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**A STUDY ON CONSUMER'S PERCEPTION OF ORGANISED AND
UNORGANISED FOOD RETAIL STORE**

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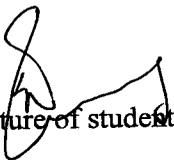
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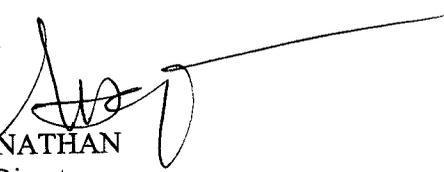

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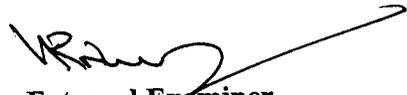
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ABSTRACT

Perception is the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of the world. It can vary widely among individuals exposed to the same reality. Different individuals often perceive a situation differently, both in terms of what they selectively perceive and how they organize and interpret the things perceived. This project seeks to understand the consumer's perception on unorganized & organized retail stores while shopping for groceries.

This is a Descriptive project which analyses the Primary data collected from customers in four different places of Thanjavur who were using both organized & unorganized retail stores. Quota sampling method with sample size of 200 customers on convenience basis was used for the study & Percentage Analysis is used to analyze the data collected with the help of a structured questionnaire

Customer patronage to grocery stores was found to be highly related to location, helpful, trustworthy salespeople, home shopping, and cleanliness, offers, quality and negatively related to travel convenience. Unorganized do well on location but poorly on cleanliness, offers, quality, and helpful trustworthy salespeople.

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CHAPTER 1

INTRODUCTION

1.1 RETAIL INDUSTRY AN OVERVIEW

The retail business in India is expected to grow at 13 per cent annually from US\$ 322 billion in 2006-07 to US\$ 590 billion in 2011-12. The unorganized retail sector is expected to grow at approximately 10 per cent per annum with sales rising from US\$ 309 billion in 2006-07 to US\$ 496 billion. Organized retail, which constituted a low four per cent of total retail in 2006-07, is estimated to grow at 45-50 per cent per annum and attain a 16 per cent share of total retail by 2011-12. In short, both unorganized and organized retail are bound to coexist.

1.2 IN LARGER PICTURE

Indian economy has shown an impressive growth of over 6 per cent for last five years and continues to surge ahead. GDP growth rate in 2003-04 recorded a fifteen year high of 8.5% and subsequently maintained a steady growth for the next two years. Real GDP growth accelerated from 7.5 per cent during 2004-05 to 8.4 per cent during 2005-06 on the back of buoyant manufacturing and services activity supported by a recovery in the agricultural sector. The central bank forecasts similar growth of 7.5-8 percent during 2006-07. With strong economic growth consumerism is increasing in the country and India is the fourth largest economy as far as purchasing power parity is concerned, just behind USA, Japan and China.

1.3 CONSUMER TREND

India is currently having the largest young population in the world and 54 per cent of India's population is below 25 years of age and 80 per cent are below 45 years. As per India's Marketing White book (2006) by Business world, India has around 192 million

income in excess of INR215, 000. Another 75 million households are in the category of 'well off' immediately below the affluent, earning between INR 45,000 and INR 215,000. This is a sizable proportion which offers excellent opportunity for organized retailers to serve

1.4 CUSTOMER BASE IN INDIA

Indian consumer is also known to be extremely value-conscious with 80 per cent of his wallet consisting of essential and need-based purchase which he can get from the store next-door; the big question is whether he would travel all the way to the big store. In fact there might be emergence of several India-specific retail business models and formats in view of the unique peculiarities of the behavior of Indian consumers (Arvind Singhal, Chairman, Technopak Advisors as quoted by Tarun and Chopra, 2007) like the proposed Argos retail format of Shopper's Stop-Hyper CITY Retail-Home (which involves catalogue stores along with home shopping and on-line retail) (Bureau, 2007b) It is not just the global players like Wal-Mart, Tesco and Metro group are eying to capture a pie of this galloping market but also the domestic corporate behemoths like Reliance, NeelKamal, KK Modi, Aditya Birla group, and Bharti group too are at the same stage of retail development.

1.5 RETAIL SPACE DEVELOPMENT

Through the 1990s, organized retail in India added just 1 million sq. ft of space a year. Then, from 2001, the pace quickened dramatically. In 2003 alone, 10 million sq. ft was added by this fledgling industry. Now the story is completely different and the mall boom is all set to alter the competitive dynamics. Over 130 to 180 million sq ft of new mall space are estimated to come up in the country in the next 3-5 years.

There is increased sophistication in the shopping pattern of customers, which has resulted to the emergence of big retail chains in most metros; mini metros and towns being the next target. Customer taste and preferences are changing leading to radical transformation in lifestyles and spending patterns which in turn is giving rise to new business opportunities. The way retailing is done has come a long way with the emergence of organized or modern retail outlets. There are big players like Big bazaar, Spencer's &

retail outlets have enormous financial & technological support as compared to the Unorganized & unorganized retail outlet.

In this paper we shall examine the demand-side effectiveness of grocery retail formats existing in India in terms of dimensions of satisfaction of customers' needs and consequently relate it to customer loyalty in order to predict whether customers of unorganized stores would move to organized grocery retailer & also can identify the impact of modern retail on unorganized retailers & Consumers.

1.6 PROBLEM IDENTIFIED FOR THE STUDY

Amidst the changing consumer dynamics the retailer have to formulate statistics to deliver expected value to the retail shoppers. This scenario gives rise to the following questions in the mind set of researcher.

- ❖ What is the consumer's perception on organized retailing?
- ❖ What is the satisfaction level of consumer's using organized & unorganized stores for in terms of sales, frequency of consumer visit, volume of purchase etc..?

The above is identified as the problem for the research study.

1.7 NEED FOR THE STUDY

The number of modern outlet is growing day by day .The customers show shopping preference for these outlets but the extent to which they will influence the unorganized retail is uncertain. There are certain categories of products which customers prefer to shop from the modern retail outlets, while the customers still prefer neighborhood retail stores for their daily groceries & requirements.

In this scenario this project seeks to understand whether Indian consumers are likely to move from unorganized stores to large organized retailers while shopping for groceries & also will help both the unorganized & organized retailer in identifying the consumers perception of their business & the appropriate strategy to be followed so as to with stand in the market.

