

**ORGANIZED AND UN-ORGANIZED RETAIL OUTLETS  
- A STUDY OF CONSUMER PERCEPTION IN COIMBATORE**

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**Abstract**

*The arrival of organized retailers and the large customer fascination and retention marketing strategies, the value - added services and the adoption of the technology of patronizing the customers have made the Indian market wide open for their exploration. The unorganized retailers in the field have already added the product mix and their selling assortments have increased. The consumers prefer to buy all at one visit and all at one place. The organized and the unorganized retailers feel the pitch and are perplexed about their attitude towards the consumer, so the researcher has chosen this topic to provide an insight about the factors that influence the purchase and the consumers opinion about both the formats and also to provide suggestions for acquiring and retaining consumers for their business.*

**Key Words:** *Perception, Opinion, Organized retail, unorganized retail, Factors of influence*

**Introduction**

Retail is the sale of goods and services from individuals or businesses to the end-user. Retailers are part of an integrated system called the supply-chain. A retailer purchases goods or products in large quantities from manufacturers or directly through a wholesaler, and then sells smaller quantities to the consumer for a profit. Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be US\$ 450 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. The Present retailing revolution is possible because of modern retailing companies entering into the market directly. Chain stores are coming up to meet the needs of the manufactures. Affordable, accessible, Attractive are the key words of today's retailing in India.

**Objectives of the Study**

1. To study the opinion of consumers about organized and unorganized retailers at Coimbatore city.
2. To find out the factors that influences the consumers to made the purchase.

**Research Methodology**

| Design of the Study | Description                          |
|---------------------|--------------------------------------|
| Sample size         | 200                                  |
| Sample Method       | Convenient sampling                  |
| Nature of data      | Primary and Secondary                |
| Tools               | Chi-sqaure test and Weighted average |

**Analysis and Interpretation****Table 1 Demographic Factors**

| Demographics                     | No. of respondents | Percentage |
|----------------------------------|--------------------|------------|
| <b>AGE</b>                       |                    |            |
| Less than 30                     | 38                 | 19         |
| 31-35                            | 42                 | 21         |
| 36-40                            | 95                 | 48         |
| Above 40                         | 25                 | 12         |
| <b>GENDER</b>                    |                    |            |
| Male                             | 133                | 67         |
| Female                           | 67                 | 33         |
| <b>EDUCATIONAL QUALIFICATION</b> |                    |            |
| Matric                           | 18                 | 9          |
| HSC                              | 15                 | 7          |
| Graduation                       | 85                 | 43         |
| Post Graduation                  | 52                 | 26         |
| Professional                     | 25                 | 12         |
| Others(specify)                  | 5                  | 3          |
| <b>OCCUPATION</b>                |                    |            |
| Student                          | 27                 | 14         |
| Government Employees             | 40                 | 20         |
| Private Employees                | 28                 | 14         |
| Business men                     | 17                 | 8          |
| Professional                     | 19                 | 10         |
| Housewife                        | 36                 | 18         |
| Agriculture                      | 18                 | 9          |
| Others(Specify)                  | 15                 | 7          |
| <b>MONTHLY INCOME</b>            |                    |            |
| Less than 15000 Rs               | 42                 | 21         |
| 15001 to 20000 Rs                | 112                | 56         |
| Above 20000 Rs                   | 46                 | 23         |
| <b>FAMILY NATURE</b>             |                    |            |
| Joint                            | 58                 | 29         |
| Nuclear                          | 142                | 71         |
| <b>LOCATION</b>                  |                    |            |
| Urban                            | 121                | 61         |
| Semi-Urban                       | 79                 | 39         |
| <b>MARITAL STATUS</b>            |                    |            |
| Single                           | 57                 | 29         |
| Married                          | 143                | 71         |
| Source : Primary Data            |                    |            |

The demographic variables of the consumer respondents (Table 1) shows that the majority of them (48%) belonged to the age group of 36 - 40, with (21%) of the respondents falling in the age group of 31-35. This shows that the majority are middle aged group. A majority of the respondents (43%) were graduates, followed by Post-graduates (26%). This demonstrates that the education level is also a factor that plays a major role in the urban and semi-urban areas. It further reveals that majority of the respondents are Government employees (20%) and it is followed by housewives (18%). When we consider the income level of the respondents majority (56%) of them fall under 15001 to 20000 Rs. A majority of 71% of the respondents were living in the nuclear type of family, living in the urban location (61%). Majority (71%) are married and they have dependent children.

**Table 2 Purchases made by the consumers**

| Sl. No       | Purchased from        | No. of Respondents | Percentage |
|--------------|-----------------------|--------------------|------------|
| 1            | Organized retailers   | 85                 | 43         |
| 2            | Unorganized retailers | 115                | 57         |
| <b>TOTAL</b> |                       | <b>200</b>         | <b>100</b> |

Source : Primary Data

From Table 2, it can be inferred that majority (57%) of respondents are purchasing their essentials from the unorganized sector and 43% shopped from the organized sector.

**Table 3 Purchase Preferences of respondents under the organized stores**

| Sl. No       | Form of organization               | No. of Respondents | Percentage |
|--------------|------------------------------------|--------------------|------------|
| 1            | Departmental stores                | 55                 | 65         |
| 2            | Supermarkets                       | 20                 | 24         |
| 3            | Others(like Chain stores, specify) | 10                 | 11         |
| <b>TOTAL</b> |                                    | <b>85</b>          | <b>100</b> |

Source : Primary Data

Table 3, which shows the preference of the form of organization reveals that a majority of 65% of the respondents like to buy from Departmental Store and others like chain stores have only 11% to their credit.

