A STUDY OF CONSUMER BEHAVIOUR ON UNORGANISED AND ORGANISED RETAILING IN GUJARAT

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ABSTRACT

India is witnessing broad spectrum of developments in retail sector in recent past. This spectrum is having deep colour of changes in modern style of retailing compared to traditional way of buying. Though India has made late entry in organized retailing, but it is also progressing at a steady speed and still forecasted good growth of this sector. This sector is observing boom because of reasons like working women population, Double income in families, increase in disposable income, easy availability of credits, Brand loyalty etc. Retail offering helps in feeding the changes in the lifestyle, taste and preferences, and changes in consumer behavior. The present study focuses on identifying the factors that affect the customer buying behavior and to determine the importance of each factor that helps the customers in selecting the retail stores. The conducted study is descriptive in nature and the data was collected with the help of structured questionnaire which was sent through online mode of communication.

Key words: Organized retail, Unorganized retailing, consumer behavior

INTRODUCTION

As person, we come across numerous products and services buying experience. And each time several factors would influence our buying behavior. Buying is not just experienced of having product in our hand but it involves multiorgan exercise where numerous organs would react to product or service-like eye, ear, nose, touch and feel. Sometimes it is Just an experience we are buying.

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It is observed since ages that Indian retail market is predominantly unorganized. Senexes, FICCI, and various other bodies identifies them as marginalized unorganized and unclassified sector. 50% GDP comes from this unorganized sector. Almost 90% workforces employed by unorganized sector. This sector is performing exponentially better than an organized sector. On return-on-investment aspect it is observed that unorganized sector is having advantage over organized sector. Unorganized sector is giving considerably higher returns on investment then they are expected to perform with the amount of capital investments. Per square feet return on land invested or capital invested is far more lesser in organized sector compared to this unorganized sector. Street side vendors or people who are selling the goods on a road are having more return on investments compared to those who are selling goods through a big mall or on shopping stores or even local Kirana stores.

Further analyzing situation of unorganized sector, it is observed that it is giving more equitable distribution of incomes. They are distributing the income among a greater number of partners who help them in creating value of their investment and even workforce is also reworded fairly. The percent of profit kept by promoters is less in unorganized sector compared to others. And majority income is distributed across various classes like ancillary services. Whereas in organized sector this is kept by owners.

Unorganized sector is having another advantage on the aspect the degree of empowerment in decision making. Unorganized sector can take huge advantage of speedier decision making. As this unorganized sector is generally performing with small business so managerial problems are also less complex and decision making is also prompt. The vendors from unorganized sectors would not go for top management approvals and meeting-agendas but take immediate actions. This sector would have better controls over sales turnover.

Another important area where the unorganized sector is having edge over organized sector is the diversity of businesses. The success of unorganized sector depends on sound supply chain management. This sector is generally working on multiple businesses with completely streamlined supply chain. The street venders or seasonal stores would change the business according to time durations. Like in the morning a person is selling juices and soups and in the evening times he may be doing some other business. Or a person selling Diwali decorations immediately switches to next business of kite selling. And advantage they have is having strong backup supply chain which is

constantly working to assist this unorganized sector. The new goods would be launched on streets together and removed also at a stretch and new   They are getting this sectors success depends on the supply chain management they are happy this sector is observing excellent goods will be launched. Not only that the goods which are out of fashion or has no demand anymore would be withdrawn from the market and they may reuse the old stock or reserve for next season to come. Not only this but they have approximate estimations of demands for each type of goods which may be demanded in what quantity. For maintaining constant adequate supply of demanded goods they have excellent network so whenever there is a demand for the product, he will supply the goods in time and as soon as the demand gets over, they will withdraw the materials from the market and store it for the next demand to come. Many times, products manufactured are of seasonal one then they will be offsetting the products and they will create something new out of the stock leftover. Again, this feature of unorganized sector proves that they have an excellent supply chain management and powerful inventory management. As soon as the demand for a particular product gets over the remaining stock is stored in a proper manner, in such a way so that in a next season the same things can be reused for meeting the demands of customers. If the goods are fashion goods, then this is more complicated for them. In such cases they would go for around approximate demands for such goods, so they do not have over stocking. Apart from these two managements they have excellent time management also in which they have clear idea of when to launch new product and when to have more advertising of the goods and at what time they must start giving discounts, so the stocks get over in time. After festival, the demand for those particular goods relating to that festival would over and not demand anymore, so they start giving discounts on such products.

