

An empirical study of changing consumer perceptions and preferences towards organized and unorganized retailing at Jalandhar (Punjab)

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Abstract— Retailing in India is one of the pillars of strength of its economy and accounts for approximately 10 percent of its Gross Domestic Product. The Indian retail market is roughly estimated to be US\$ 600 billion and one of the top five emerging retail markets in the world by its economic value. India is rated as one of the fastest growing retail markets in the world, with 1.2 billion people to offer its product . As of 2003, India's retail industry was essentially owner manned small shops only. In 2010, large size convenience stores and supermarkets accounted for about 4-5% of the industry, and these were present specifically in large urban centers. India's retail and logistics based industry employs approx 40 million Indians (i.e.3.3% of Indian population). Until 2011, Indian government had denied the foreign direct investment (FDI) in multi-brand retail sector, forbidding the major foreign groups from any ownership in supermarkets, convenience stores and any other retail outlets. The market reforms paved the way for retail innovation and the emergence of competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors like IKEA, Nike, and Apple entered the Indian Market. In January 2012, India approved reforms for the single-brand stores encouraging anyone in the world to innovate in Indian retail market with 100 percent ownership, but also imposed the requirement that the single brand retailer should source 30 percent of its goods from India. Indian government continues the holding of the retail reforms for multi-brand stores. Government of India have now allowed 51% FDI in multi-brand retail. The Chi Square test was connected to 100 usable reactions. (Abstract)

Introduction Retail comes from the French word *retailer*, which refers to "cutting off my hands, clip and divide" in terms of tailoring (1365). It first was recorded as a noun with the meaning of a "sale in small quantities" in 1433 (French). Its literal meaning for *retail* was to "cut off, shred, off my toes paring". Like the French, the word retail in both Dutch and German (*detailhandel* and *Einzelhandel* respectively), also refers to the sale of small quantities of items.

Retail consists of the sale of goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mail, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. The term "retailer" is also applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power. A marketplace is a location where goods and services are exchanged. The traditional market square is a city square where traders set up stalls and buyers browse the merchandise. This kind of market is very old, and countless such markets are still in operation around the whole world. In some parts of the world, the retail business is still dominated by small family-run stores, but this market is increasingly being taken over by large retail chains.

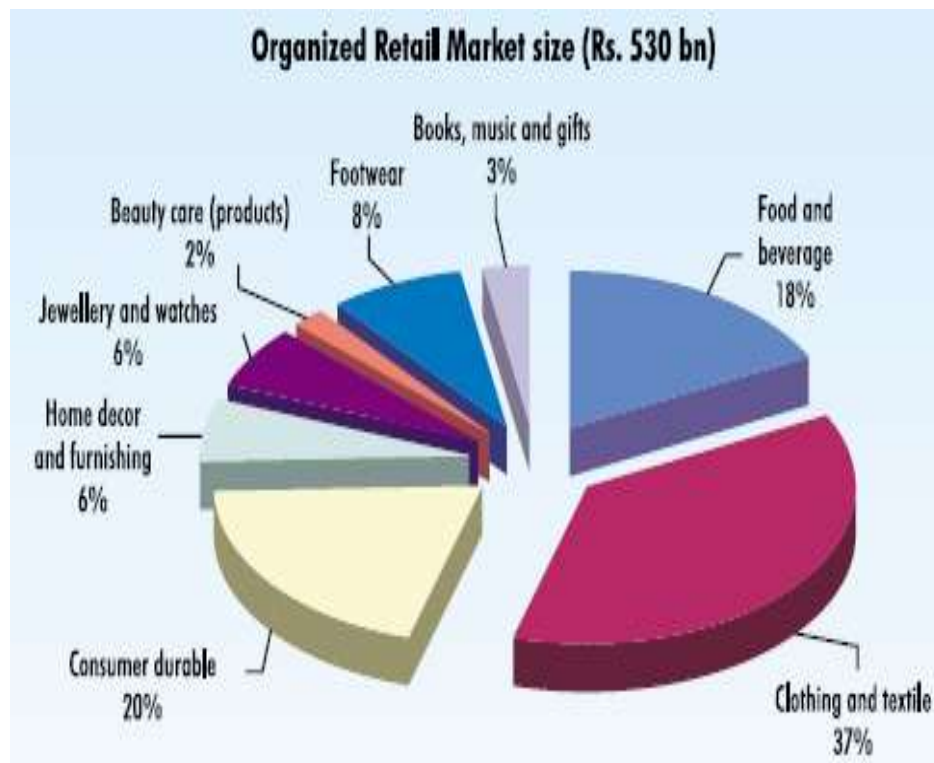
Retail is usually classified by type of products as follows:

- Food products
- Hard goods ("hardline retailers") - appliances, electronics, furniture, sporting goods, etc.
- Soft goods - clothing, apparel, and other fabrics

Reasons for Changing Consumer Perceptions and Preferences towards Retailing

Change in Consumer Behaviour patterns and increase in his disposable income.

- Indian rural market offers a sea of an opportunity for the retail sector.
- The emergence of International Players will lead to better products and variety for all.
- The prospects for Fashion industry will also be there as large number of customers will be there to purchase fashion products and accessories.
- The retail sector will see higher returns and productivity and will lead to prosperity.
- The consumers will get the products at a very affordable prices at their doorstep.
- It will lead to bring Efficiency and Effectiveness in the operations of shopping malls.
- It will lead to manifold increase in the tax collections for the Government of India.
- It will lead to more employment in formal sector and will increase GDP of a country.
- It will help in creating sense of healthy competition between organized and unorganized sector in India.



Literature Review

Puri Anuj (2017) expressed about the current pipeline of mall supply for 2017 looks strong with approximately 11 msf of mall supply expected to become operational across the eight cities, stable economic conditions and growth along with changes in disposable incomes have led to larger per head spending in the last few years, this led to retailers targeting these cities for their presence, thus spiraling demand for retail space.

Akhtar Shahid and Eqbal Iftekhar (2012) through light on how retail trade has emerged as one of the largest Industry contributing to employment generation, revenue generation, increased turnover and many more organized retailing is showing signs of enormous creativity.

Kaushik .K.R. and Bansal Kapil (2012) stressed upon retail is one of the largest sectors of Indian Economy the unorganized retail sector in India occupies 97% of the retail Business and Rest 3% is contributed by the Organised sector.

Babu Harish. S (2012) mentioned about the retail Industry in India is expected to grow at a rate of 14% by 2013. According to him consumers are always hungry for modern ways of shopping, Indian retail sector is growing fast and its employment potential is growing fast.

Sharma Sanjeev (2011), mentioned about the FDI in multi-brand retail proposal of government of India of large format retail stores like Walmart with FDI to the extent of 51 % will be allowed to set up shops in big cities. The minimum FDI to be brought in into a project will be \$ 100 million.

Chopra Komal (2011) explained that the retail industry in India can be traced back to the existence of mom and pop stores. These were the neighborhood convenience stores catering to the daily needs of the consumers. The emergence of organized retail chains was seen in the 1980's when textile companies such as Bombay Dyeing, Raymonds, S.Kumar and Grasim set up their own stores.

Pathak S.V. and Tripathi P. Aditya(2009) mentioned about the Development of Mega Malls in India is adding new dimensions to the booming retail sector. The genetic growth is likely to be driven by the changing lifestyles and by strong surge in income, which in turn will be supported by favourable demographic patterns.

Sule Abhishek, Kumar Gourav , Poyekar Meeta, Rajput Rajendra, Divate Umesh, (2009) mentioned about Kiranas (grocery shops) have their own advantages and disadvantages. They have survived because they add a personal touch to your shopping experience. They will keep themselves updated with all that is happening with the family. All this makes your shopping experience comfortable and thus you pay a visit to this store atleast once a week.

V . Ramanathan (2009) in the article “ The New Face of Unorganised Retailers In India-From Convenience to Category Killer” mentioned the entry of organized retailers with their completely integrated marketing practices, franchising agreements, contractual selling, joint ventures and co-promotions creates a profound threat to unorganized retailers and compels them to change their style of doing business from convenience to intensive.

