Changing Consumer Perceptions Towards Unorganized Retailing In Hyderabad City – An Empirical Analysis

[1]Kavitha Thakur, [2]Prof.M.Sarada Devi, [3]Prof.B. Muralikrishna

[1]Department of Commerce & Management Studies, Research scholar ,Andhra University,Vishakhapatnam,India

[2]Department of Commerce & Management Studies, Andhra University, Vishakhapatnam, India.

[3]Department of Commerce & Management Studies, Samatha College, Andhra University,,

Vishakhapatnam ,India.

Abstract: Retailing is one of the largest sectors in the global economy & is going through an evolutionary change in India. Retail is currently a flourishing sector of the Indian economy. The Indian Retail Industry is the largest among all the Industries accounting for over 10 percent of the country's GDP as well as provides around 8 percent employment. It has emerged as one of the largest industry contributing to employment generation, revenue generation, increased turn over and many more. Organized retailing is showing signs of enormous creativity. It. has emerged as one of the most dynamic and fast paced industries with several players entering the market. As a matter of fact retailing in India has gradually edge its way towards becoming the next boom industry. The basic objective of this study is to analyze the customer perception towards unorganized retailing & the factors which influence their purchases.

Keywords : Attributes, Customer Perceptions ,Organized sector, Retail Sector ,Unorganized retailing.

I.   INTRODUCTION

The term "retailing" is referred to as any activity that involves a sale to an individual customer. Retail industry is of late often being hailed as one of the upcoming sectors in the economy. Retailing in India is the second largest untapped & potential market after China. PROFESSIONAL & EFFECTIVE management and strong customer focus characterize organized retailing. India has one of the largest number of the retail outlets in the world. Out of the more than 12 million retail outlets present in the country, nearly 5 million sell food and other consumer related products. Though the market has been dominated by unorganized players, the entry of domestic & international organized players is set to change the scenario.

ORGANISED RETAIL IN INDIA

Indian Retail industry is the largest industry in India, with an employment generating more than around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, the changing life style and favorable demographic patterns. It is expected that by 2019 modern retail industry in India will be worth US$ 200-300 billion.

II.   REVIEW OF LITERATURE

Even though the Indian retail industry is dominated by unorganized retailing, the share of organized retailing should not be undermined. It is slowly but steadily growing year over year and emerges as a force to reckon with in the days to come.(Chalam, S. G. (2017).

The growth of organized retail will enhance the employment potential of the Indian economy. While providing direct employment in retail, it will drive the growth of a number of activities in the economy which in turn will open up employment opportunities to several people (Joseph, M. S. (Sep 2008).

Unorganized retail is one which is in existence since the ancient days, an unorganized retail which has good customer turnout to become a big retail outlet with many added features, and some have turnout to become branded outlet. Unorganized retail is much cited by the customers, which accounts for nearly 60% and only 40% pay visit to the organized retail outlet.(R. Sangeetha, R. S.(2017)

Rani (2013) the need of the hour is to reengineer the various operations of Kirana stores or else the big giants will not leave any space for them to grow. If the kirana stores improve their functioning & the area of operation be

specified by the government then there will be win-win situation for both the parties.

Tazyn Rahman (2012) study revolved around the opportunities & challenges faced by organized retail players in India.It was found that organized retailers see competition from the unorganized sector as their biggest challenge ,followed by competition between organized retailers & the inefficiency of distribution channels ,internal logistical problem & retail shrinkage.

Prof.Prem Vrat et al (2010) study attempted to present an in-depth study of retail sector. of India organized & unorganized & identifies parameters for defining competitiveness in the context of Indian Retail.

Moham Guruswamy et al (2005 ,2006 ,2007) emphasized the dangers of the FDI in India's retail sector. They identified that Indian retail requires more investment when its doors are open for organized retail through FDI, it will create an adverse impact on unorganized retailers ,Indian employment & as well as Indian manufactures.