1.8 OBJECTIVES AND SCOPE

1.8.1 Objectives

- ✚ To analyze the demographic profile of customers using organized & unorganized stores.
- ✚ To identify the perception of customers on organized & unorganized stores for grocery purchase.
- ✚ To understand the satisfaction level of customers in Organized & Unorganized food retail store.
- ✚ To provide recommendations based on the findings.

1.8.2 Scope

The study is done in Food retail & the project attempts to capture the perception of customers using organized & unorganized retail stores for their daily grocery purchase based on the primary data collected. The quantitative data using a well defined Questionnaire is collected and the findings are generalized for the entire customers using Organized & Unorganized retail stores. The scope of the project is limited to the customers visiting organized & unorganized retail stores in four places differing in terms of their population demographics, Income level, lifestyle, & volume of business in Thanjavur. It covers all the consumers in Thanjavur using organized & unorganized retail stores without any discrimination in age, occupation, income etc.

1.9 DELIVERABLES

The research study will highlight...

- The consumer perception regarding organized & unorganized retail stores in grocery purchase
- The level of satisfaction of customers in both Organized & Unorganized retail stores.
- The above inputs would enable unorganized as well as organized retailer to frame strategies to retain & expand customer base.

CHAPTER 2

LITERATURE SURVEY

This chapter deals with two sections viz, Review of literature and Research gap.

2.1 REVIEW OF LITERATURE

The objective of the study conducted by **Dr. Paromita Goswami (1998)**¹ on her paper “Would Indian consumer shift from kirana’s to organized stores “an attempt has been made to understand whether Indian consumers are likely to move from unorganized stores to large organized retailers while shopping for groceries The study was carried across four Indian cities- two major and two smaller cities with around 100 respondents from each city. Stratified systematic sampling design with a sample size of 409 was used for the study. Multivariate statistical techniques were used to analyze the data collected with the help of a structured questionnaire.

The findings of the study shows that Customer loyalty in grocery stores is positively related to location, cleanliness, offers, quality; helpful, trustworthy salespeople, home shopping, and negatively related to travel convenience. Unorganized do well on location but poorly on all cleanliness, offers, quality and helpful trustworthy salespeople. Converse is true for organized retailers. Unorganized have major disadvantages on all customer perception scores except location. These scores being less important determinants of loyalty compared to location, in the short run unorganized may not be ousted out of customer’s favor. However, in the long run if they do not work on these other factors, they would face oblivion.¹

In a study undertaken by **Mathew Joseph, Nirupama Soundararajan (2008)**² on the retail industry, attempts to rigorously analyze the impact of organized retailing on different segments of the economy. No distinction has been made between foreign and domestic players, in analyzing the impact of the increasing trend of large corporate entering the retail trade in the country. The findings of this study are based on the largest ever survey of unorganized retailers (the so-called “mom and pop stores”), consumers, farmers, intermediaries, manufacturers, and organized retailers. Data was collected through Interviews of major players in organized retailing, large manufacturers, and consumers.

These surveys are confined to two major categories of product groups namely: (a) food and grocery; and (b) textiles and clothing. For the survey of consumers the study covered all seven mega-metro cities of population above 40 lakhs as per 2001 Census (Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, and Ahmedabad) and in addition, one mini-metro (of population between 10 lakhs and 40 lakhs) with strong organized retail presence from the North (Jaipur), West (Indore), and South (Kochi). The consumer survey was conducted through exit interviews of 1,010 consumers, equally divided between 505 persons each who shopped at 101 organized outlets and another 505 persons who shopped at the same number of Unorganized retail outlets. The same 10 cities for the retailer survey were also covered in the consumer survey. After eliminating the outliers, there are 470 consumers shopping at organized outlets and 462 consumers shopping at unorganized outlets.²

The result of the study states that Consumers have definitely gained from organized retail on multiple counts; Overall consumer spending has increased with the entry of the organized retail, while all income groups saved through organized retail purchases, the survey revealed that lower income consumers saved more. Thus, organized retail is relatively more beneficial to the less well-off consumers. Proximity is a major comparative advantage of unorganized outlets. Unorganized retailers have significant competitive strengths that include consumer goodwill, credit sales, amenability to bargaining, ability to sell loose items, convenient timings, and home delivery.

The objective of the study conducted by **Mridula S. Mishra (2006)**³ choice between Unorganized and organized Retail". The research focuses on consumers expectations from the retailers. The sample was non probabilistic, respecting two main quotas geographic and demographic. To draw the sample, the seven cities Delhi (Gurgaon, Faridabad and Noida included), Chennai, Kolkata, Hyderabad, Ahmedabad, Bhubanewar and Mumbai were considered, which also allowed for the inclusion of not only the residents of areas inside the cities, but also those living in the extended or rural areas adjacent to the cities who do their shopping in the city. The sample was drawn from the seven representative cities and it represented consumers with different economical, social and geographical characteristics. A form of quota sampling was done in this case. Each group of volunteer assigned to a particular city was given 200 questionnaires to complete

the survey of their designated city. A total of 820 questionnaires were completed and validated from the seven stated cities.³

The finding of this study states that the hypermarket / mall / supermarket is the preferred kind of store by consumers, even though the consumers buy in several establishments and not exclusively in the organized retail outlet, which indicates that there is no "single loyalty". While in organized outlets, consumers buy essentially convenience goods with low level of risk; in Unorganized retail, they buy essentially products of more involvement, which requires a more complex buying behavior. The results also show that consumers evoke price and convenience for not buying certain goods in unorganized retail, which reveals an attempt to optimize their time and money.

In a study conducted by **Rajesh Rajaguru and Margaret J Matanda (2002)** this paper examines consumers' perception of store and product attributes and customer loyalty in Indian context. Store attributes are assessed in the dimensions of store appearance, service quality and convenience of store, this study, customer loyalty is considered as repeated purchasing behavior of consumer towards a store. Mall intercept interviews were conducted to gather data. The survey was undertaken in southern part of India in two cities (Chennai and Coimbatore). All constructs were measured using multi-item, 7 point Likert-type scales anchored from '1'= strongly disagree/dissatisfied/worst to '7'= strongly agree/satisfied/ excellent. Regression analysis was used to analyze the data. Regression analysis was used to assess the relationship between customer loyalty as a dependent variable and store and product attributes as independent variables.

