A Study on Level of Customer Satisfaction Towards Organised and Unorganised Food Retailing in Bhopal City

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ABSTRACT - According to report called 'Think-India'. Connected-Retail based on survey of 45,000-50,000 outlets (including malls, & shopping streets) in top six cities'-Retail stores (online, & offline) across country are renovating itself to embrace idea of Omni-channel-Retail sales are there. Consequently, The entry of modern-Retail is expected to "increase existing 19percent's to 24percent's in three years." omnichannel-Retail sale extends to brick-mortar stores, smartphones, computers, tablets, direct mail,, & televisions. Apart from this, with foreign direct investment (FDI) initiatives such as-Retail policy, & state-level-Retail policies, where "the govt. is playing facilitator for creating friendly-Retail business environment" has further helped.

"The concept of shopping has undergone tremendous change in-Retail format, & consumer purchase behaviour, which is coming to new era of modern-Retail sales across country." Aditya Sachdev, director of Knight Frank-India, said in statement: "Omni-channel-Retail sale is an idea, with boundaries between offline, & online stores, its time has come.

This study was undertaken to study the level of customer satisfaction towards organised and unorganised retail store. This study attempts to establish potential of Madhya Pradesh for the growth of retailing with the focus on consumer satisfaction and behaviour. With the help of this study we also study of impact of organised food retailing on unorganised retailing with respect to purchase behaviour and customer satisfaction. In this study we getting the feedback from the different customers from organised as well as unorganised retail store by questionnaire and collect the data related to different factor which affect the purchasing decision of customers.

Key Words: - customer satisfaction, consumer behaviour, Organised retail, unorganised retail

I.   INTRODUCTION

Retailing words comes from the French words *'retaillier'*, which refers to "cutting off, or Break the bulk or Clip and divide" (1365). In 1433 retail was accepted as a noun with the meaning of a "sale in small quantities". Retail is the final stage of any trade or business activity.

Retailing is emerging industry in India it provides largest employment after agriculture in India. While organised retail industry only covered less than 24 percent of retail market, while it is estimated that organised retail sector grow at the rate of 25 to 30 percent per annum. The most of portion of total organised retail sales covered by top 10 cities of India, now most of the giant retailers focus on Tier II cities. Till 2010 Clothing, textile, and fashion accessories was main products for which customers attract towards organised retail sector but now days food and grocery, electronic gadgets also main demanded products in organised markets because of organised retailers provides huge variety of products under one roof with competitive prices

Indian retail industry is fifth largest industry in world, comprising of organised and unorganised sectors, Indian retail industry is one of the fastest growing industries in India. Indian customers change their taste and preferences and unorganised retailers are not eligible to complete their wants.

Indian-retail industry has huge potential because-India is second largest population with rich middle class, rapid urbanization, & solid growth of internet technology. Both-Retail sales also have changed remarkably in recent years in form of consumer pastoral, & in form of organizational activity. It is one of largest & most diverse industries in world.

The Indian-retail industry is not nascent anymore. There has been significant change in-Retail business over last few years, which is from smaller kiranewala's locality to big supermarket; there is transition happening in traditional-Retail sector to organized-Retail sector. In unorganized sector, there is still dominant position in-Market. The organized section contains approximately 5percent's of existing 450 billion US Dollars-Retail-Markets, which is

expected to reach us 900 billion US Dollars by middle of this decade. The same state has marked changed in style of shopping as well considering changing purchasing power, demographics, lifestyle, more disposable income, it becomes mandatory for all-Retail players not only to attract customers but also to make their products taller for customers' needs, & know customers deeply. The current study was conducted to help-Retailers to better understand their customers, & gain competitive advantage, especially when foreign companies are buying-India as potentially potential-Market in organized-Retail sector. In order to know trends, & behaviour of consumer, extensive literature was studied to gain insight into-Retail industry in various world economies.