III.   OBJECTIVES OF THE STUDY

1)To understand the customer perceptions towards unorganized retailing.

2)To understand the factors influencing the customers to purchase from unorganized retail stores.

Research Design:

The Research design is descriptive in nature because the study aims to find out the customer perception towards the unorganized retail stores.

Data Collection: The data collection sources are-

Primary data: The data is collected by the help of questionnaire. Secondary data: The data is collected with the help of internet, books, articles, & journals.

Research instrument**:** The questionnaire is used as one of the research instrument.

Selection of Sample: A sample of 30 respondents was randomly selected for analysis of the study. Simple percentages & rankings are used to analyze data among different attributes influencing the customer perception towards unorganized retailing.

Statement of the problem: To study the Changing customer's perceptions towards Unorganized Retailing Sector in Hyderabad City.

IV.   ANALYSIS OF DATA
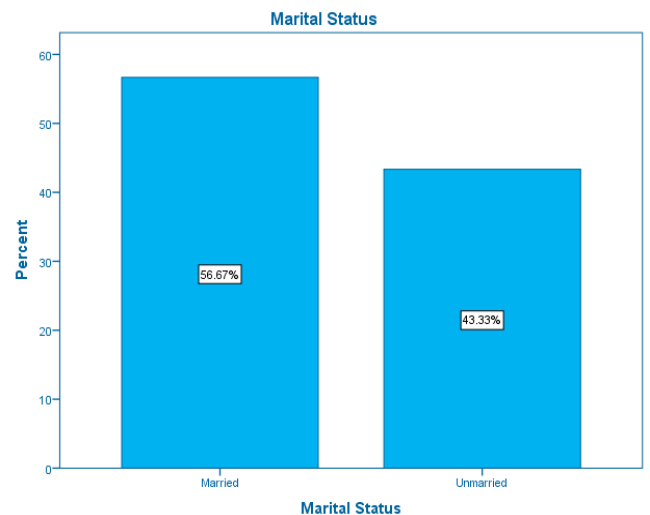
Table 1-Gender of Responses

Gender		Frequency	Percent
Valid	Female	16	53.3
	Male	14	46.7
	Total	30	100.0
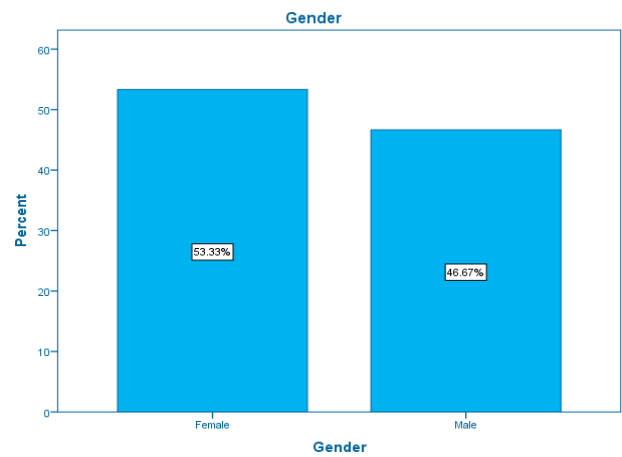
From the above figure it is observed that the sample respondents consist of 53.3% of females & 46.7% males.

Table-2   Marital Status:

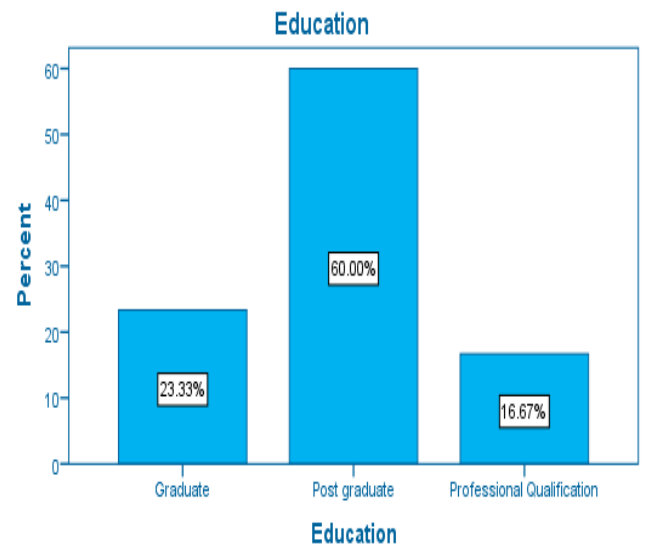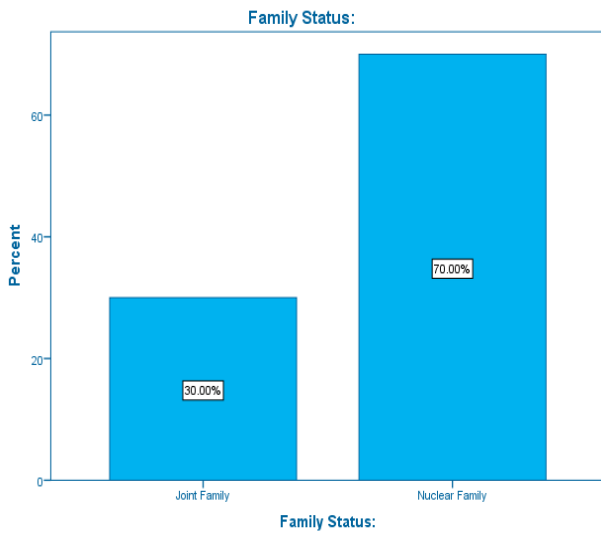|		Frequency	Percent
Valid	Married	17	56.7
	Unmarried	13	43.3
	Total	30	100.0

From the above figure the Marital Status of the sample respondents is 56.7% are married & 43.3% are unmarried.

Table 3 – Family Status

Family Status	Frequency	Percent
Joint Family	9	30.0
Nuclear Family	21	70.0
Total	30	100.0

The above table represents the Family Status of the sample respondents where 70% are Nuclear family & 30% are Joint family.

Family Status:

Education

Table—4   Age of respondents

Age		Frequency	Percent
Valid	18 – 25 Years	10	33.3
	26 – 32 Years	8	26.7
	33 – 45 Years	10	33.3
	46 – 60 Years	2	6.7
	Total	30	100.0

From the above table it is observed that the Education variable consists Post-graduates of 60% ,Graduates of 23.3% & 16.7% of Professionals.
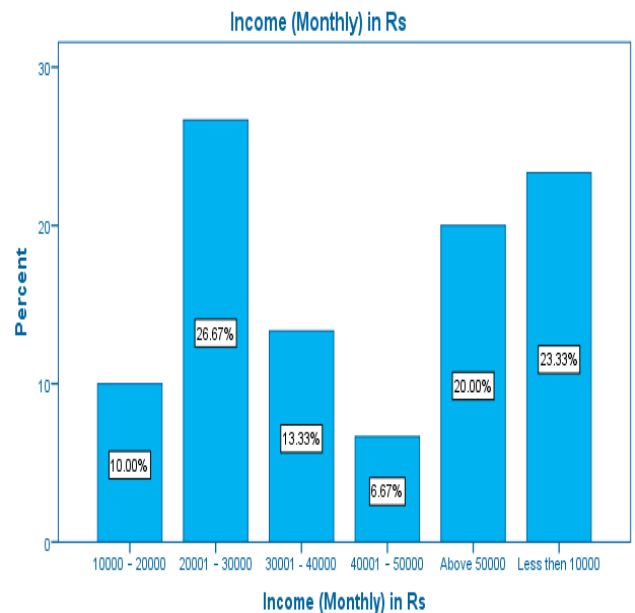
Table-6-Income group

