

SHIFTING OF CONSUMER PREFERENCE TOWARDS ORGANIZED RETAIL OUTLETS: A CASE STUDY OF HISAR CITY

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ABSTRACT

Last decade has revealed a measured swell in the retail sector in India and is scattering with a immense speed. India is the most eye-catching marketplace for universal retail players in requisites of venture and utilization. This paper will be obliging to locate out the rationale of altering consumer predilection for organized outlets in Hisar city. The Consumer preference is inspected with the aid of a well thought-out opinion poll. The consequences show that, consumer predilection towards organized retail outlets is altering and if the retailers carry on these things in mind then he can take payback of this adaptation from unorganized retail outlets to organized retail outlets which are shown in the present study.

Key Words :- Organized Retail Outlets, EDPL, Hypermarkets, consumer preference

INTRODUCTION

Retailing in India is one of the mainstays of its economy and accounts for about 10 percent of its GDP. The Indian retail market is predictable to be US\$ 600 billion and one of the top five retail markets in the world by economic worth. India is one of the best ever mounting retail markets in the world, with 1.21 billion people. On 14 September 2012, the government of India proclaimed the aperture of FDI in multi-brand retail, subject to sanctions by entity states. This judgment was hailed by economists and the markets, but grounds remonstrations and a disruption in India's central government's political federation structure. Recently, the Government of India formally alerted the FDI reforms for solo and multi brand retail, thereby making it effectual under Indian law.

On 7 December 2012, the Federal Government of India permitted 51% FDI in multi-brand retail in India. The government copes to get the consent of multi-brand retail in the legislature regardless of weighty hue and cry from the opponent (the NDA and leftist parties). A few states will consent to foreign supermarkets like Walmart, Tesco and Carrefour to open their stores while other states resisted to it. India is anticipated to turn out to be the world's third-largest consumer economy, reaching US\$ 400 billion in using up by 2025, according to a study by Boston Consulting Group. India is categorized first in the Global Retail Development Index 2017, sponsored by mounting middle class and hastily budding consumer expenditure. India's retail

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market witnessed funds worth US\$800 million by Private Equity (PE) firms and wealth funds in 2017. Department of Industrial Policy and Promotion (DIPP) accepted three foreign direct investments (FDI), Mountain Trail Food, Kohler India Corporation, and Merlin Entertainments India in the single brand retail sector.

Unorganized retailing embraces an outlet run in the vicinity by the proprietor or caretaker of a store that be deficient in technical and accounting evenness. The supply chain and sourcing are also prepared locally to meet local requirements. Its organized counterpart may not obtain its supplies from local sources. Indian retail is subjugated by a large number of small retailers consisting of the kiriyana shops, owner-manned general stores, chemist shops, shops of footwear, attire shops, pan-beedi shops, hand-cart, street vendors, etc. which mutually make up the so-called “unorganized retail” or traditional retail. The last 3-4 years have witnessed the entrance of a number of organized retailers opening stores in diverse modern formats in metros and other important cities.

Organized retail is nothing but a retail place where all the items are isolated and brought beneath single roof, contrasting the unorganized retail where there are diverse things are sold in dissimilar shops. It also endeavors to fetch most of diverse brand’s building the equivalent type of product jointly.

(**Mathew Joseph et. al., 2008**). In India there has been a gigantic augmentation in organized retail since 2002-03 and this is coupled with the intensification in the economy and the vigorous mount in consumption spending. Organized retailing has embarked on to spout the mammoth market but its share undeniably is small. A number of outsized business houses have entered the retail business with incredibly striving expansion plans. Big foreign retailers are also fanatical to endow in India but their ingress rely on alteration in the government’s FDI policy on the subject of retailing. Planned retailing plays a momentous responsibility in the present-day developed countries throughout their phase of lofty growth. Since the early 1990s, it is also donate to a large extent to the enlargement of developing countries. In India, organized retail is hovering to make a score in the near future. This paper highlights the factors conscientious for jerky paradigm of consumer predilection for organized retail outlets in Hisar.

REVIEW OF LITERATURE.