The finding of this study is that store and product attributes determine customer loyalty. Store appearance is not a critical determinant of customer loyalty and product price negatively impact customer loyalty. In conclusion, Indian consumers are more concern about service quality, store convenience, product quality and availability of new products. Thus, the study provides some insights on factors that could be important in managing customer loyalty. First, retail managers need to enhance product quality and store convenience to improve customer loyalty. Second, retail managers must assure quality and availability of new products to enhance customer loyalty.⁴

³Mridula S. Mishra Faculty Member IIM Ahmedabad on "Store Image and Consumer Shopping Habits" (2006) University of Frankfurt, Mertonstrasse 17, 60054 Frankfurt, Germany, ozimec@wiwi.uni-frankfurt.de

The objective of the research paper **Vaishali Agarwal (2007)**⁵, Assistant Professor, Indian Business Academy, Greater Noida is to study the impact of modern retail outlets on the Unorganized distribution system. The data is collected from the sample of retailers and distributors dealing in various non-durable and durable goods. The scope of the study is limited to the two cities Moradabad, Uttar Pradesh and Delhi, India. These cities differ in terms of their population, demographics, size and volume of business and the marketing strategies used by the non-durable and durable goods manufactures in two different cities. Further they are un-researched in this aspect. To gather the required information for this study, both secondary and primary source of data was used. Active primary data was collected from the retailers and distributors in both the cities through questionnaires and personal interviews. The sample was selected through convenience and random sampling. A structured questionnaire was developed after an extensive review of relevant literature and was used for collecting data through personal interviews.

In the findings of the paper it was observed that in Moradabad 70% of the retailers feel that the impact of modern retail formats will be important and they too need to work on their formats to meet the customer and companies' requirement. Other 20% said it is going to have average influence on their business and it can be cope-up whereas 10% retailers were of the view that it will not have influence on their business. They also opined that they are in operation from last so many years and facilities like home delivery and credit which they provide to their customers are not provided by these new formats. While retailers in Delhi were of different opinion, 15% retailers pointed out that modern format have already influenced their business highly and their sales have decreased by 50% and other 40% said that the influence is important on their business and they need to react accordingly. Around 40% retailers said that it is having average influence whereas 5% retailers located in the residential areas said that the influence of the modern formats is unimportant for their business.⁵

As explained by **Ugur Yavas (2001)**⁶ Faculty, East Tennessee State University, College of Business & Technology, Johnson City, in study on "Correlates of retail store loyalty: An empirical study" using data collected from the customers of a national retailer, examines the relative efficiencies of merchandise quality, interaction quality, price and

store environment on satisfaction, continued patronage and recommendation intentions, and share of wallet. Data for the study were collected via mail questionnaires from the customers of a national automotive parts and accessories retailer. Target respondents were randomly selected from the 142 retailer's customer database. Of the 90,000 surveys mailed, 17,034 were returned for a response rate of 18.9%. The questionnaire was prepared after a series of 16 focus groups with current and previous customers and a review of the relevant literature. Multiple-item scales were employed to measure merchandise quality, interaction quality and store environment.

The result of this study altogether suggest that interaction quality is perhaps the most effective predictor of customer loyalty and also show that, for the most part, the predictors of various loyalty measures converge. In other words, the factors that emerged as the most influential in explaining one loyalty measure were mostly the same for the other measures. This can perhaps be attributed to the current retailing practice of matching competitors' prices (even offering discounts). Thus, customers may very well feel that the competitor retailers are about the same in terms of the prices of their offerings. Hence, they do not rely on price in making their decisions. The foremost implication surfacing from our study's findings is that to reinforce loyalty among its customers, the focal retailer should invest in programs to train its employees not only in product knowledge but also in interpersonal skills. Also, the retailer should consider interpersonal skills and emotional expressiveness as critical criteria in recruiting frontline employees.⁶

In a study conducted by **Enis and Paul, (1970)**⁷ in their research on "Customer loyalty" found that loyalty is a characteristic of poor shoppers; a recent study indicates that the incomes and weekly expenditures of the loyal shoppers are very significantly higher (McGoldrick and Andre, 1997). Knox and Walker (2003) confirmed the existence of a weak but significant relationship between involvement and brand loyalty in grocery markets. Overall satisfaction with a store does not significantly influence customers' loyalty to that store and shoppers' intention to remain loyal to their "primary store" was in fact influenced by several other contextual factors: frequent-buyer reward schemes, travel distance, preference for an in-store delicatessen, size of the average grocery bill, store signage and the level of sale assistance (Miranda et al, 2005).⁷

⁶ N. H. "Customer satisfaction and loyalty: A conceptual model." *Florida East Tennessee State*

In a study conducted by **Park & Smith in their study (1989)**⁸ on Factors affecting grocery shopping behavior “stated that an important factor that has an impact on grocery shopping behavior is unplanned buying. Consumers list approximately 40% of the items purchased, and 80% of the items written on shopping lists were actually purchased (Block and Morwitz, 1999). Written shopping lists significantly reduce average expenditure; the presence of children accompanying the shopper significantly increases expenditure and time spent in store; hence supermarket retailers can encourage customers to spend more time in-store, and to shop with someone else, thereby increasing average expenditure (Thomas and Garland, 1993).⁸

In a study conducted **ETIG (2002)**⁹ confirms these tendencies. Concerning food, the most important attribute mentioned was quality, followed by price. Indian consumer has different reasons for preferring different store formats, either modern or Unorganized; Sen (2000) confirms this in the study undertaken in Indian context. He confirms that in the case of hypermarkets, the main motives for preferences, in decreasing order are low prices, the possibility of buying everything in the same place and the general appearance of the store. Several investigations emphasize the possible coexistence of different store formats (Chandrasekhar, 2001) and others point out the relationship between the type of store and the type of products (Sen, 2000; Bhatnagar, 2002). These studies show that, while specialized and unorganized stores are preferred for fresh products, hypermarkets are preferred for shopping in general, and also for frozen food, groceries and beverages. The purchase of perishables in hypermarkets is reduced.⁹

In a study conducted by **Sinha (2005)**¹⁰ carried out a study on “Format choice of food and grocery retailer” for one product and one customer segment with a sample of 26 respondents on five existing store formats namely unorganized, upgraded unorganized, supermarkets, hypermarkets and wholesalers. They suggested that the type of product influence the purchasing patterns of customers and commented that it would be interesting to capture the utilities of each store format, given that shopping has been found to be influenced by local culture, and suggested that it would be a good study to determine the format choice behavior of many customers.