Income group		Frequency	Percent
Valid	10000 – 20000	3	10.0
	20001 – 30000	8	26.7
	30001 - 40000	4	13.3
	40001 – 50000	2	6.7
	Above 50000	6	20.0
	Less then 10000	7	23.3
	Total	30	100.0
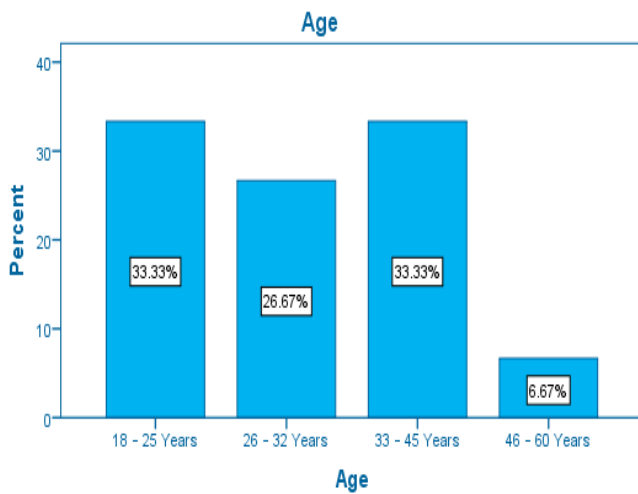
Age

Income (Monthly) in Rs

From the above figure it is observed that the sample respondents of age group of 18—25 & 33---45 years are 33.3% , 26.7% are the age group of 26---32 yrs & 6.7% from the age group of 46---60 years.
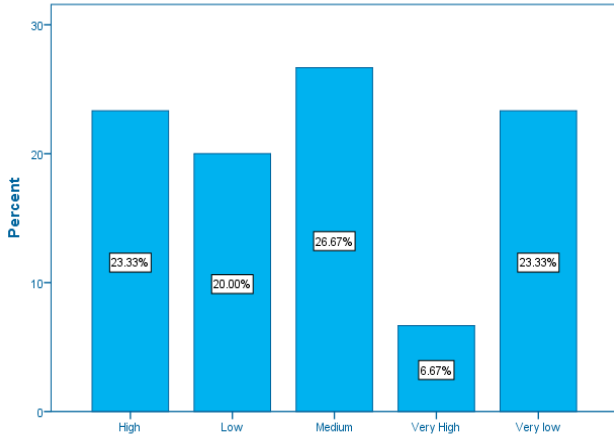
From the above figure it is observed that the income factor has 26.7% in the 20000 – 30000, 23.3% in less than 10000, 20% above the 50000, of sample respondents

Table—5-Education

		Frequency	Percent
Valid	Graduate	7	23.3
	Post graduate	18	60.0
	Professional Qualification	5	16.7
	Total	30	100.0

Table 7- Wide Range of Items

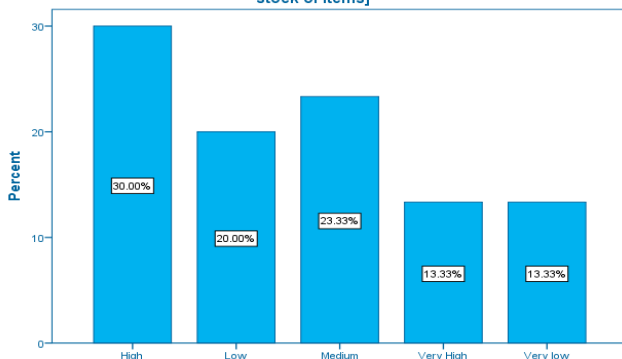| Wide		Frequency	Percent
Valid	High	7	23.3
	Low	6	20.0
	Medium	8	26.7
	Very High	2	6.7
	Very low	7	23.3
	Total	30	100.0

Attributes that influence your buying from an unorganised retail stores: [Wide range of items at one place]

From the above figure it can be observed that the attribute for wide range of items at one place is high with 23.3% ,26.6% is medium & 20% low with regard to sample respondents.

