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CONSUMER BEHAVIOR AND PREFERENCE (ORGANIZED VS UNORGANIZED RETAIL)

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Abstract: **Fast Moving Consumer Goods (FMCG) and grocery products, such as soaps, shampoos, detergents, biscuits, and so on, are the most basic and necessary needs for which the consumer frequents the market. We are all aware that in today's retail environment organized retailing coexists with the traditional model of the retail industry in the shape of local Kiryana stores. This research work is merely an attempt to investigate which format of retail sector consumers prefer to visit in response to such frequent needs. What are the main categorical characteristics that influence format selection, and is there any gender-related variation in format selection boarded? It was also investigated whether switching to a more ordered manner enhanced their overall spending. Finally, the study will look into popular retail shops as well as local Kiryana stores in different demographic groups across India. The responses of 256 people were gathered for this purpose. The percentage quote and independent samples t-test were used to examine the simple average. When needed, pie charts and bar graphs are also taken into account.**

Keywords: **FMCG's, Grocery, Organized retail, Kiryana, Choice of format, Outlets, Pockets.**

I. INTRODUCTION AND LITERATURE REVIEW

Almost everyone nowadays is familiar with the concept of retailing. It is a well-known commercial function that is thought to deliver the desired product in the desired amount at the intended time. As a result, we can state unequivocally that retailing establishes a perceived utility between time, place, and shape. The retail industry is separated into two categories: organized and unorganized. Retailers must obtain a licence in order to engage in organized retailing. In other words, organized retailers are required to register in order to pay income and sales taxes. Supermarkets and retail chains that are backed by large corporations are examples of organized retail sectors. Unorganized retailing, on the other hand, relates to traditional degrees, which are mainly owner-operated, have a low-cost structure, and are typically portrayed as local Kiryana stores.

Retailing is a burgeoning industry in India, and it is on its way to become the next fast-growing industry. Retailing is worth 450 billion dollars, according to A.T. Kearney, with organized retailing accounting for only 5% of the total. The Indian government's strategic declaration regarding Foreign Direct Investment in retail, particularly enabling 100 percent FDI in single brands and multi-brand FDI, has sparked optimism in the industry. Initially, we found the local Kiryana stores to be an instant hit in India because the people have no choice but to attend to their demands. Furthermore, people had fewer mobility options at first and always opted to acquire what they needed from the nearest store.

Consumer opinions have shifted dramatically in recent years as a result of changing demographic patterns, dual-income nuclear families, increased FDI, economic growth, and increased awareness. Grocery items, Fast Moving Consumer Goods such as soaps, shampoos, detergents, biscuits, etc., Fast Moving Consumer Durables such as televisions, microwaves, air conditioners, etc., garments, luxuries, and many other items can be purchased from local shops as well as departmental stores, shopping malls, and other locations. The current investigation will dive into consumer perceptions of organized and unstructured retailing, as well as if there is a typical in-house mentality and a biased mindset around the typical subcontinent folk's attitude toward the local Kiryanas.

II. LITERATURE REVIEW

In their research, Talreja and Jain (2013) came to the conclusion that, in the future, both formats will coexist because they each have their own distinct characteristics. According to them, the unorganized sector has lower costs than the organized sector, and they are also much more familiar with their consumers, but the organized sector offers a wider range of items in a more sophisticated environment.

According to Srivastava (2012), people are particularly brand conscious nowadays and are willing to spend even more for branded products, regardless of whether they live in urban or suburban locations. They also came to the conclusion that individuals spend a lot of time and go to far-away regions to acquire branded things, yet they still prefer to shop for groceries in neighboring places like ordinary Kiryana.

In his study, Sivaraman. P (2011) stated that the advent of organized retailers has put a lot of pressure on local small shops. According to him, small shops are now feeling uneasy and are attempting to make modifications to their current methods on a daily basis in order to compete with the organized sector.

Ramanathan et al. (2019) discovered that people have different perspectives on which products they prefer to buy from various industries. They said that individuals only buy specific types of things from organized sectors and that they go to unorganized sectors for other products. As a result, individuals base their decision on the thing they wish to purchase.