⁸Park & Smith in their study “stated that an important factor that has an impact on grocery shopping behavior” Faculty member, Department of Applied Economics and Management Dick R. Wittink, Yale

From the literature review it is understood that for varying temporal and spatial contexts, and to different store types, which make both generalizations and typology construction difficult. Contradicting Martineau's (1958) emotional and affective perspective of store patronage, empirical evidences show a number of functional and objective attributes as the most important, such as price (Doyle and Fenwick, 1974-1975; Bearden, 1977; Arnold et al., 1983; Hortman et al., 1990; Finn and Louviere, 1996); product quality (Doyle and Fenwick, 1974-1975; Bearden, 1977; Hortman et al., 1990); assortment (Stephenson, 1969; Doyle and Fenwick, 1974-1975; Schiffman et al., 1977; Bearden, 1977; Finn and Louviere, 1996) and location (Stephenson, 1969; Schiffman et al., 1977; Arnold et al., 1983; Hortman et al., 1990). Concerning intangible and emotional attributes, the most indicated are the atmosphere and store characteristics (Martineau, 1958; Stephenson, 1969); sales personnel (Martineau, 1958; Stephenson, 1969; Schiffman et al., 1977) and advertising (Martineau, 1958; Stephenson, 1969).¹⁰

In a study conducted by AC Nielsen's (2004)¹¹ made the following observations on shopper's behaviour in India: Indian shoppers spend an average of INR2500 on food, groceries and personal care items every month and Convenience stores are booming in most markets, as the number of such stores exceeds 80,000. According to the report, 48 per cent of shoppers in India admit that they 'love to try new things', making them the most novelty seeking shoppers around the region and total average monthly expenditure is only \$50, of this, \$21 is spent on fresh food, comprising 42 per cent of the entire monthly spend. Indians also appear to spend more on groceries and personal care items.

Unlike the urban market, it is less developed in terms of infrastructure and facilities. More than any thing else, the larger issue is to find out a suitable business model and retail format to fit local taste and preference. Of course cost of doing business in rural market would be lesser compared to urban market but reaching out to the mass is a concern. It is not impossible but a bit more difficult. For example the most successful and the largest incorporation Wal-Mart started in the rural market where as competition started in the urban market. This retailer has proved that it is important to understand how do you operate your business model rather than where you do it.¹¹

2.2 RESEARCH GAP

The research works conducted so far are very much concentrated on the Impact of organized retail in various aspects, its impact on unorganized retail store, impact on intermediaries, and impact on economy, & also there are studies which focused on customer relationship & satisfaction. Even one of the studies highlighted the impact of the several spatial factors, including population size and economic structure, on the development of organized retail stores..

The focuses of the studies conducted earlier are in general and not specific to Customer's perception. The various individual aspects of a retail store that are important in consideration with the service in respect of the organized retail store users are not thoroughly studied in the existing researches. The influence of the demographic profile on the satisfaction of Consumers, the gap analysis between expectation and satisfaction of the Consumers are not studied elaborately. There is no sign of researches for forecasting the scope of Organized & unorganized retail stores. The switching behavior of the Consumers from unorganized stores to organized stores in case of groceries is not examined. The Perception of consumers regarding organized & unorganized retail store, their level of satisfaction with the stores are not studied in the previous researches.

This research covers all the above mentioned points with respect to Consumer perception. It also highlights the recommendations to formulate strategies to improve the service of organized & unorganized retail store so as to maintain its customer base by satisfying them.

CHAPTER 3

METHODOLOGY

3.1 RESEARCH METHODOLOGY

Research is the process of systematic and in – depth study in search of any particular topic, subject or area of investigation, backed by collection, compilation, presentation and interpretation of relevant details or data. It is a careful search of inquiry into any subject matter, which is an endeavor to discover or find out valuable facts which would be useful for further application or utilization.

Marketing role has got a vital role in decision making process by making available the right information, at the right time in the right place and to the right persons who involve in decision making. Thus it is basic tool of marketing management in decision making.

3.2 RESEARCH DESIGN

A “research design “is the specification of methods & procedures for acquiring the information needed to structure or to solve problems. It is the overall operational pattern or frame work of the project that stipulates what information is to be collected from which source & by what procedures.

3.3 TYPE OF PROJECT

This is a Descriptive project which analyses the Primary data collected from the target respondent, processing the data & arriving at a conclusion.

3.4 TARGET RESPONDENTS

The target respondents are the customers in four different places of Thanjavur who were using both organized & unorganized retail stores for their grocery purchase.

3.4.1 Assumptions

It is assumed that the

- Demographic profile of the consumers will have an impact on purchase behavior.
- Customer loyalty & Perception differs for different grocery store

- Level of satisfaction will have an impact on the Switching behavior of the customers from unorganized stores to organized retail stores.

3.4.2 Constraints

All the customers will not be expressing what they actually feel. & there is time constraint involved in deciding the sample size.

3.4.3 Limitations

Comparison between the retail stores are made only in the case of equally competing services offered by both.

Data was collected from primary sources hence there is chance for a biased or misleading response.

Due to time constraint, the research is conducted with 200 samples only.

3.5 SAMPLING METHOD

Quota sampling method with sample size of 200 customers on convenience basis was used for the study. Customer using organized food retail store viz “More “or “Spencer’s” in Thanjavur represents the sampling unit. 200 customers using organized food retail store in Thanjavur is taken as Sample size.

Data was collected in the first week of a month both on week days as well as on Saturday & Sunday. 30 % data gathered on week days & balance 70 % on Saturday and Sundays.

3.6 TOOLS FOR ANALYSIS

Multivariate statistical technique were used to analyze the data collected with the help of a structured questionnaire

The study uses the following tool for analysis

- ❖ Percentage Analysis

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

The analysis & interpretation in this chapter is presented under various sub-sessions namely viz.

- Demographic profile of the respondents
- Perception of customers regarding organized & unorganized retail stores
- Satisfaction level of customers with organized & unorganized retail.

4.1. DEMOGRAPHIC PROFILE

4.1.1 Distribution of respondents on the basis of age

Age group	Number of respondents	Percentage
Below 20 years	12	6
21-30 years	50	25
31-40 years	65	32.5
41-50 years	29	14.5
Above 50 years	44	22
Total	200	100.0

The table above shows that most of the respondents (32.5%) are in the age group 31 to 40 years, and only 6% of the respondents are in the age group below 20 years.