Table—8—Fresh stock of Items

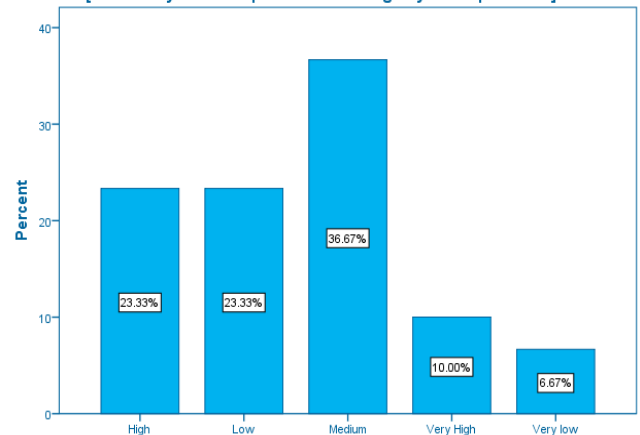| Fresh stock		Frequency	Percent
Valid	High	9	30.0
	Low	6	20.0
	Medium	7	23.3
	Very High	4	13.3
	Very low	4	13.3
	Total	30	100.0

Attributes that influence your buying from an unorganised retail stores: [Fresh stock of items]

From the above figure it is observed that 30% of the sample rated high with regard to fresh stock of Items , 23.3% medium & 13.3% very low.

Table—9—Availibilty of sizes

Availability of sizes		Frequency	Percent
Valid	High	7	23.3
	Low	7	23.3
	Medium	11	36.7
	Very High	3	10.0
	Very low	2	6.7
	Total	30	100.0

Attributes that influence your buying from an unorganised retail stores: [Availability of varied pack sizes suiting to your requirement]

It is observed from the above table that regarding the factor availability of sizes 36.7% are medium respondents ,23.3% are high ,6.7% are very low in the sample respondents.

Table—10-Credit facility

Credit facility		Frequency	Percent
Valid	High	11	36.7
	Low	6	20.0
	Medium	6	20.0
	Very High	2	6.7
	Very low	5	16.7
	Total	30	100.0

From the above figure it is been observed that the Customer Perception regarding Availability of Credit facility is high with 36.6% & Low with 20%.
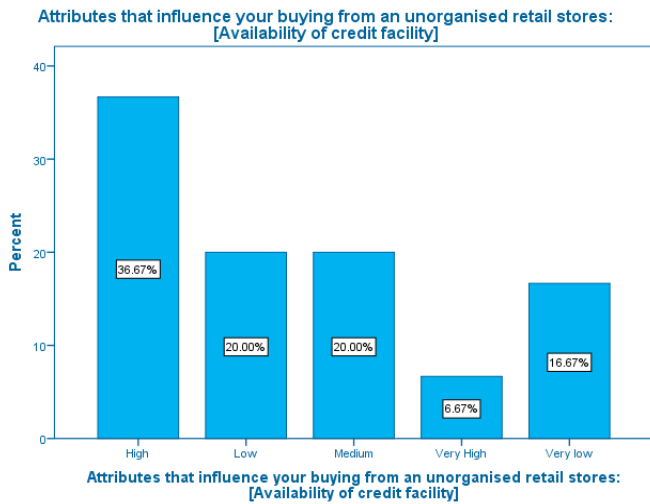
Attributes that influence your buying from an unorganised retail stores: [Availability of credit facility]

Attributes that influence your buying from an unorganised retail stores: [Personal Relations]

Table -- 11-- Facility of payment-modes

		Frequency	Percent
Valid	High	3	10.0
	Low	14	46.7
	Medium	5	16.7
	Very High	3	10.0
	Very low	5	16.7
	Total	30	100.0