Retail sector constitute 10% of Gross Domestic Products and 8% of the employment. Globally, retail sector growing at a rate of 12% per annum and retail is fifth largest global destination in the retail industry. Drastic Changes have seen in Indian retail Scenario within last two decades. Size, Scope and complexity are some considerable changes which are seen in Indian retail sector.
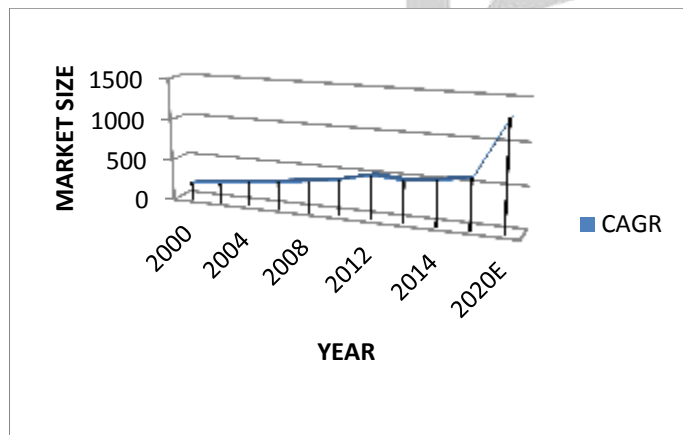

Source: BCG retail 2020, Emst & young, Deloitte, Techsci Research

500 super market were situated in India in year 2005 while it is projected to increase 8500 super market in 2017. *Rapid urbanisation, changing demographic profile, increasing disposable income or purchasing power, changing taste and preference of customers and healthy economic growth* are some driving growth for organised retail market in India. At present time different financial institution and banks provides easy finance and credit schemes to customers which also play an important role for growth of organised retail. In January 2016, many banks announced reduction in rate of interest on retail loans.

Indian consumers shifted towards organised retailing with higher income, improved standard of living, improved standard of living, and job creations, different promotional pricing, availability of variety of products under one roofs.

The Indian retail industry mainly dominated by unorganised retailing, in 2016 unorganised retail covered approx 78% of total retail revenue, while in developed countries such as U.K. U.S. etc unorganised retail contribution only 15-20% total retail sales.
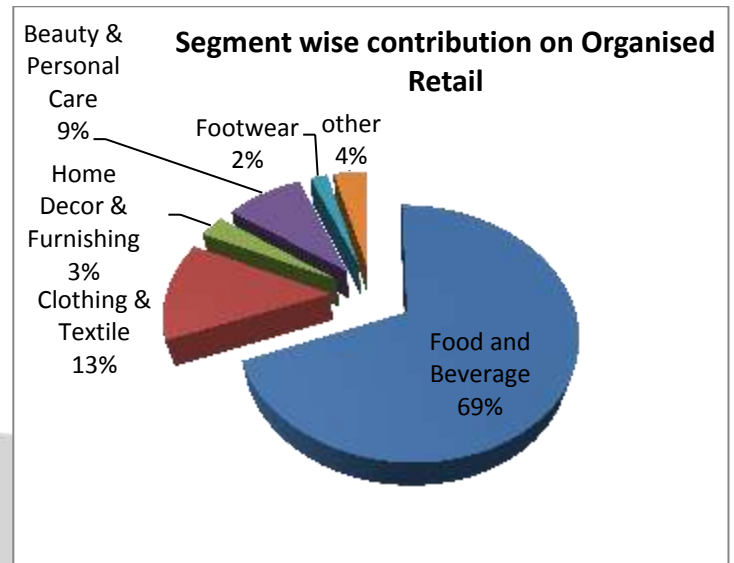
Source: - Indian Brand Equity Foundation

World bank published in World Development Indicator database in Feb 2017, In term of Purchasing Power Parity India is 3rd largest economy in the world, while china and U.S. ranked at first and second position. According to Central Statistics office Indian Gross Domestic Product growth stood at 7.1% in January 2017. Many research agencies believe that Indian economy grow 7.7 to 8% within 2 years. This report shows that the organised retailers have potential market in India.

TYPE OF RETAIL

The retail industry can be classified into two categories:
1. Organised retail
2. Unorganised Retail

In Organised retailing retailers must have licensed and they have to register to pay taxes to the government, high investment, large premises and trained staff are some characteristics of organised retailing.

On the other hand unorganised retailing is denotes traditional retailing format unorganised retail shop situated near residential areas. Unorganised retailings are characterized by owned managed, low rental, low tax payout and employing personal capital. Examples of unorganised retail stores are paan-beedi shop, conventional kirana stores general shops etc.

Retail market is valued at about USD 672 billion while only 60 billion from organised retail and rest covered by unorganised retail. While in other countries organised retail has higher market share while in India organised retail only covered 9% of total retail market.