4.1.2 Distribution of respondents on the basis of gender

Gender	Number of respondents	Percentage
Male	51	25.5
Female	149	74.5
Total	200	100.0

From the above table it is evident that number of female respondents (74.5 %) was higher than that of the male respondents (25.5%) in the population under study.

4.1.3 Distribution of respondents on the basis of marital status

Marital status	Number of respondents	Percentage
Married	159	79.5
Unmarried	41	20.5
Total	200	100.0

The table above shows that majority of the respondents (79.5%) are in the married category and only 20.5% of the respondents are in the unmarried category.

4.1.4 Distribution of respondents on the basis of qualification

Qualification	Number of respondents	Percentage
School Level	60	30
College Level	87	43.5
Professional	20	10
Others	16	8
No formal education	17	8.5
Total	200	100.0

The above table indicates that qualification of most respondents (43.5%) is college level, & the qualification of least number (8 %) of respondents is others.

4.1.5 Distribution of respondents based on occupation

Occupation	Number of respondents	Percentage
Business	23	11.5
Employed	88	44
House Wife	77	38.5
Student	12	6
Total	200	100.0

The table above shows that most of the respondents (44%) are employed & very

4.1.6 Distribution of respondents based on number of family members

No. of family members	Number of respondents	Percentage
Below 3	50	25
3 – 6	139	69.5
Above 6	11	5.5
Total	200	100.0

The table above shows that most of the respondents (69.5%) are in the category of 3 to 6 members in the family whereas low (5.5%) response is from the category of family members above 6.

4.1.7 Distribution of respondents based on number of earning members

Number of earning members	Number of respondents	Percentage
One	120	60
Two	73	36.5
Three	7	3.5
Above Three	-	-
Total	200	100.0

The above table indicates that most of the respondents (60 %) are family with one earning member & there is no response from family with above three earning members.

4.1.8 Distribution of respondents on the basis of family monthly income

Family monthly income	Number of respondents	Percentage
Below 10000	48	24
10000-20000	96	48
20001-30000	25	12.5
Above 30,000	31	15.5
Total	200	100.0

From the table 4.1.8 it is understood that the family income of most (48%) respondents fall in the range of 10001-20000, whereas minimum response falls in the income range of Above 30000.

4.2 PERCEPTION OF CUSTOMERS REGARDING ORGANIZED & UNORGANIZED RETAIL STORES

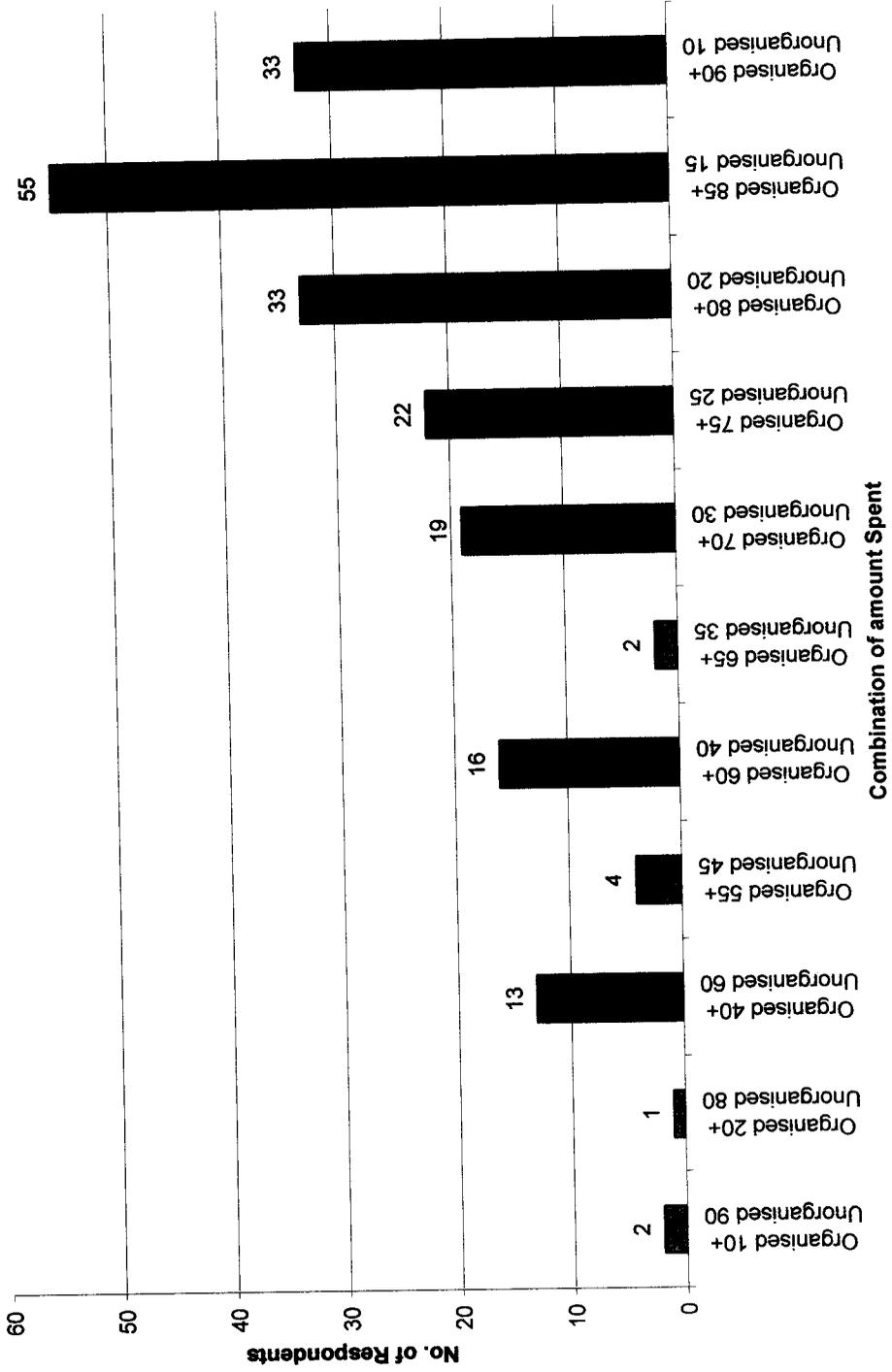
4.2.1 Percentage of amount spent in organized & unorganized stores

Percentage of amount spent on organized Stores	Percentage of amount spent on unorganized Stores	No. of respondents	percentage%
10	90	2	1.00 %
20	80	1	0.50 %
40	60	13	6.50 %
55	45	4	2.00 %
60	40	16	8.00 %
65	35	2	1.00 %
70	30	19	9.50 %
75	25	22	11.00 %
80	20	33	16.50 %
85	15	55	27.50 %
90	10	33	16.50 %

The above table indicates that most (27.5%) of the respondents are spending more than 85% in organized & 15% in unorganized or organized 90 % & unorganized 10 %. Only 0.5 % of the respondents are spending 20 % in Organized & 80 % in unorganized.