Personal relations		Frequency	Percent
Valid	High	12	40.0
	Low	4	13.3
	Medium	8	26.7
	Very High	3	10.0
	Very low	3	10.0
	Total	30	100.0

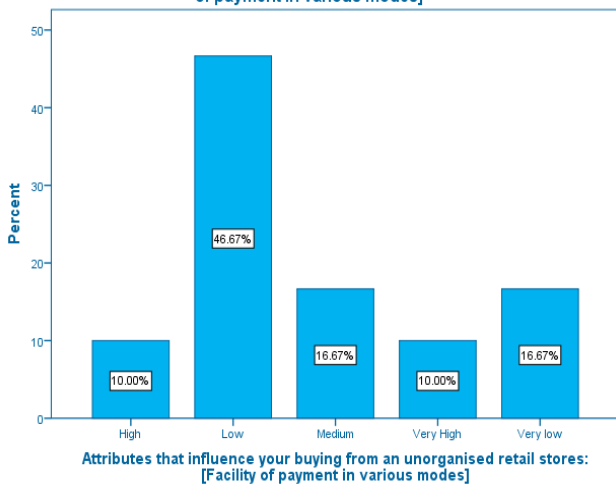Attributes that influence your buying from an unorganised retail stores: [Facility of payment in various modes]
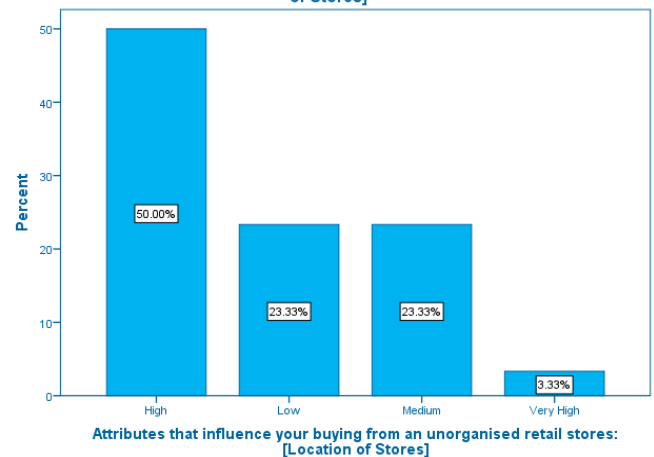
Table-13— Location of the Stores

		Frequency	Percent
Valid	High	15	50.0
	Low	7	23.3
	Medium	7	23.3
	Very High	1	3.3
	Total	30	100.0

From the above Table is seen that the customer perception regarding Facility of payment in various modes in unorganized retail stores is low with 46.7% & high with 10% only.

Table—12—Personal relations

From the figure it can be seen that the customer perception regarding personal relations is 40% high & low with 13.3% .


Attributes that influence your buying from an unorganised retail stores: [Location of Stores]

From the above Table it is observed that the Customer perception regarding the location of the   store is high with 50% & low with 23.3% with the sample respondents.

Table—14— Promotional schemes

		Frequency	Percent
Valid	High	6	20.0
	Low	8	26.7
	Medium	9	30.0
	Very High	1	3.3
	Very low	6	20.0
	Total	30	100.0

Attributes that influence your buying from an unorganised retail stores: [Promotional Schemes and offers. (free gifts, discounts, extra quantity)]
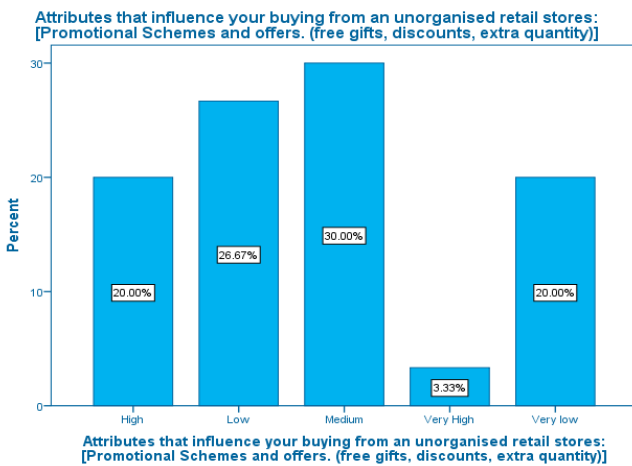
From the above Table it is observed that the Customer Perception with regard to Promotional Schemes & Offers is high with 20%, Low with 26.7% & Medium with 30% of the sample respondents.