In terms, un-organized-Retails or Traditional stores are usually street-Markets, counter stores, kiosks, & sellers,

where ownership & management live with only one person. There are two-thirds of-Market in this area, & less skilled labor is required. These are highly competitive outlets, negligible rental costs (uncontrolled kiosks or traditional property), cheap labor (work Shared by family members), & lower tax, & overheads. Indian-retail is dominated by large number of small-Retailers, including local Kirane shops, owner manned general stores, chemists, shoe shops, apparel shops, Pan, & BD (local betel leaf, & tobacco) shops, hands -Cart hawkers, sidewalks are included. Vendors, etc. Which together make so-called "unorganized-Retail" or "traditional-Retail". In last few years, entry of many organized-Retailers who have opened stores in various modern formats has been observed in metros, & other important cities. Unorganized-Retailers usually do not pay taxes, & most of them are not registered for sales tax, VAT or income tax. Unorganized-Retail sales, on other hand, refer to traditional forms of low-cost-Retail sales, for example, hand carts, & footpath vendors, & mobile vendors, local Kirane shops, general stores made by owners, Pan / BD shops, facilities From stores, hardware bathroom fittings to paints, & small construction equipment or slightly more organized medical stores, & apparel, electronics, etc. Do not buy on your street corner to host several other small-Retail businesses, & so on.

STATEMENT OF THE PROBLEM

Retailing concept covers different dimension and forms from unorganised retail and street local market to organised retail which is fully Air Conditioned with all facilities. At present time Indian Retail Market makes a positive atmosphere for all big organised retailers but it does not mean unorganised retailers will extinct with time because of emotional attachment with customers and availability of products nearby customers' premises.

THE SCOPE OF STUDY:

When large international-Retailers entered Indian-retail-Market, all-Retail-Markets were traditionally divided into two categories, which are known as an unorganized-Retail, & organized-Retail.

Consumer preference for selection of food, & grocery stores is mainly dependent on price, quality product, availability of different items in grades, service provided by-Retailers, & various promotional plans for customers.

This study attempts to establish Madhya Pradesh's potential for-Retail sales development with focus on consumer perception, & behavior. With help of this study, we also study effect of organized food-Retail sales on unorganized-Retail sales in terms of purchase behavior, & customer perception. In this study, we are receiving responses from un-organized, & organized-Retail stores with questionnaires from different customers, & collect data related to various factors affecting customers' purchase decision.

OBJECTIVES OF STUDY :

The overall objective of study is to provide better understanding of comparative study of consumer perception in direction of un-organized, & organized food-Retailing in Madhya Pradesh, & factors affecting consumer behavior towards choice of-Retail format, & preservation of food, & grocery-Retailing, Prepare your-Marketing strategies which is helpful for-Retailers. The specific objectives of study are:

1. Understanding key factors affecting customer Satisfaction in unorganized food-Retail sales
2. To make comparative study of customer satisfaction of un-organized, & organized food-Retail sales.
3. Understanding key factors that will affect customer satisfaction in organized food-Retail sales
4. To learn levels of customer awareness about un-organized, & organized food-Retail sales.

II.   LITERATURE REVIEW

Kethireddi Sowmya (2010) Discussed in *Consumer Buying Behaviour towards Organized Retailing from Unorganized* retailing, Retail were currently the upcoming sector of the Indian economy. This trend was expected to continue for at least the next two-three decades, and it were attracting huge attention from all. Availability of quality, retail space, wider availability of products and brand communication were some of the factors that were driving the retail in India. Retail sector were also supporting to create huge employment while a new form of organized retail sector had emerged within the retail industry and it gave speedy phase to Indian retail sector. The rationale of the study were to examine the nature of changes in the retail sector taking place due to organized form of retailing and implications of moving to this new form of retailing this area had remained largely an unexplored part of research till date especially in the Telangana. The objective of the study were to understand consumer behavior towards organized and unorganized retail stores and to find out the consumers satisfaction level from organized retail stores as well as unorganized retail stores. The perception were the traditional retailers about the modern retailing. The study uses primary data collected through in depth qualitative analysis to represent organized and unorganized retails sectors respectively.

Mehra Shashank (2014) studied *Comparative study of unorganized and organized retail: The case of Indian Grocery market at NCR* Store choice had been subject of frequent research in the developed market, however the Indian retail sector were highly fragmented and unorganized till last decade. Many international retailers along with Indian retailers entered in the Indian market and opening the stores across the country. The competitions were intensified between unorganized and organized retailing especially in Food and Grocery (F & G) sector. Competition in the retail market was of intertype, intertype

and inter category. Researcher's traces inter-category competition in the paper, which signifies the two different retail formats were competing for share of wallet of consumers selling similar type of merchandise. Both the organized and unorganized formats were trying to lure customers with various retail dimensions i.e. merchandise offerings, variety of services they offered, value for money, problem solving attitude , visual merchandising of the store, proximity and overall feel. All these dimensions have sub-items and have relatively important role for having patronage behaviour of the customer towards their store. The researchers identified above seven dimensions and each dimension were having sub-items. In this study they found that there were significant differences between unorganized and organized retail in the Indian grocery retail market on all the seven dimensions.