Dr. Biradar et al (2008) in the article “ Global Emerging Trends in Retail Management: Indian Perspective”, point out that India's top retailers are largely lifestyle, clothing and apparel stores followed by grocery stores. The paper further mentions that increasing number of nuclear families, working women, greater work pressure and increased commuting time , convenience has become a priority for Indian consumers. The

consumers want everything under one roof for easy access and multiplicity of choice. According to the author, all these aspects offer an excellent business opportunity for organized retailers in the country.

RESEARCH OBJECTIVES:

To achieve the purpose of the current study, the author formulated the following two research objectives:

1. To study the changing consumer perceptions and preferences in relation to choices of retailer's format across shopping items .
2. To study the changing consumer perceptions and preferences in relation to choices of retailer's format across various shopping factors.

Hypothesis

H_0 : There is no significant difference in changing consumer perceptions and preferences in relation to the choices of retailer's format across shopping items.

H_1 : There is a significant difference in changing consumer perceptions and preferences in relation to the choices of retailer's format across shopping items.

H_0 : There is no significant difference in changing consumer perceptions and preferences in relation to the choices of retailer's format across various shopping factors.

H_1 : There is a significant difference in changing consumer perceptions and preferences in relation to the choices of retailer's format across various shopping factors.

RESEARCH METHODOLOGY

Research Design	Descriptive Research
Sampling Frame	Consumers who purchase from both organized and unorganized retailers in Jalandhar
Sampling Unit	Consumers from different age groups, gender, locations, income levels and education
Sampling Size	100 Respondents
Sampling Methods	Purposive Random Sampling
Primary Data	Survey Method
Secondary Data	Data form journals, Magazines , Newspapers, Books, and previous studies on Retail sector
Type of Schedule	Structured Questionnaire
Type of Questions	Close ended and multiple Choice questions
Statistical Tool Used	Chi-square Test

H_0 : There is no significant difference in changing consumer perceptions and preferences in relation to the choices of retailer's format across shopping items.

Chi-square Test used (at 5% level of Significance)

Items Purchased	From Organized Retailers	From Unorganized Retailers
Grocery	06	10
Vegetables	08	16
Electronic Goods and Appliances	10	11
Garments	09	11
All of above	07	12
TOTAL	40	60

χ^2 calculated = 1.20

χ^2 tabulated (at 5% degree of Significance) = 9.488

Interpretation : The above study shows that there is no significant difference between the choices of retailer's format across the shopping items while shopping and hence as the null hypothesis is accepted. On the basis of the shopping items these retailer formats is not considered by the respondents.

H_0 : There is no significant difference in changing consumer perceptions and preferences in relation to the choices of retailer's format across various shopping factors.

Chi-square Test used (at 5% level of Significance)

Factors	No of Respondents from Organized Retailers	No of Respondents from Unorganized Retailers
Quality	07	09
Product Range	05	10
Pricing	06	08
Good Service	04	04
Payment Mode	00	08
Complaint Management	03	05
Credit Facility	00	06
Self Service	06	03
Schemes and Discounts	08	05
Good Relationships	01	02
Total	40	60

χ^2 calculated = 15.34115

χ^2 tabulated (at 5% degree of Significance) = 16.919

Interpretation : The above study shows that there is no significant difference between the choices of retailer's format across various shopping factors while shopping and hence as the null hypothesis is accepted. On the basis of the shopping these retailer formats across various shopping factors is not considered by the respondents.

CONCLUSION

The main objective of this study is to find out the changing consumer perceptions and preferences towards organized and unorganized retail sector. In the present contemporary fast emerging concept of professional mall management and providing the ultimate and innovative products under one roof at competitive prices, the consumers are more inclined towards the rapidly and more consistent modern form of shopping at malls. As they are witnessing the multiple tasks being accomplished at one place, having the advantage of air conditioned environment, with wide range of products, multi section of products and above all professional services to customers and their needs. It was also found that consumer's disposable income has increased manifold, which has result to expecting more personalized attention and carefulness while shopping at the malls. Customers have diverted more towards malls due to presence of more and more international or global brands at competitive prices. Customer's needs and preferences has changed with westernization and globalization, which has resulted in providing quick as well as replacing the old inventory of goods with new one more frequent. The monthly and annual sales turnover figures were also found to be quite promising and encouraging as customers are ready to spent more than usual due to the availability of different product and services. Quality and not the quantity was the foremost thing that customers desired at a very competitive prices

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