4.2.1.1 Percentage of amount Spent

■ No. of Respondents



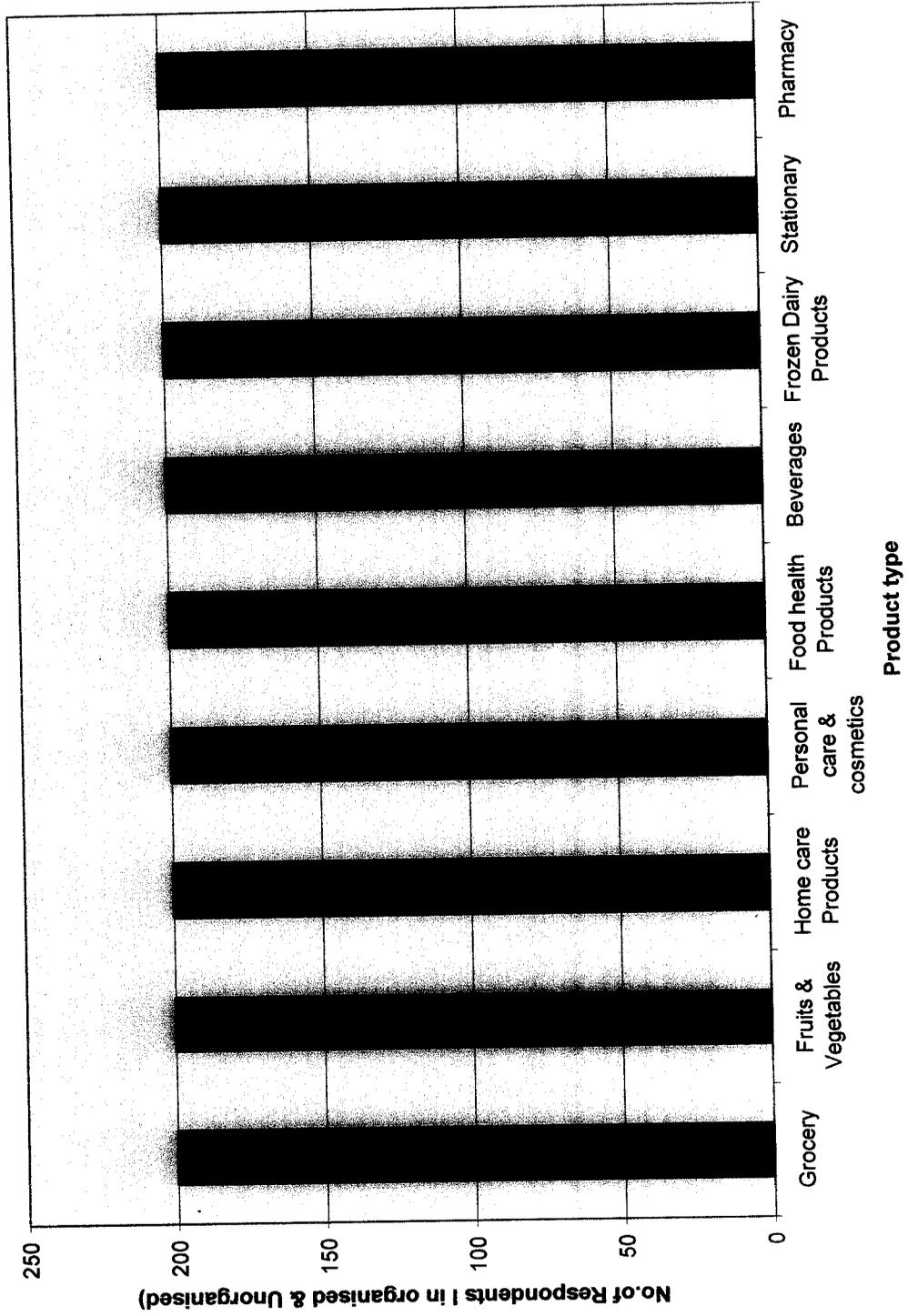
4.2.2 Product preference in organized & unorganized stores

Products	No. of respondents for Organized	Organized %	No. of respondents for Unorganized	Unorganized %
Grocery	99	49.5%	101	50.5%
Fruits & Vegetables	8	4%	192	96%
Home care Products	199	99.5%	1	0.5%
Personal care & cosmetics	186	93%	14	7%
Food health Products	195	97.5%	5	2.5%
Beverages	99	49.5%	101	50.5%
Frozen Dairy Products	198	99%	2	1%
Stationary	176	88%	24	12%
Over counter medicines	200	100%	0	0%

The above table shows that majority of consumers prefer organized retail stores for the purchase of over counter medicines (100 %), Home care products (99.5 %),& frozen dairy products (99 %), whereas for Fruits & Vegetables majority (96 %)of the respondents prefer Unorganized store.