The type of business model is used where the street venders are flipping the business for about 15-16 times in a year. Organized sector will do this change management it would take around 7 to 8 years that would be done by unorganized sector in minimum times like 7 to 8 hours sometimes. Such change management would be managed by this unorganized sector without any use of technology and support of computers or digital equipment's. Such successful transitions or change is a complex task for organized sector or expert management firms also. Unorganized sector is managing to perform all these duties without fail in any commitments. They are meeting all requirements of customers with complete perfection of time and quantity, or quality demanded. This is also a difficult challenge for organized sector.

Another aspect where unorganized sector is having edge is employment generation. Unorganized sector is providing employment to unskilled labor also. With a little training people could sell the things, so it does not require a huge training institutional arrangement. Apart from this they have practical trainings like communication, supply chain management, etc.

Unorganized sector is highly volatile as it works against all odds, and still they are outperforming without making any news headlines. Their flexibility of decision making helps them to change marketing strategies so fast. Every time new business would come with complete new set of strategies, customer base, product knowledge, sales talk etc. This sector even though performs better. If organized sector must change the business model or some one thing of project, it may take many times years' time, but this unorganized sector executes this transition very fast. Moreover, they have strong sense of knowing customer mind that they would invest in that inventory which are going to be sold. This sense of understanding is a competitive advantage of unorganized sector over another sector.

Another competitive advantage of unorganized sector is CSR activity. Organized sector does high profile CSR activities which may term as 2-5% of their sales revenue against this this unorganized sector does this activity without informing anybody, sometimes up to 15-20% of their sale revenue. They undertake training activities to new staff, give free goods to needy people, give employment to physically challenged people etc. Such small efforts undertaken by this small business proves to be more beneficial to the society in real terms then a theme park for customers.

Unorganized sector is such a huge in size and it is so scattered that majority times the figures are not available for the development of this sector. But counter to that organized sector is also flourishing. The organized sector is also having advantages of India's low-cost labor and raw material and finished products.

Another factor of increasing income levels and growing sense of branded products in Indian Middle class and higher income groups have led to increased popularity of organized sector. On the social cultural aspect when we evaluate the situation, it is observed that growing number of small and micro families, general level of educational enhancement, woman empowerment and independence etc. factors play vital role in buying behavior and plays proactive role in shopping for the families. The changed pattern of buying from one place has increased purchase from malls, where all necessary supplies are available there. Earning members of family would go for convenience

shopping options where they could buy everything from one place. The focus of customers has changed to big basket, bulk buying coupled with speed in retailing experience. Due to constraint on time aspect families are asking for combine experience buying from mall and a movie in multiplex at a time. This has multifold the footfall ratio at both the places. As this young India is moving towards upgraded retailing experience more and more mall culture is spreading in even small towns of India.

Modern retailing, despite its cost-effectiveness, has come to be identified with lifestyles particularly the affluent one, thereby excluding an important and larger segment of consumers. In fact, to appeal to all classes of society, organized retail stores would have to identify with different lifestyles and socioeconomic strata and respond to their respective requirements and shopping patterns. To some extent, this trend is already visible with the emergence of stores with an essentially 'value for money' image. Consumer expectations are very high from the organized retail stores and such expectations have also rubbed off on the conventional retailers. While insisting on value for money and cost effectiveness, today consumers want a better shopping experience, recreation, friendly interactions and a wide choice of products and services. Retail stores must live up to these expectations in order to flourish, prosper and grow in the Indian market. The retailer to satisfy customer needs must have a thorough understanding of how customers make store choice and purchase decisions. Customer's behavior provides some valuable insights into the process and therefore is useful for retail management decision making. It is important to realize that the purchase of product involves motivational, social, psychological, and economic factors. There are also important stages involved in the purchase process and the type of purchase and the users of the purchase that will affect the buying behavior.

LITERATURE REVIEW

DR Ravi and Prof JAYASHEELA.G (2017) has studied the entire market scenario regarding retail buying from both - Unorganized And organized retail buying outlets. They have broadly studied the entire scenario of world.

MS PRIYA VIJ (2013) had studied the overall market analysis and she made study with specific reference to the city of Indore. She studied regarding how the customers responded towards organized sector of that particular area.