- There are many studies have been commenced to realize and investigate the altering consumer preference for organized retail outlet, but a very little studies were demeanor to classify factor liable for irregular prototype from unorganized to organized retailing. Piyali Ghosh, Vibhuti Tripathi (2010) in their study is an endeavor to speak to concern related to store aspect and their consequence in the store selection process. Eleven variables (store attributes) have been acknowledged in this article pedestal on theory and judgment. Factor scrutiny has acquiesce three factors: *Convenience & Merchandise Mix, Store Atmospherics and Services*. The factors acknowledged and suggestion made in the article would be of use to retailers in designing their outlets with store attributes that would meet the expectations of shoppers and thus motivate them towards store patronage

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decisions. Anil Kumar (Pachauri moneesha, 2001), attempt to develop a framework for studying consumer behavior by considering the evolution of the field of consumer research and the different theories of consumer buying behavior that have influenced the consumer preference. India is on the threshold of a revolution in its retail industry, and if managed cleverly, it would pay handsome returns beyond retailers expectations. Further conclude that a thorough understanding of the perception of the consumer is essential for grocery retailing (Bhatnagar Meenu, 2006). The Indian youth primarily shop from a hedonic perspective. They importantly serve as new product information seekers, and the retailing firms can directly frame and communicate the requisite product information to them (Kaur Pavleen and Sigh Raghbir, 2007). The changing consumption patterns trigger changes in retail styles of consumers, for consumers, the shopping mall or variant of organized retail format is the preferred type of retail store, due to convenience and variety (Mishra S. Mridula, 2007). Customer patronage to grocery stores was found to be positively related to location, helpful, trustworthy salespeople, home retail cleanliness, offers quality and negatively related to travel convenience. Kiranas do well on location but poorly on cleanliness, offers, quality, and helpful trustworthy salespeople. The converse is true for organized retailers (Paromita Goswami & Mishra S. Mridula, 2009)

III. RESEARCH OBJECTIVE

1. To identify the awareness about the organized retail outlets in Hisar city.
2. TO identify the reasons for visiting the organized retail outlets.
3. To identify the factors responsible for shifting from unorganized retail outlets to organized retail outlets.
4. To identify the preferable retail outlets for the various products.

IV. RESEARCH METHODOLOGY

The target population for this study was the customers of Hisar city. A total of 100 questionnaires were distributed to different respondents. Out of these 100 usable questionnaires were received with a response rate of 100 percent. The researcher conducts personal interviews based on a questionnaire in order to increase the validity and reliability of responses. The interviewer approached the respondents and explained to them the intent and content of the survey in detail. Each questionnaire was checked for its completeness. Also the responses were validated against the expected or suggested responses for statistical processing of data. A coding scheme was designed both for the questions as well as the data in standard and uniform manner. The encoded data was entered into a machine-readable form on the magnetic media using Spreadsheet Software (Microsoft Excel 2000) on a Pentium V computer system. The data was verified both electronically as well as manually for correctness. The verified data was used for analysis for making observations. Data collected through the questionnaire from the customers has been analyzed with the help of a popularly used statistical package known as Statistical Package for Social Science (SPSS) for Windows version 13.0

V.DATA ANALYSIS

Table 1(Purchasing preference towards Retail outlet in Hisar City)

Names	Frequency	Percent	Valid Percent	Cumulative Percent
Patanjali	42	42%	42%	42%
Easy Day	5	5%	5%	47%
Reliance Fresh	9	9%	9%	56%
Vishal Mega Mart	44	44%	44%	100%

Table 1, describes the preference towards organized retail outlets among the respondents, 44% respondents prefer Vishal Mega Mart as one of the Organized Retail outlet followed by 42% respondents prefer Patanjli, the most prominent emerging organized retail store. A very few i.e. 9% and 5% respondents show preference towards reliance fresh and Easy day. Little preference for Easy day and Reliance Fresh may be because of their location and popularity of ayurvedic products among the respondents.

Table 2: Source of Information about Organized Retail Outlet

	Frequency	percent	Valid Percent	Cumulative Percent
Neighbors	11	11%	11.0%	11%
Relatives	12	12%	12.0%	23%
Friends	36	36%	36.0%	59%
Hoardings	14	14%	14.0%	73%
Newspapers	20	20%	20.0%	93%
Radio	6	6%	6%	99%
T.V.	1	1%	1%	100%
Total	100	100%	100%	

According to Table 2, 59% respondents says that the major source of information for organized retail outlet is personal source i.e. Friends, Relatives and neighbors. While 34% respondents said they have come to know about these stores through print media i.e. Hoardings and newspapers. Only 7% respondents agree that they know these stores because of electronic media. This may be because still the owners of these stores do not go for advertising through electronic media like local cable network, advertisement in local picture halls etc.