4.2.2.1 Product preference in organized & unorganized stores

Organised
 Unorganised



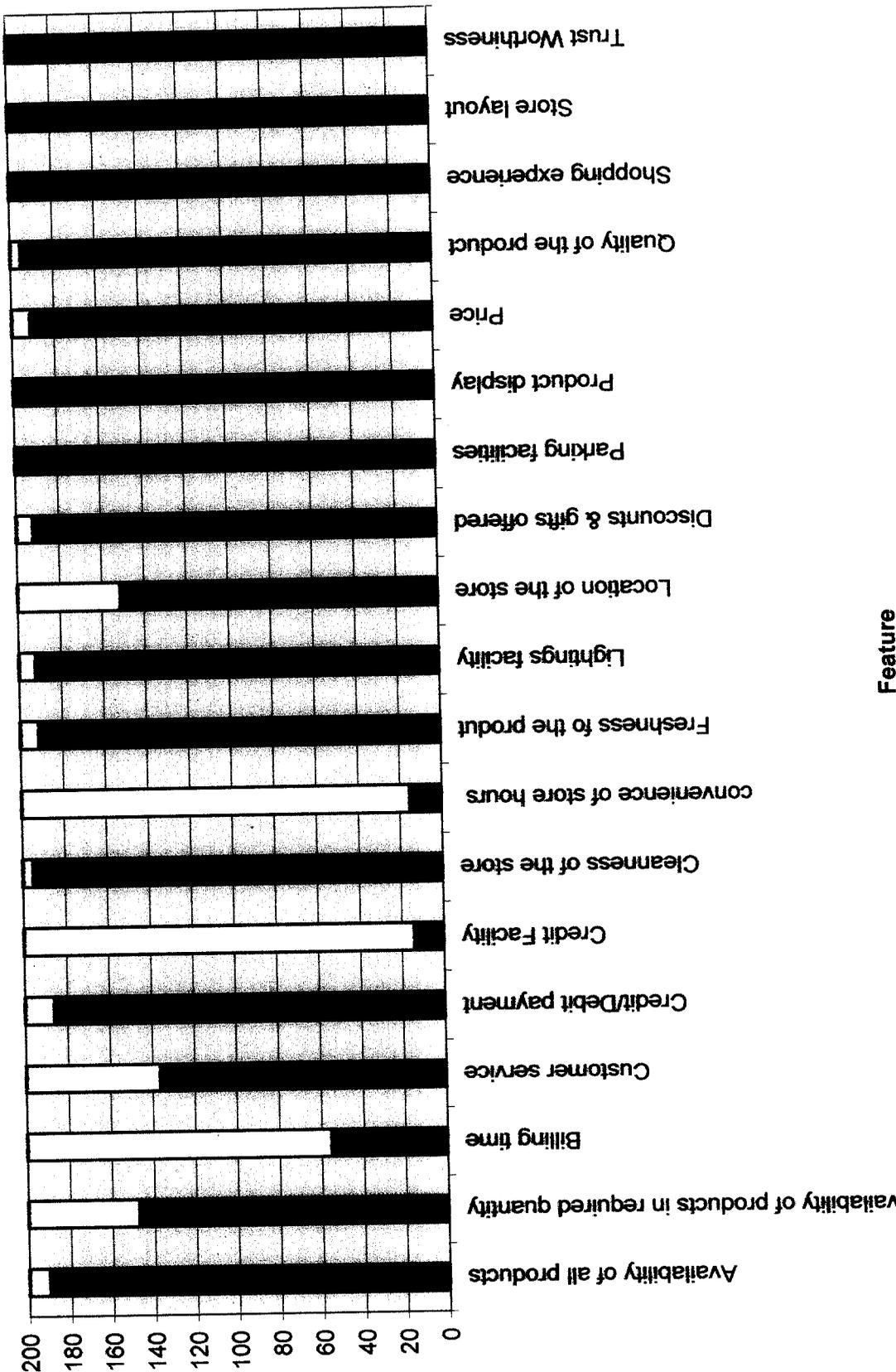
4.2.3 Perception regarding organized & unorganized store

	Organized		Unorganized	
	No. of respondents	Percentage of respondents	No. of respondents	Percentage of respondents
Availability of all products	190	95.00	10	5.00
Availability of products in required quantity	147	73.50	53	26.50
Billing time	55	27.50	145	72.50
Customer service	136	68.00	64	32.00
Credit/Debit payment	186	93.00	14	7.00
Credit Facility	14	7.00	186	93.00
Cleanness of the store	195	97.50	5	2.50
convenience of store hours	15	7.50	185	92.50
Freshness of the product	191	95.50	9	4.50
Lightings facility	192	96.00	8	4.00
Location of the store	151	75.50	49	24.50
Discounts & gifts offered	192	96.00	8	4.00
Parking facilities	199	99.50	1	0.50
Product display	200	100.00	0	0.00
Price	191	95.50	9	4.50
Quality of the product	195	97.50	5	2.50
Shopping experience	199	99.50	1	0.50
Store layout	200	100.00	0	0.00
Trust Worthiness	200	100.00	0	0.00

From the above table it is evident that organized stores impress the customers by store layout, trust worthiness, product display, shopping experience & parking facility whereas unorganized store impress the customer by convenience of store hour & credit facility.

4.2.3.1 Customer perception regarding organized & unorganized store

□ No. of Respondents Unorganised stores are good
 ■ No. of Respondents Organised stores are best



4.3 SATISFACTION LEVEL OF CUSTOMERS IN ORGANIZED AND UNORGANISED STORES

Criteria	Highly Satisfied		Satisfied		Neutral		Dissatisfied		Highly Dissatisfied	
	No.	%	No.	%	No.	%	No.	%	No.	%
Availability of Brand Choice	50	25	138	69	8	4	4	2	0	0
Product Display	77	38.5	110	55	11	5.5	2	1	0	0
Availability of products in different quantity	40	20	96	48	20	10	40	20	4	2
Attending Complaint	5	2.5	131	65.5	64	32	0	0	0	0
Billing Time	0	0	41	20.5	14	7	115	57.5	30	15
Credit Card Facility	0	0	186	93	14	7	0	0	0	0
Cleanness of the Store	182	91	18	9	0	0	0	0	0	0
Crowd in the store (store traffic)	0	0	85	42.5	23	11.5	92	46	0	0
Convenience of Store Hours	0	0	15	7.5	48	24	137	68.5	0	0
Door Delivery	0	0	78	39	84	42	38	19	0	0
Freshness of the Product	18	9	173	86.5	0	0	9	4.5	0	0
Lightings Facility	0	0	192	96	0	0	8	4	0	0
Location Convenience	151	75.5	0	0	30	15	19	9.5	0	0
Price	0	0	141	70.5	50	25	9	4.5	0	0
Parking Facility	199	99.5	0	0	0	0	1	0.5	0	0
Quality of the Product	5	2.5	190	95	0	0	5	2.5	0	0
Special Offers	0	0	192	96	0	0	8	4	0	0
Trustworthiness	0	0	200	100	0	0	0	0	0	0
Total Shopping Experience	199	99.5	0	0	1	0.5	0	0	0	0

The above table shows that majority (99.5%) customers using organized stores are highly satisfied in shopping experience, parking facility & cleanliness of the store. Majority of the customers (96%) are satisfied in organized store due to quality of the product, special offers & trustworthiness of the store. Also most of the customers (15%) are highly dissatisfied in billing time of organized stores.