Joseph Mathew (2013) had done a comprehensive study which was considering the organized sector and an organized sector, recent positions and his study was more focusing on unorganized sectors, success in competing with the organized sector. Rather, he's opinion states that both disorganized and an organized sector can work in cohesiveness with each other. As the Indian market is extremely large, which can make sustainable growth of both these developing sectors simultaneously.

Amarpal Chadha (2008) , who was senior tax consultant with Ernst and Young had focused on national level status of these sectors on Indian economy. He opined that India is a glorious destination for retail sector developments.

IMPORTANCE OF STUDY

The study undertaken was with intention to contribution in thinking of co-existence of organized and unorganized retailing sector. India, as vast and diverse market, it consist various types of customers with diverse and different perceptions regarding store, image or habit of buying or justifying the needs for various products. The study will examine the choice of format when customer decides to buy the product. And what are the factors that influences their buying decisions?

OBJECTIVES OF STUDIES

The stud which should be undertaken should progress for predefined objectives. The objectives will confine the research potentials. The study which we undertake should cater to the objective like:

1. To study current market trends regarding both unorganized and organized sector
2. To understand the growth and development of organized and an organized retail industry
3. To analyze the factors which influence consumers to prefer unorganized retailing over organized retail outlets and vice-versa.
4. To study the impact of demographic factor on organized and unorganized retail buying
5. To identify the problems of retail outlets and to suggest the suitable remedies to overcome the existing problem.

STATEMENT OF THE PROBLEM

Retailing is having deep influence of locational. Justifications. Indian customers are very much particular about buying decisions. This decisions are influenced by several psychological factors like store image, Near Ness to Customer, Relationships with the retailer, Etc. These wide varieties of behavior. Which buyers present? Would make it necessary for a marketer to study the market patterns of customers regarding this particular areas.

RESEARCH METHODOLOGY

For confirming any theories, we must validate theories, we have to check practical application of the same in the world. For confirming these the concepts, the research is undertaken for the said concept. To validate the facts a sample survey for primary data is undertaken where random sample of 101 respondents was conducted and analyzed.

RESEARCH DESIGN

Research design is the pathway which helps us to progress for the research. Research which was undertaken was of exploratory nature. The study of the buying behavior of customer regarding Retail sector, a primary research was undertaken. The research undertaken was done by using closed ended questionnaire having 11 questions. Research was undertaken using internet - data collection was done by sending the questionnaires by a google form on respondents email address or a link was sent. They filled the questionnaire and sent back through internet. The data collected is from various cities of Gujarat. No of respondents across the Gujrat are 101. The question selected in questionnaire are multiple choice or selection of applicable answers. The data analysis would be done using methods like percentage, graphical presentations like bar charts or pai charts, cross tabulation, or chi-square technique.

HYPOTHESIS SETTING

For research, the setting of hypothesis is the pathway which decides progress of research.

Ho: There is no significant impact of demographic factor… gender on buying behavior of customer

H1: There is significant impact of demographic factor… gender on buying behavior of customer

DATA REPRESENTATION, ANALYSIS AND FINDINGS

Research undertaken had 101 responses across Gujarat. Out of that majority questions were being replied by all the participants. To meet the specified research objectives, both qualitative and quantitative data analysis were used for the study purpose. Both descriptive and inferential statistics methods of data analysis were employed. Descriptive statistics like frequency distributions, graphs, charts, and cross-tabulations was used to elicit meaningful information. The data entry and analysis were performed by using Microsoft Excel and Statistical Package for Social Science (PSPP)

First question was regarding the name of the respondents and second question was about age of the respondents. The age group of majority respondents i. e 74 respondents were of 18-40 years. This group is actual buyer of the products, so it seems that it fairly represents universal data.

The gender of respondent in that total 101 persons responded out of that 53 were female and 48 were male responded affirmatively which primarily confirms that people responded were distributed fairly. For research it is essential that respondents are fairly representing universe.

The respondents had replied in next question regarding from where they are buying general goods except grocery. The separate question was asked with specific reference to grocery as people may not be interested in buying grocery from footpath and they may have specification regarding grocery buying. Responses received in this question were tabulated as follows:

	1	2	3	4	5	Total
	From malls	From stores	Online	Not sure	From Footpath	
Frequency	25	50	12	13	1	101

This question was asked with a objective of confirming the fact that whether gender is having any impact on buying things from which all places in terms of all the other things except grocery.

