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

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ABSTRACT

Last decade has shown a gradual increase in the retail sector in India and is spreading with a great speed. India is the most attractive market for global retail players in terms of investment and consumption. This paper will be helpful to find out the reasons of changing consumer preference for organized outlets in Hisar city. The Consumer preference is examined with the help of a structured questionnaire. The results show that, consumer preference towards organized retail outlets is changing and if the retailer keeps these things in mind then he can take benefits of this conversion from unorganized retail outlets to organized retail outlets which is shown in the present study.

Key Words :- Organized Retail Outlets, EDPL, Hypermarkets, Hand-card Hawkers

INTRODUCTION

Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP. The Indian retail market is estimated to be US$ 600 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. On 14 September 2012, the government of India announced the opening of FDI in multi-brand retail, subject to approvals by individual states.[11] This decision was welcomed by economists and the markets, but caused protests and an upheaval in India's central government's political coalition structure. On 20 September 2012, the Government of India formally notified the FDI reforms for single and multi brand retail, thereby making it effective under Indian law.

On 7 December 2012, the Federal Government of India allowed 51% FDI in multi-brand retail in India. The government managed to get the approval of multi-brand retail in the parliament despite heavy uproar from the opposition (the NDA and leftist parties) Some states will allow foreign supermarkets like Walmart, Tesco and Carrefour to open while other states will not

Unorganized retailing includes an outlet run locally by the owner or caretaker of a shop that lacks technical and accounting standardization. The supply chain and sourcing are also done

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locally to meet local needs. Its organized counterpart may not obtain its supplies from local sources. Indian retail is dominated by a large number of small retailers consisting of the local kiryana shops, owner-manned general stores, chemists, footwear shops, apparel shops, pan and beedi shops, hand-cart hawkers, pavement vendors, etc. which together make up the so-called "unorganized retail" or traditional retail. The last 3-4 years have witnessed the entry of a number of organized retailers opening stores in various modern formats in metros and other important cities.

Organized retail is nothing but a retail place all the items are segregated and brought under and roof, unlike the unorganized retail where there are different things are sold in different shops. It also aims to bring maximum of different bran's making the same type of product together. (**Mathew Joseph et. al., 2008**). In India there has been a huge growth in organized retail since 2002-03 and this is associated with the growth in the economy and the attendant rise in consumption spending. Organized retailing has begun to tap the enormous market but its share indeed is small. A number of large business houses have entered the retail business with very ambitious expansion plans. Big foreign retailers are also keen to invest in India but their entry depends on changes in the government's FDI policy regarding retailing. Organized retailing played a significant role in the present-day developed countries during their period of high growth. Since the early 1990s, it is alos contributing substatially to the growth of developing countries. In India, organized retail is poised to make a mark in the near future. This paper highlights the factors responsible for shifting paradigm of consumer preference for organized retail outlets in Hisar

REVIEW OF LITERATURE

There are many studies have been undertaken to understand and analyze the changing consumer preference for organized retail outlet, but a very few studies were conducted to identify factor responsible for shifting paradigm from unorganized to organized retailing. (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 clevery, 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

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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)

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.

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 questionnaries 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 analysed with the help of a popularly used satistical package known as Statistical Package for Social Science (SPSS) for Windows version 13.0

Data Analysis

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

Names	Frequency	Percent	Valid Percent	Cumulative Percent
Patanjli	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 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 came 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. Shows that shopping is the most likely objective of the respondents to visit on organized retail store. As 50% respondents visited retail store for purchasing the products. While 25% respondents go for purchasing the latest product or taking the benefits of various schemes 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 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

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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.

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.

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 kiryana stores etc.

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