Table 3 : Visit of respondents in Organized Retail Outlet

	frequency	Valid Percent	Cumulative percent
Yes	96	96.0	96.0
No	4	4.0	100.0
total	100	100.0	

When asked to the respondents about their visit to the organized retail outlets, table 3, revealed that, a very high 96% respondent admit that they have visited the organized retail store while 4% respondent still not visited the organized retail outlets.

Table 4 : Frequency of Visit of Organized Retail Outlet

	Frequency	Valid Percent	Cumulative percent
Whenever required	39	40.6	40.6
At your leisure time	7	7.3	47.9
Once in a week	21	21.9	69.8
Once in a month	29	30.2	100
Total	96	100	
No response	4		
total	100		

table 4. visualize that approximately 41% respondents says that they visited the organized retail store whenever there is a requirement followed by 31% respondents go to organized retail store once in a month, probably to purchase their monthly households. However 22% respondents visited a retail store once in a week. A very less 7% respondents visited a retail store at their leisure time.

Table 5 : Purpose of Visit to Organized Retail Outlet

	Frequency	Valid Percent	Cumulative percent
For passing the time	11	11.5	11.5
For new products and schemes	24	25.0	36.5
For entertainment	13	13.5	50.0
For shopping	48	50.0	100
total	96	100	

No response	4		
total	100		

Table-5 illustrates that shopping is the mainstream intention of the respondents who visit organized retail store. 50% respondents visited retail store for purchasing the products. Though 25% respondents depart for purchasing the most up-to-date product or captivating the benefits of various proposal provided by these stores. On the other hand 13.5% respondents are going to retail store for entertainment, it may be because now a day's these stores are hosting many recreational program and about 12% respondents visited these stores just to pass their time.

Table 6: Preferable Retail Outlets for Various Households

Product	Organized retail outlet%	Unorganized retail outlet%
Dairy product	39	61
Bread	33	67
Beverages	39	61
Frozen food	57	43
Fruit	32	68
Meat	37	63
Fish	41	59
vegetables	35	65
Cloth	50	50
Footwear	42	58
Sports goods	44	56
Toys	48	52
Grocery product	48	52
Household appliances	40	60
Tools	31	69
Books	13	87
Stationary goods	21	79
Kitchen utility	42	58
Furniture decoration	32	68
Detergents	48	52
Personal cleaning	38	62
Plants and gardening	15	85

Music items	41	59
jewellery	31	79

On perusal of Table 6, It was revealed that for perishable products like dairy products, bread Beverages, Fruits, Meat, fish, Vegetables etc. 59% to 68% respondents prefer unorganized retail outlet rather than organized retail outlet may be because freshness of products. For clothes, there is equal preference for both types of retail outlets. This seems to be because most of thte people now thought that organized retail stores have prestigious brands of clothes. Likewise, for products purchasing such as sports goods, footwear, toys, grocery, kitchen utilities etc. 42% to 48% respondents prefer organized which show an upcoming trends for organized retail for these products. For books and stationary goods. 87% and 79% respondents respectively, prefer unorganized retail stores. This may be because people wants specific type of books which organized retail store does not have at their counter. Again for accessories for elite life style, like jewelry, music item, plants and gardening a large number of respondent i.e. 79% to 85% would like to go to unorganized retail outlets than the organized one. It may because in such items they want to prefer to go at place where they have some faith on the vendor.

VI.FINDINGS

On the basis of data analysis following are the major findings:

- The main recognized organized retail outlet is Vishal Mega Mart in Hisar.
- Source of information for these outlets is still personal source i.e. relatives, friends and neighbors.
- All most all respondents are visited to organized retail outlets.
- The purpose of most of consumer of visit the organized retail outlet is shopping.
- For perishable products, still preferred unorganized retail outlet may be because of freshness and location advantage.
- An upcoming trend for clothes, sports products, grocery and kitchen utilities is observed.
- The most important factors identify for shifting from unorganized to organized retail outlets are EDPL and carry bag facility, special discount, provide local goods, purchase without the disturbance of the salesperson, having entertainment and gaming zone as well as convenient shopping time.

VII.SUGGESTIONS AND CONCLUSION

This study will help the retailers to understand the consumer preference for organized retail outlet. Further it will also facilitate the retailer to understand what sort of merchandise mix be should adopt, what should be the marketing and the promotion mix, what kind of display counter merchandising and store layout should be planned and where it is located keeping in mind the customer preferences. Retailers also taken care of the major factors that were identify and the paradigm shift towards organized retail outlets to face the competition better from the local kiriyana stores etc.

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