Ho : There is no impact of gender on buying places

H1 : There is no impact of gender on buying places

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CROSSTABS
    /TABLES= GENDER    BY    BUYEXG
    /FORMAT=AVALUE TABLES PIVOT
    /STATISTICS=CHISQ
    /CELLS=COUNT ROW COLUMN TOTAL.
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Summary.

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
GENDER * BUYEXG	101	99.0%	1	1.0%	102	100.0%

GENDER * BUYEXG [count, row %, column %, total %].

GENDER	BUYEXG					Total
	1	2	3	4	5	
0	11.00	21.00	8.00	8.00	.00	48.00
	22.92%	43.75%	16.67%	16.67%	.00%	100.00%
	44.00%	42.00%	66.67%	61.54%	.00%	47.52%
	10.89%	20.79%	7.92%	7.92%	.00%	47.52%
1	14.00	29.00	4.00	5.00	1.00	53.00
	26.42%	54.72%	7.55%	9.43%	1.89%	100.00%
	56.00%	58.00%	33.33%	38.46%	100.00%	52.48%
	13.86%	28.71%	3.96%	4.95%	.99%	52.48%
Total	25.00	50.00	12.00	13.00	1.00	101.00
	24.75%	49.50%	11.88%	12.87%	.99%	100.00%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	24.75%	49.50%	11.88%	12.87%	.99%	100.00%

Chi-square tests.

Statistic	Value	df	Asymp. Sig. (2-tailed)
Pearson Chi-Square	4.43	4	.351
Likelihood Ratio	4.84	4	.304
Linear-by-Linear Association	1.21	1	.271
N of Valid Cases	101		

The result of chi square test at 4 degree of freedom is above 0.05 so we fail to reject our Null hypothesis that means there is no impact of gender on buying decision. Further when we observe table we find that 29 female respondents were buying from the stores nearby. Even 21 male respondents also in favor of the same. Only 25 respondents were buying from malls.

For next question regarding Grocery buying respondents replied in following frequency table. Again this table also validates the same particulars which we derived that majority respondents that is 52 respondents were interested in buying grocery also from local Kirana stores instead of going to malls or super markets. But if we observe in detail now 47 respondents were trusting organized sector – retail buying using malls and super markets or such similar places.

	1	2	3	4	5	6	7	Total
	Local Kirana Shops	Supermarkets	Departmental store	ONLINE	Hyper markets	Convenience stores	Street stalls	
Frequency	52	20	6	7	6	8	2	101

On question of how regularly they visit market the responses were in favor of weekly and monthly.38 respondents were visiting on weekly bases whereas 45 visits on monthly bases. These would mean that majority respondents prefer to buy things on bulk quantity for months quota. And next category of respondents i.e. 38 were going to buy things on weekly bases.

	1	2	3	4	
	Daily	weekly	Fortnightly	Monthly	total
Frequency	7	38	11	45	101

Next question was regarding for what purpose they visit market in this response. In response to this, 73 were affirmatively confirmed that they go for shopping and other 13 respondents confirmed that they go to market for just window shopping.

Another question was regarding pricing offered in malls. To this question 77 responded affirmatively that they are quiet happy with pricing offered by malls. When this was further analyzed with reference to gender to find the satisfaction level among group using cross tabulation the following table was derived:

Summary.

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
GENDER * SATISFACTION	101	99.0%	1	1.0%	102	100.0%

GENDER * SATISFACTION [count, row %, column %, total %].

	SATISFACTION		
GENDER	1	2	Total
0	12.00	36.00	48.00
	25.00%	75.00%	100.00%
	50.00%	46.75%	47.52%
	11.88%	35.64%	47.52%
1	12.00	41.00	53.00
	22.64%	77.36%	100.00%
	50.00%	53.25%	52.48%
	11.88%	40.59%	52.48%
Total	24.00	77.00	101.00
	23.76%	76.24%	100.00%
	100.00%	100.00%	100.00%
	23.76%	76.24%	100.00%

Chi-square tests.