Shenbagasuriyan (2016) studied *a comparative study on Consumer perception towards Organized retail sector with Unorganized retail sectors* ,Consumer Perception carried out the attention of the consumers towards the product, interpretation, memory, purchase and Consumer decision of the consumers. It includes the consumer opinion towards the product, frequency of buying, selecting the store it may be organized retail or unorganized retail sectors. The main objective of this study was to create the awareness about the organized retail sector to the consumers. In this study, the data collected from the consumers in organized and unorganized retail sector for the purpose of comparing the behaviour of the consumers towards their buying habits between the organized retail sector and unorganized retail sectors. The survey method with a pre- designed structure questionnaire was used to collect data from the sample. The sample size of this study was 160 consumers. A Questionnaire distributed to the consumers of organized and unorganized retail stores in district. For analyzing the data SPSS16.0 software were used. The statistical tools like chi-square, frequency analysis used for interpreting the data. The result indicates that the customers would like to purchase in unorganized retail shops rather than organized retail shops. It includes all the activities directly related to the sale of goods and services to the ultimate consumer for personal and non- business use.

Research Design	Descriptive Research
Sampling Design	
Sampling Frame	Consumer who purchase from both organised and unorganised retailers.
Sampling Unit	Consumer from different age, group, gender, occupation, income level and educational backgrounds.
Sampling Size	100 customer
Sampling Methods	Convenience Sampling
Primary Data	Survey Methods
Secondary data	Data were collected from respondents and journals and from previous study related to the retailing sector.
Type of Schedule	Structure Questionnaire with suitable scaling.

III.   DEMOGRAPHIC DETAIL OF RESPONDENTS

S.No.	Demographic Characteristics	Frequency	Percent
1.	**Gender**		
	Male	65	65
	Female	35	35
2.	**AGE (IN YEARS)**		
	Under 20 years	18	18
	20-30 Years	22	22
	30-40 Years	21	21
	40-50 Years	19	19
	50-60 Years	12	12
	Above 60 Years	08	08
3.	**EDUCATION QUALIFICATION**		
	Under High School	6	6
	Higher Secondary	9	9
	Vocational School	26	26
	Bachelor Degree	23	23
	Master Degree	18	18
	Doctorate Degree	6	6
	Others	12	12
4.	**OCCUPATION**		
	Students	19	19
	Housewife	12	12
	Professional	18	18
	Private Job	21	21
	Entrepreneur	9	9
	Government officers	11	11
	Others	10	10
5.	**RESIDENTIAL AREA**		
	Urban	59	59
	Semi Urban	21	21
	Rural	20	20
6.	**MONTHLY INCOME**		
	Less than 10,000	22	22
	10,000-20,000	15	15
	20,000-30000	18	18
	30,000-40000	14	14
	40,000-50,000	18	18
	50,000 & Above	13	13
7.	**MARITAL STATUS**		
	Single	40	40
	Married	60	60
	FAMILY NATURE		
8.	Nuclear	45	45
	Joint	55	55
9.	**FAMILY SIZE**		
	Family with No kids	43	43
	Family with 1 Kid	20	20
	Family with 2 Kids	20	20
	Family with more than 2 kids	17	17

Factor Related To Customer Satisfaction Towards Organised Food Retail

In this survey I have collected 100 filled questionnaires by the Respondents, in this survey i have collected information related to 4 P's of Marketing Mix (Product, Price, Place, and Promotion) based on Likert Scale.

Respondents rated on five satisfaction level by Likert's scales which are Extremely Satisfied, Satisfied, neutral, and Dissatisfied, Extremely Dissatisfied. According to collected data frequency count for each satisfaction level Mean (X) and standard deviation were analyzed by SPSS Program.