CHAPTER 5

CONCLUSION

5.1 FINDINGS

5.1.1 Demographic profile

- It is observed that most (32.5%) of the respondents are in the age group 31-40 years.
- Majority (74.5%) of the respondents are females.
- Majority (79.5%) of the respondents are married
- Most of the respondents (44%) are employed & have college level of education. category which includes retired employees, students and housewives.
- Number of family members of most of the respondents is in the range of 3 to 6 members & their family monthly lies between Rs.10001-20000
- Number of earning members in most (60%) of the families is one.

5.1.2 Perception of customers regarding organized & unorganized stores.

- The study shows that most (27.5%) of the respondents for their monthly purchase spends more than 85% in organized & 15% in unorganized.
- Customers prefer mainly over counter medicines (100 %), Home care products(99.5 %),& frozen dairy products (99 %),in organize stores.
- The study also reveals that organized stores impress the customers by store layout, trust worthiness, product display, shopping experience & parking facility
- Most of the customers are attracted by the unorganized stores in terms convenience of store hour & credit facility.

5.1.3 Satisfaction level of the customers in organized & unorganized stores .

The study also shows that the customers are highly satisfied in organized stores in terms of

- Cleanness
- Store layout
- Trust worthiness
- Parking facility
- Quality of the product
- Discounts
- Overall shopping experience

In case of unorganized stores they are satisfied in

- Location
- Credit facility
- Convenience of store hour
- Billing time.

5.2 SUGGESTION

From the analysis it is suggested for both Organized & unorganized stores to frame strategies focusing mainly on the age group of 31 to 40, mostly females both employed & house wives with college level of education. Also the stores can categorize the assortments of products keeping in mind the economic position of the customers & their corresponding needs as most of them have three to six members in the family with one earning person and monthly income ranging “between” 10000 to 20000.

Organized stores should concentrate on quality & variety in home care

health products, as organized retail stores are preferred for this products. Also organized stores can concentrate on the freshness of the product as still customers prefer unorganized stores for fruits & vegetables. Organized stores can take necessary steps to get in customers more closely, customer relationship should be improved in Organized stores.

The above research overall suggests that organized store should put more focus on billing time, assortment of products & store hour based on the area where it is located. Organized stores may frame strategies to further improve customer relation.

Unorganized stores need to work more on product display, lightings, cleanliness & parking facility.

5.3 CONCLUSIONS

The results indicate that it is inevitable that there should be a modernization of commerce. In order to do so, first of all unorganized will have to make a realistic and critical examination of their potentialities, as well as of their vulnerabilities. The Organized retail store is the preferred kind of store by consumers, even though the consumers buy in several establishments and not exclusively in the organized retail outlet, which indicates that there is no "single loyalty". While in organized outlets, consumers buy essentially convenience goods with low level of risk; in unorganized retail, they buy essentially products of more involvement, which requires a more complex buying behavior. The results also show that consumers evoke price and convenience for not buying certain goods in unorganized store, which reveals an attempt to optimize their time and money.

Customer patronage to grocery stores was found to be positively related to location, helpful, trustworthy salespeople, home shopping, and cleanliness, offers, quality and negatively related to travel convenience. Unorganized do well on location but poorly on cleanliness, offers, quality, and helpful trustworthy salespeople.

APPENDIX

A.1 QUESTIONNAIRE

Name:

Address:

Age:

- | | |
|------------------------------------|-----------------------------------|
| <input type="radio"/> Below 20 Yrs | <input type="radio"/> 21 – 30 Yrs |
| <input type="radio"/> 31 – 40 Yrs | <input type="radio"/> 41 – 50 Yrs |
| <input type="radio"/> Above 50 Yrs | |

Gender:

- | | |
|----------------------------|------------------------------|
| <input type="radio"/> Male | <input type="radio"/> Female |
|----------------------------|------------------------------|

Marital Status:

- | | |
|-------------------------------|---------------------------------|
| <input type="radio"/> Married | <input type="radio"/> Unmarried |
|-------------------------------|---------------------------------|

Educational Qualification:

- | | |
|---|-------------------------------------|
| <input type="radio"/> School Level | <input type="radio"/> College Level |
| <input type="radio"/> Professional | <input type="radio"/> Others |
| <input type="radio"/> No formal Education | |

Occupation:

- | | |
|----------------------------------|--------------------------------|
| <input type="radio"/> Business | <input type="radio"/> Employed |
| <input type="radio"/> House Wife | <input type="radio"/> Student |

No. of Family Members:

- | | |
|---------------------------------------|-------------------------------------|
| <input type="radio"/> Below 3 Members | <input type="radio"/> 3 – 6 Members |
| <input type="radio"/> 6 and Above | |

No. of earning members in Family:

- | | |
|-----------------------------|-----------------------------------|
| <input type="radio"/> One | <input type="radio"/> Two |
| <input type="radio"/> Three | <input type="radio"/> Above three |

Pls put a tick mark for the store which you rank first in the mentioned criteria:

Organized	Particulars	Unorganized
	01. Availability of all Products	
	02. Availability of products in required quantity	
	03. Billing Time	
	04. Customer service of the Store	
	05. Credit / Debit Card payment Facility	
	06. Credit Facility	
	07. Cleanness of the Store	
	08. Convenience of Store Hours	
	09. Freshness of the Product	
	10. Lightings Facility	
	11. Location of the Store	
	12. Discounts & gifts offered	
	13. Parking facilities	
	14. Product Display	
	15. Price	
	16. Quality of the Product	
	17. Shopping experience	
	18. Store Layout	
	19. Trustworthiness	

16. Pls record your opinion regarding Organized & Unorganized Store by putting a tick mark in appropriate box.

HS – Highly Satisfied, S – Satisfied, N – Neutral, DS – Dissatisfied, HDS – Highly Dissatisfied

Criteria	Organized					Unorganized				
	HS	S	N	DS	HDS	HS	S	N	DS	HDS
01. Availability of Brand Choice										
02. Product Display										
03. Availability of products in different quantity										
04. Attending Complaint										
05. Billing Time										
06. Credit Card Facility										
07. Cleanness of the Store										
08. Crowd in the store (store traffic)										
09. Convenience of Store Hours										
10. Door Delivery										
11. Freshness of the Product										
13. Lightings Facility										
14. Location Convenience										
15. Price										
16. Parking Facility										
17. Quality of the Product										
18. Special Offers										
20. Trustworthiness										
21. Total Shopping Experience										

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