Statistic	Value	df	Asymp. Sig. (2-tailed)	Exact Sig. (2-tailed)	Exact Sig. (1-tailed)
Pearson Chi-Square	.08	1	.781		
Likelihood Ratio	.08	1	.781		
Fisher's Exact Test				.818	.482
Continuity Correction	.00	1	.965		
Linear-by-Linear Association	.08	1	.782		
N of Valid Cases	101				

When this cross tabulation is studied we could further study for following Hypothesis:

Ho: There is no impact of gender on satisfaction level of customers

H1: There is impact of gender on satisfaction level of customers

From above cross tabulation and result of Chi-Square test at 1st degree of freedom is above 0.05 so we fail to reject our Null hypothesis that means there is no impact of gender on satisfaction level of customers.

Next question was regarding what factor they consider important while going for buying the product. The graphical presentation of Reponses itself explains that 40 respondents were of the opinion of freedom in selection of products. And 23 respondents were concern about the quality offered by malls. Other factors are represented by following chart.

WHAT FACTOR AFFECTS MOST IN SELECTION OF OUTLET, WHEN YOU GO TO PURCHASE SOMETHING?
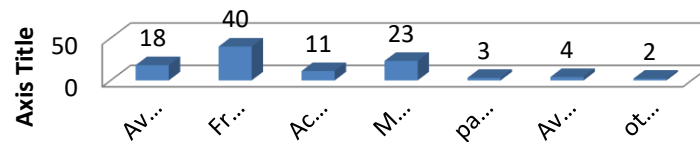
On response to the question of location convenience the responded in the following way:

	Frequency
Convenient location	33
Store's image	18
Good infrastructure	9
Clean and tidy surroundings	29
Sufficient Parking facility	2
Store layout	4
Ambience	6
	101

From above table we could derive that generally customers prefer to by from nearby store location. And about 29 respondents believed when they go for buying things the environment should be clean and tidy so they would be tempted to buy from that place. About 18% customers were of the opinion that store image also is having some importance in decision making of buying.

In response to question regarding product preference they would buy from organized retail sector the 59 respondents were of the opinion of buying grocery and necessity products from the malls. But it is still an observant fact that about 16 respondents were only interested in buying branded items and 12 respondents were trusting malls for comfort or luxury items.

	Freuqncy
Lifestyle (Comfort, Luxury)	12
Basic (Food, Grocer and General Provisions)	59
Branded	16
Only products with discount offer	12
other	2
	101

The respondents had rated various factors which are important for buying decision. Amongst this list, 99 respondents replied in complete affirmation regarding quality. 87 respondents were looking for cash discount. Economy preferring customers, 88 were concerned about pricing less than MRP. 53 respondents were influenced by acceptance of credit card.

	yes	no
Accepts Credit Card	53	48
Free Home Delivery	74	27
Cash Discount	87	14
Free Gifts	55	46
Best Quality	99	2
Price Less than MRP	88	13
Delivery within short time	86	15

RESEARCH GAP

The study undertaken here was for a limited scope of time, so many areas were untouched in this research work which can clear the situation in more detailed manner like family income, usage of brands they prefer, frequency of buying products, types of products and preferred brands etc. There is an ample scope to undertake the study with broad/ specific objectives and more no of respondents.

LIMITATIONS OF THE STUDY

The study undertaken for this research was for writing a research paper which carries limitations and this research was also not free from that limitations. So, if these limitations can be removed then better results can be explored from the same study.

Time:

The most factor which constrained was time. After preparing questionnaire and floated on internet for responses was very short. If the time would have been permitted more the reminders for responses would have been done, then no of responses would have been increased. Apart from that a pilot study would have been conducted to overcome limitation of non-coverage of some more questions which could more validated the facts.

Reach:

The limitation was Reach. We incurred no expenditure for collecting the data except internet. But the serious limitation of usage of few no of respondents was also a limitation of this study. Those who are using internet would be literate and may be knowing about all this but the study do not cover various other untapped respondents.

Attitude:

Another limitation is non affirmative approach towards research. In India people do not appreciate the efforts conducted by the researcher for a research work. And they become less responsive towards questionnaires or ignore the questionnaire. Ultimate outcome of researcher's efforts is also less effective.

CONCLUSION

Retailing is always a difficult decision for both customer and marketers. Various factors and situations have ruled over the human mind for so many reasons. In fact, those responding that they do not use any mode of buying they would have used some or the other way of purchase and they may be doing this unknowingly.

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