Munjal, Kumar, and Narwal (2011) made it obvious in their study that malls had no effect on Kiryana retailers. It's nothing more than a legend. They also came to the conclusion that the two industries had been linked for a long time.

III. RESEARCH QUESTIONS

- To find out if people are familiar with both structured and unorganized retailing.
- Is it true that local Kiryanas are nourished by economics, proximity to home, quality, and customer intimacy?
- Is it true that the availability of credit, the freedom to haggle, and the ease with which things can be replaced motivate ordinary people to visit a Kiryana Store?
- Do people pay attention to a local Kiryana because of its cleanliness, overall shopping atmosphere, and parking facilities?
- Is it true that purchasers are drawn to organized commerce because of the variety, quality, and variety of products available?
- Is it true that bundled offers, increased availability, and public relations stunts at organized stores encourage customers to buy things they don't need right now?
- Is it true that the ordinary family has the mind-set of buying something today and something tomorrow?
- Is there a skewed perspective among consumers when it comes to local Kiryana?
- Is it possible for an Indian customer to imagine a life without haggling in a neighbourhood basic store?
- To find out what the respondent's preferred outlets are?

IV. RESEARCH OBJECTIVES

- To learn about the numerous factors that are preferred in both industries?
- To determine why people prefer Local Kiryana to the organized sector and vice versa.
- To see if people have a prejudiced and typical in-house mentality that causes them to consciously select a Kiryana.
- To see if choosing the organized sector has resulted in an increase in overall spending.
- According to the respondent's quote, conduct a complete study of popular regional channels, both organized and unorganized.

V. HYPOTHESIS OF THE STUDY

We believe there is a considerable difference in male and female consumers' perceptions of the forms available in both organized and unorganized retailing.

VI. SAMPLE OF THE STUDY

For this purpose, an expected sample of 400 people will be approached, including NIT Silchar Postgraduate and Ph.D. fellows, teachers, local shopkeepers both inside and outside the campus, random town dwellers, phonic contacts, professional intrigues, friends, relatives, and others. We were fortunate to gather 256 answers from all around India. With this sample, we can determine the factor preferences that determine whether a local Kiryana organized retail is preferred. The percentage of people who have a generally predisposed mentality against visiting a local Kiryana can then be calculated. Finally, we can identify the many preferred regional outlets of the various responders, whether unorganized or organized.

VII. RESPONSE RATE OF THE STUDY

$$\text{Actual No. Of Responses} \Big/ \text{Expected Rate of Responses}$$

$$^{256}/_{400}$$

0.64* 100 = 64%

VIII. DATA COLLECTION

Information was gathered from a primary source in the form of a questionnaire that was created with the primary goal in mind. The focus of the survey is on consumers' preferences for organized or unstructured retailing in general.

IX. METHODOLOGY

This study used a simple percentage analysis and an independent samples t-test with a 95% level of significance. Furthermore, delving deep into the questionnaire nullifies any other potential testing for the inclusion of usual multi-factors into the questions.

X. OBESRVATIONS

After analyzing the replies, it was discovered that 19.9% strongly agreed that an average home has a typical "IN-HOUSE INDIAN MENTALITY" when it comes to visiting the Local Kiryana because they always need something now and something tomorrow. 43.4 percent agreed with the idea, 30.9 percent were undecided, and 5.6 percent disagreed with it.

The Basic Profile of Respondents:

Gender	Number Of Respondents	Percentage of Respondents
Male	172	67.2 %
Female	84	32.8%
Total	256	100
DEMOGRAPHIC PROFILE		

Table 1.1

There are many retail outlets both organized and unorganized in every corner of india but studying the responses minutely we are able to figure out the most popular outlets of the 17 states of india ,more specifically the famous ones prevalent within the districts/ cities/ towns of the states mentioned below.