**Table 4 Purchase Preferences of respondents under the Unorganised stores**

| Sl. No       | Form of unorganized buying | No. of Respondents | Percentage |
|--------------|----------------------------|--------------------|------------|
| 1            | Conventional Stores        | 69                 | 60         |
| 2            | Nearby shops               | 32                 | 28         |
| 3            | Others(specify)            | 14                 | 12         |
| <b>TOTAL</b> |                            | <b>115</b>         | <b>100</b> |

Source : Primary Data

From Table: 4 we can clearly see that the majority(60%) of the respondents among the unorganized sector, want to buy from the conventional store.28% from nearby shops and 12% would like to buy from hackers, peddlers, sandy and daily stores etc.

**Table 5: Products bought from organized stores**

| Sl. No       | Items bought  | No. of Respondents | Percentage |
|--------------|---------------|--------------------|------------|
| 1            | Grocery       | 22                 | 26         |
| 2            | Textiles      | 11                 | 13         |
| 3            | Stationery    | 13                 | 15         |
| 4            | Vegetables    | 19                 | 22         |
| 5            | Food items    | 10                 | 12         |
| 6            | Durables      | 4                  | 5          |
| 7            | All the above | 6                  | 7          |
| <b>TOTAL</b> |               | <b>85</b>          | <b>100</b> |

Source : Primary Data

From Table 5, we can comprehend that under the categories of organized retail formats, 26% of the respondents preferred to buy Grocery items from the organized retail store.13% preferred to buy textiles. 15% bought Stationery from the organized sector.22% and 12% bought vegetables and fruits.5% bought durable from organized formats and 7% made all

their purchase from the organized sector.

**Table 6: Products bought from unorganized stores**

| Sl. No | Items bought  | No. of Respondents | Percentage |
|--------|---------------|--------------------|------------|
| 1      | Grocery       | 47                 | 41         |
| 2      | Textiles      | 15                 | 13         |
| 3      | Stationery    | 12                 | 10         |
| 4      | Vegetables    | 17                 | 15         |
| 5      | Food items    | 6                  | 5          |
| 6      | Durables      | 7                  | 6          |
| 7      | All the above | 11                 | 10         |
|        | <b>TOTAL</b>  | <b>115</b>         | <b>100</b> |

Source : Primary Data

From the Table 6, we can infer that a majority (41%) of the respondents buy Grocery from the unorganized sector of the retail format. Textiles and Stationery 13 and 10 percent respectively are bought by the respondents. Vegetables (15%), comes next to Grocery.6% bought durables and

10% fall in the category of buying all from this format. Food items (5%) are the Last in the list of percentage that is bought from the unorganized retailers.

**Table: 7 Reasons for Buying from the organized format of retailers**

| Sl. No | Reasons for buying            | No. of Respondents | Percentage |
|--------|-------------------------------|--------------------|------------|
| 1      | Good quality                  | 26                 | 30         |
| 2      | Reasonable price              | 15                 | 18         |
| 3      | Offers                        | 7                  | 8          |
| 4      | Promotional Schemes           | 8                  | 9          |
| 5      | Door Delivery                 | 6                  | 7          |
| 6      | Self-Service and Satisfaction | 9                  | 11         |
| 7      | Discount                      | 4                  | 5          |
| 8      | Credit Facility               | -                  | -          |
| 9      | Customer Service              | 10                 | 12         |
|        | <b>TOTAL</b>                  | <b>85</b>          | <b>100</b> |

Source : Primary Data

The above table given above shows the opinion for buying from the organized retailers. 30% of the respondents bought from the organized retailers for the reason of Good quality. Next comes, Reasonable Price (18%) is the reason for their purchase. Customer Service (12%) is the subsequent one .Self Service and Satisfaction (11%) falls next as a reason for the

respondents purchase. Promotional schemes (9%) also attract them to a certain extent. 8% of the respondents bought for the reason of offers and. 7% believe that Door Delivery is a reason to opt for this format. Discount is last in the list having 5% to its credit.

**Table: 8 Reasons for Buying from the unorganized format of retailers**

| Sl. No | Reasons for buying            | No. of Respondents | Percentage |
|--------|-------------------------------|--------------------|------------|
| 1      | Good quality                  | 31                 | 27         |
| 2      | Reasonable price              | 21                 | 18         |
| 3      | Offers                        | 9                  | 8          |
| 4      | Promotional Schemes           | 10                 | 9          |
| 5      | Door Delivery                 | 11                 | 10         |
| 6      | Self-Service and Satisfaction | 14                 | 12         |
| 7      | Discount                      | 7                  | 6          |
| 8      | Credit Facility               | -                  | -          |
| 9      | Customer Service              | 12                 | 10         |
|        | <b>TOTAL</b>                  | <b>115</b>         | <b>100</b> |

Source : Primary Data

Table 8 shows the opinion for buying from the unorganized retailers. 27% of the respondents bought from the unorganized retailers for the reason of Good quality. Next comes, Reasonable Price (18%) is the reason for their purchase. Self-Service and satisfaction (12%) is the subsequent one .Customer Service (10%) and Door Delivery (10%) falls next as a

reason for the respondents purchase. Promotional schemes (9%) also attract them to a certain extent. 8% of the respondents bought for the reason of offers. Discount is last in the list having 6% to its credit.

### **Conclusion**

The present study was made among the consumers to know their opinion regarding the organized and unorganized retail store, since there emerges a new scenario in India with the advent of corporate in the retailing sector. The Study has found that the consumers were highly aware of the stiff competition and also the promotional offers offered by various corporate giants. The consumer no more is expecting shopping to be a duty but he wants it to be a pleasant and pleasing experience in his life. So, organized and the unorganized sector must keep all this in mind in the future. The researchers have given suggestions to the organized and the unorganized sector to bridge the gap between the perception and the derived behaviour of the consumer.

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