respondents preferred to purchase textiles from unorganised stores, both in terms of price and quality. However, in contrast, textiles were given the least preference in organised retail outlets. the same time,

Table 4: Opinion about the quality & price offered by Organized Vs. Unorganized Retailers'

Factors	Organized Retailers'				Unorganized Retailers'			
	Quality		Price		Quality		Price	
	Total Weight	Rank	Total Weight	Ran	Total Weight	Ran	Total Weight	Rank
Grocery	1.38	3	1.68	3	1.57	4	1.57	4
Vegetables & tems	1.51	1	1.73	2	1.56	5	1.46	5
Homemadences	1.22	6	1.49	6	1.62	3	1.84	2
Textiles	1.24	5	1.51	4	1.75	1	1.89	1
Electrical & onics	1.27	4	1.51	4	1.67	2	1.89	1
Casual Purchases	1.43	2	1.76	1	1.52	6	1.75	3

Under unorganised retail establishments, vegetables and food items were given the least amount of attention (both in terms of quality and cost).

H_{O4}: There is no appreciable difference in the formats of stores chosen by respondents of different ages.Use of the Chi Square Test (at a 5% Level of Significance)

Table: 5 Preference of respondents of organized Retailers over traditional retailers.

Factors	Ratings					Weight	Ranks
	5	4	3	2	1		
Convenient	30	44	15	7	4	3.62	2
Proximity	12	52	26	9	1	3.16	5
comfortable	35	41	18	4	2	3.7	5
Value added services	36	30	25	7	2	3.44	3
Services better then traditional retailer	14	34	42	4	6	2.65	6
Entertainment	11	22	30	29	8	2.42	7
Quality & Quality upto expectation	19	42	25	12	2	3.17	4

As a result, it can be seen from the above table that consumers have a positive opinion of organised industries due to the convenience and comfort of their stores. The unorganised shops should place enough emphasis on value-added services to build strong relationships with customers that will enable them to both retain current customers and draw in new ones.

VIII. UNORGANIZED RETAIL

- Unorganised retailers should buy a variety of goods from a single wholesaler to receive sufficient discounts so they can satisfy the needs and cost expectations of their clients.
- Retailers who are not organised should always work to improve their displays in order to compete with organised industries.
- Customers should have enough self-service options from unorganised retailers.
- Customers should be given cash discounts from unorganised retailers when making large purchases.
- The unorganised businesses should advertise them through brochures or pamphlets and offer enticing weekly or monthly deals on groceries and other things.
- Unorganised shops should make significant improvements to the atmosphere of their stores to keep their current clientele and draw in new ones with modern amenities and greater space.
- The unorganised retailers should develop a strategy to keep their customers by offering high-quality products and services since, as the adage goes, "Quality is remembered long after the price is forgotten."- Gucci
- They should also pursue regional cooperation so that they can survive in this intensely competitive environment.

IX. FOR ORGANIZED RETAIL

- In order to compete with unorganised shops, organised businesses need offer compelling incentives.
- The organised retailers should set up the required conditions for product distribution to homes.
- In order to draw in and keep customers, "organised retailers" have been giving their goods more value through prices, services, and offers.
- Retailers who are organised should set up efficient and successful loyalty programmes. This might aid in giving customers appreciation.
- Organised retailers should set up the required procedures for handling customer complaints.
- Organised merchants should set up the required procedures for handling client complaints because those are the textbooks they may use to learn.