Table—15-Home Delivery Facility

		Frequency	Percent
Valid	High	3	10.0
	Low	8	26.7
	Medium	6	20.0
	Very High	9	30.0
	Very low	4	13.3
	Total	30	100.0

Attributes that influence your buying from an unorganised retail stores: [Home delivery facility]
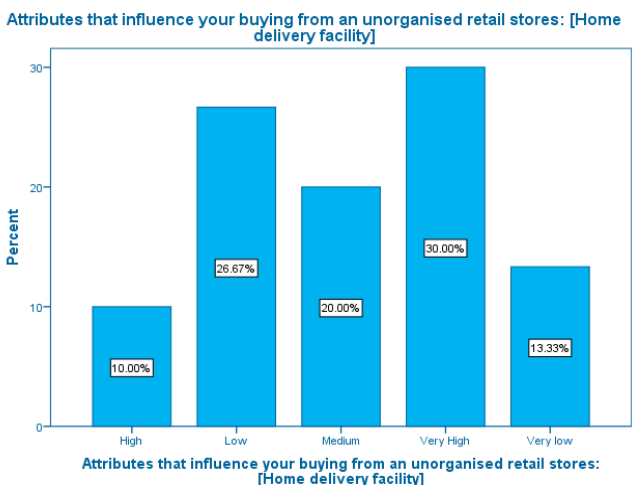
From the above table it is observed that the Customer Perception regarding the Home delivery facility is Very

high with 30%,medium with 20% & low with 26.7% of sample respondents.

Table—16—Ranking of attributes

Attributes	Total	Ranks
Wide range of products	54	6
Fresh items	63	5
Availability of sizes	75	4
Location of store	174	1
Home delivery	147	2
Credit facility	117	3
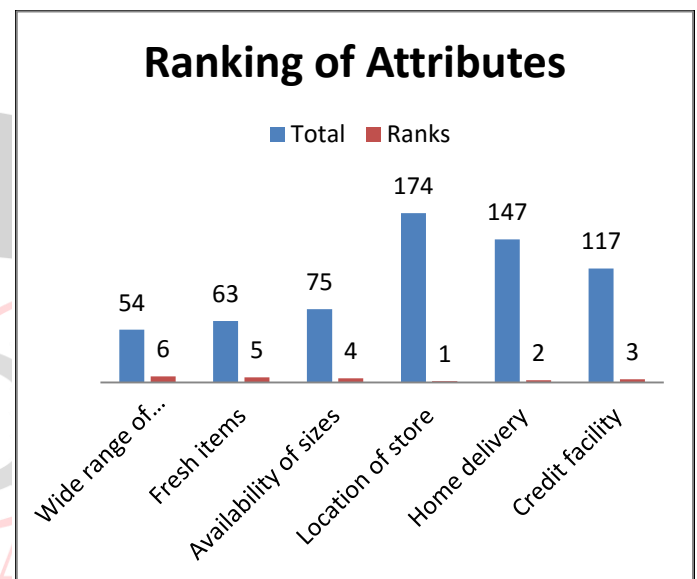
It is observed from the sample that the highest ranking is given to the factor location of the store & second ranking to the factor home delivery followed by credit facility in Unorganized stores.

V. FINDINGS

➢ The major number of the sample respondents is females constituting of 53.33% & males consisting of 46.67%.