IV. INTERPRETATION OF SATISFACTION LEVEL

This study used Likert's Scale to evaluate the respondents' satisfaction level. The scale is highly reliable when it comes to the ordering of people with regard to a particular satisfaction level.

$$N-1/N$$
$$5-1/5 = 0.80$$

Table of Likert's Scale

Results	Interpretation of weighting level
4.21-5.00	Extremely satisfied
3.41-4.20	Satisfied
2.61-3.40	Neutral
1.81-2.60	Dissatisfied
1.00-1.80	Extremely Dissatisfied

S.No	FACTOR	Mean	S.D	Result
1.	*CONSUMER SATISFACTION ON FOOD PRODUCT*			
A	Variety of product (for Organised sector)	3.83	0.721	Satisfied
	Variety of product (for Unorganised sector)	2.10	0.675	Dissatisfied
B	Quality of product (for organised sector)	2.97	0.967	Neutral
	Quality of Product (for unorganised sector)	2.85	0.851	Neutral
C	Fresh & healthy food (for organised sector)	2.79	0.685	Neutral
	Fresh & healthy food (For Unorganised sector)	3.76	0.791	Satisfied
2.	*CONSUMER SATISFACTION ON PRICE*			
A	Reasonable price (for organised Sector)	4.18	0.659	Satisfied
	Reasonable Price (for unorganised Sector)	4.40	0.722	Extremely Satisfied
B	Stable price (For organised Sector)	3.51	0.475	Satisfied
	Stable price (For unorganised Sector)	2.21	0.851	Dissatisfied
3.	*CONSUMER SATISFACTION ON PLACE*			
A	Easily reachable location (for organised sector)	1.65	0.642	Extremely Dissatisfied
	Easily reachable location (for unorganised sector)	3.59	0.684	Satisfied
B	Car parking space (for Organised sector)	4.50	0.791	Extremely satisfied
	Car parking space (for unorganised sector)	1.82	0.798	Dissatisfied
C	Cleanness of the store (for organised Sector)	4.32	0.698	Extremely Satisfied
	Cleanness of the store (for unorganised Sector)	2.41	0.514	Dissatisfied
D	Product placement (for Organised Sector)	3.82	0.783	Satisfied
	Product placement (for unorganised Sector)	1.87	0.490	Dissatisfied
4.	*CONSUMER SATISFACTION ON PROMOTION*			
A	Offering discount (for organised sector)	4.00	0.833	Satisfied
	Offering discount (for unorganised sector)	2.45	0.574	Dissatisfied
B	Occasion gift for consumers (for organised sector)	2.82	0.893	Neutral
	Occasion gift for consumers (for organised sector)	1.92	0.58	Dissatisfied
C	Advertisement and consumer awareness (for organised sector)	3.97	0.745	Satisfied
	Advertisement and consumer awareness (for unorganised sector)	1.58	0.487	Extremely Dissatisfied

The statistical analysis result from the table state that respondents were extremely satisfied with easily reachable location, car parking facility and Cleanness of the store of organised retail stores. While customers extremely satisfied from unorganised stores with reasonable price because prices of food items in unorganised stores changes with

prices of daily local market or mandi price. Customers are also satisfied form organised stores in variety product, reasonable price, product placement, offering discount and advertising and consumer awareness, while far distance from locality is weak factor for organised food retail stores, in same unorganised stores must have work on availability of variety of product, car parking facility, product placement, offers discount to customers, advertising & consumer awareness programmes about stores or offers.

V. FINDING AND CONCLUSION

In India both organised and unorganised food and grocery retailers will co-exist with their own competitive advantages. The unorganised retail store has a low cost structure, convenient location, relation with customer and customer intimacy while on the other hands organised food and grocery store long range of product with competitive prices, quality product and good purchase atmosphere. The prime objective of this study to find out the customer satisfaction towards organised food retail store, this study denotes that most of the customers prefer buy food items from air- conditioned organised retail store because of its reasonable cost and quality product but due to distance of organised retail shop many customer prefer local market.

Unorganised retailers are having a comparative advantage because of credit facility to customers, bargaining and home delivery as well as intimacy with customers while organised retailers having a greater advantage of one stop shopping, store image, competitive price, and variety of products.

From this study it was observed that due to change life style, increase awareness of quality products as well as disposable income most of the customers switching to organised retail store form unorganised retail store but at present time unorganised retail also captured a high market share in India, many customer thinks that they local kirana store is the one of the most important factor for their day to day life, they cannot visit organised retail store frequently so we can say that organised retailers have huge opportunities in Indian market but they must open more outlets so that customer visit frequently. At present time some organised retailers i.e. ondoor, Best price etc also provide home delivery and online order facilities which is comfortable for customers. If organised retail does not grow, the unorganised sector will not be able to handle the surging demand. Organised retailers provide quality products and lowest cost but due to middle class mentality that the bigger and brighter sales outlet is, the more expensive it will be. Organised food store provide hygiene variety and store ambience which attract more customers.

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