X. CONCLUSIONS

In terms of the retail industry, India is at a turning point. Because each has its own competitive advantages, new and traditional stores will coexist in India for some time to come. The Karana has a low-cost structure, a handy location, and a focus on the customer, whereas modern retail provides a wider range of products, a deeper selection, and superior customer service. Finding consumer perceptions of organised and unorganised retailers across demographic profiles was one of the study's main goals. According to this study, people prefer to purchase these products from the neighbourhood mobile vegetable vendor or the closest sabji market. The study also showed that proximity was a key factor in unorganised retailers' comparative advantages. Due to their capacity for selling loose goods, ability to offer credit, capacity for haggling, and availability of home delivery services, unorganised shops enjoy relatively significant benefits. Due to their established brands, wide selection of products, competitive pricing, and promotions, organised merchants enjoy a bigger competitive edge. This study revealed that consumers' perceptions of organised and unorganised merchants varied on the basis of quality and price as a result of changes in disposable income and growing quality awareness. They chose to purchase various goods from sellers who were both organised and unorganised. According to the study, most respondents had positive perceptions of organised merchants when compared to the unorganised retail format. Even the unorganised shops had a sizable market share, but due to issues with parking and space, there was a gap between the two types. Customers want additional retail establishments to open. Due to the mindset of Indian consumers, who cannot imagine a life without having a local Kirana store nearby their locality, the organised sectors' immense potential and growth chances would not have a significant impact on the unorganised stores.

REFERENCES

[1]. Gist, R. R. (1968). Retailing Concepts & decision, 196 New York Wiley & sons pg. no. 4-8.

[2]. Keith, R. J. (1996). The marketing revolution. Marketing Classics 8th ed. Allyn & Bacon (London).

[3]. McNair, M. P. (1958). Significant trends and developments in the post war period, Pittusburg P.A. Uni. Of Pittusberg P g.no.76 Keith R.R., The Marketing Revolution.

[4]. Levy, B. D. Weitz, A. P. (2000). The Retail management Strategies, McGraw Hill, New York. Dawson John (2000). Retailing at century end: some challenges for management and research, Int. Rev. of Retail, Distribution and Consumer Research, **10**: 2pg. 119–148.

[5]. Berman & Evans, (2007). Retailing management–strategic Approach New Delhi: Prentice-Hall of India. Commerce and Industry ministry 2007. India Retail Report 2007, Delhi: Commerce & Industry Ministry, January.

[6]. Piyali Ghosh, Vibhuti Tripathi, Anil Kumar, Customer expectations of store attributes: A study of organized retail outlets in India Journal of Retail &#38 Leisure Property · February 2010 DOI: 10.1057/rlp.2009.27.

[7]. Nikhilesh Dholkia, Rakesh Khurana, Labdhi Bhandari, Abhinandan K. Jian (2003). Marketing Management cases and concepts, Mcmilan I. Ltd., New Delhi, 2003 K. K. Srivastav, Sujata Khandai, Consumer behavior, Galgotia publishing company, New Delhi.

[8]. Jackson, Edgar L. (1991). Shopping and leisure: Implications of West Edmonton Mall for leisure and for leisurere search. *The Canadian Geographer*, **35**, 280-287.

[9]. New by, Peter (1993). Shopping as leisure. In: Bromley, Rosemary D. & Thomas, Colin J.,(eds): Retail Change-Contemporary Issues. 208-228. UCL Press.

[10]. Fernie, John (1997). Retail change and retail logistics in the united kingdom: Past trends and future prospects. *The Service Industries Journal*, **17**, 383-396.

[11]. Robert, V. Kozinets, John, F. Sherry, Y, Jr., Benet Deberry-Spence, Adam Dhachek, Krittinee Nuttavuthisit, Diana S storm, Themed Flagship Brand Stores in the New Millennium: Theory, Practice, Prospects, Journal of Retailing Special Issue, 2002 Rebates, Matches, and Consumer Behavior Douglas D. Davis+ and Edward L. Millnerhttp://www.people.vcu/~ddavis.

[12]. Carrie Heilman, Kyryl Lakishyk,Sonja Radas, Kent Nakamoto (2004). The Effect of In-Store Free Samples onShort- andLong-Term Purchasing Behavior.

[13]. Ashoken C. Hariharan G. (2008). Profile and perception of Retail consumers- An Emphirical study in palakkad District, Vol. **XXXVIII** No. Issue February 2. (2008). Impact of organized retailing on the unorganized sectors", ICRIER retail report, May. An Images F and R Research', Indian Retail Report, 2007.

[14]. A. C. Nelson (2006). The Retailing Handbook. Oxford NTC Publications, London. Time (2006) Retail revolution in USA. Some visible lessons. Pg. no. 17-21.