➢ The Marital Status of the sample respondents is 56.7% are married & 43.3% are unmarried.

➢ The Family Status of the sample respondents shows 70% are Nuclear family & 30% are Joint family.

➢ The sample respondents of age group of 18—25 & 33---45 years are 33.3% , 26.7% are the age group of26---32 yrs & 6.7% from the age group of 46---60 years.

➢ The Education variable consists Post-graduates of 60% , Graduates of 23.3% & 16.7% of Professionals.

➢ The income factor has 26.7% in the Rs. 20000 – 30000, 23.3% in less than Rs. 10000, 20% above the Rs. 50000, of sample respondents.

➢ The attribute for wide range of items at one place is high with 23.3% ,26.6% is medium & 20% low with regard to sample respondents.

➢ It is observed that 30% of the sample rated high with regard to fresh stock of items , 23.3% medium 13.3% very low.

➢ Regarding the factor availability of sizes 36.7% are medium respondents, 23.3% are high ,6.7% are very low in the sample respondents.

➢ It is been observed that the Customer Perception regarding Availability of Credit facility is high with 36.6% & Low with 20%.

➢ The customer perception regarding Facility of payment in various modes in unorganised retail stores is low with 46.7% & high with 10% only.

➢ It is seen that the customer perception regarding personal relations is 40% high & low with 13.3%.

➢ It is observed that the Customer   perception regarding the location of the store is high with 50% & low with 23.3% with the sample respondents.

➢ It is observed that random selection of attributes when taken ranks –wise shows highest ranking for the attribute location of the store followed by home delivery & Credit facility available in the Unorganized stores when compared to the Organized store.

VI.   RECOMMENDATIONS

➢ The study of customer perception towards unorganized retailing is very significant to understand the customer requirements & tastes & preferences.

➢ The unorganized retailers need to provide more wide range of products.

➢ Different promotional efforts to be made on specific occasions so as to attract the consumers & have a long relationship.

➢ The unorganized retail stores need to provide more facilities of payment through various modes.

➢ The unorganized retailers to cover all categories of people belonging to age, gender, and income group etc.

➢ The unorganized retailers can strive more upon building Personal relations & the attribute of availability of sizes.

➢ The Unorganized retailers should provide more modes of payment to the customers to increase their base.

VII.   CONCLUSIONS

The Unorganized retail sector constitutes a major chunk of the Retail Segment in comparison to the Organized sector, as such the unorganized retail segment needs to take several steps as well as improve their methods of catering to the needs ,tastes & preferences of the customers as well as meet the competition from the Organized sector, Online retailers as well as the foreign retailers thereby meeting the Customer perceptions & total customer satisfaction.

These findings may not have universal application in view of the limitation of the study in scope & sample characteristics therefore further research is inevitable. Though some of the findings are familiar with the findings of the earlier research it may be suggested that with the increased competition the retailers need to find a realistic approach to survive in the emerging economy. Therefore the retailers should comprehend the changing Consumer perceptions & behaviors & understand how the retail stores should evolve in the rapidly fast growing Indian economy.

REFERENCES

[1] Chalam, S. G. (2017). Effect of Organized Retailing on Traditional Retail (Kirana)Stores: Strategies for Survival,. IOSR Journal of Business and Management (IOSR-JBM) .

[2] Joseph, M. S. (Sep 2008). Impact of Organized Retailing on the Unorganized Sector. New Delhi. Indian Council for Research on International Economic Relations .

[3] R. SANGEETHA, R. S. (Vol: I. Issue LVIII, December 2017,). MEASURING RETA SERVICE QUALITY – A STUDY OF UNORGANISED RETAIL BUSINESS IN DINDIGUL DISTRICT. Asia Pacific Journal of Research, , pg 214.

[4] Shalbha, C. (2011, Volume: 2). Empirical study of Indian unorganised retail sector and the reality of FDI in organised retail,. International Journal of Business Economics and Management Research Year, .