A detailed table is provided:

STATES / UT	**DISTRICT/CITY/TOWN**	**POPULAR RETAIL OUTLETS (BOTH ORGANIZED AND UNORGANIZED)**
ASSAM	Silchar Guwahati Sivsagar Tinsukia Jorhat Pookhraj Dibrugarh North Lakhimpur Tezpur Bongaigaon Karimganj	Big Bazar, Reliance Trends, Boris, Biva, Vishal Mega Mart, Jagadamba Store City Centre, Rudraksh Central Mall, Big Bazar, Quick Shoppe, Tanz, Kalapahar Big Bazar, Vishal Mart Hridoy General Store Big Bazar, Max Mart, Om Store, Jagdish Store, Keol Store V Mart, Assam City Mart GP Times, Reliance Mart, Big Bazar Mitali Store, V Mart, Style Mart, M-Mart KF, V Mart, Bazar India V Mart, Bazar India, Reliance Trends V mart, Big Bazar
J &K	Srinagar	V Mart, Pick n Choose, Chase Up supermarket, 24/72, Sargarma
KARNATAKA	Sanjaynagar Bangaluru Tumkur	City Super Market, Reliance Fresh, D Mart, Big Bazar Monaja Store
TRIPURA	Dharmanagar Agartala Kailashahar	M/S Kanu Datta, Gourango Bhandar V Mart, Volska, Ghar-Shanshar Loknath Bhandar, Saroda Store, Shree Variety
WEST BENGAL	Kolkata Midnapore Kharagpur Asansol Siliguri Howrah Malda Bankura	Big Bazar, Spensers, More, Reliance Fresh, V mart, Bazar Kolkata Pick n Pay, V mart, City Mart , More, E Basket, Bara Bazar Market Big Bazar, More, Kalpataru Bhandar, Gol Bazar Market. More, Spensers, Big Bazar Cosmos, Big Bazar, Reliance Mega Mart Nandini Store, Big Bazar, Spensers, Reliance Mart V Mart, Max, More Bankura Supermarket, Big Mart Retail, Chak Bazar Market
MAHARASHTRA	Akola	Shivay, Rajputas Kirana SHopee, V Mart

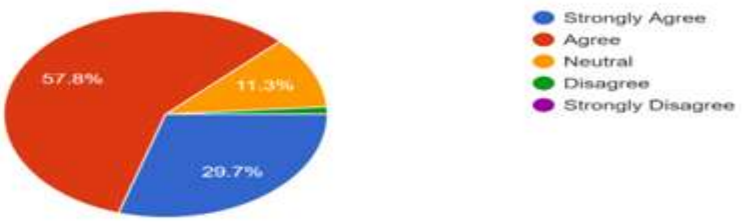
	Mumbai	Big Bazar, V mart, Jio Mart, Reliance Fresh, D mart, 24*7
ODISHA	Balasore Bhadrak Bhubaneshwar Cuttack	Reliance Fresh, Vishal Mart V Mart, Reliance Mega Mart Big Bazar, Reliance Fresh, V Mart Reliance Fresh, V Mart, Big Bazar, More
TAMIL NADU	Chennai Salem Kanyakumari Karur	Express Avenue, Ampa Skywalk, Phoenix Mall D mart, Jio mart, Reliance Super Market Deris Mall, Rajas Mall Kannnan Stores, Krishna Stores
DELHI		V mart, Jio Mart, Big Bazar, V3S Mall, Reliance Fresh, Khan Market, 24 *7
UTTAR PRADESH	Bareilly Hazratganj	Lucknow Smart Big Bazar, Sona Market, Roopkishor Market
ANDHRA PRADESH	Vizag Visakhapatnam	Dmart, Brand factory Reliance Fresh, D Mart, Spensers
TELENGANA	Warangal Hyderabad	Reliance Smart, D mart, More Super Mart Vishal Mart, Reliance , Big Bazar, D Mart
UTTRAKHAND	Dehradun Haridwar	Easyday, V Mart, Big Bazar, Pecific Mall Easy Day, D Mart, 24*7
M.P	Bhopal	Reliance Fresh, Ondoor, Big Bazar
JHARKHAND	Jamshedpur	V Mart, Big Bazar , More
BIHAR	Patna	Bazar Kolkata, Big Bazar, V Mart
GUJRAT	Dholka Porbandar Dwarka Junagarh Vadodara Rajkot Ahmedabad	Allinone supermarket, Vijay super mart, Heaty Mart Aadhaaar Supermart, Gayatri Supermart, Meera Supermart Medha one non-stop, Dwarka Ent, JC Mart Reliance Mart, Green Kart Patel Super Store, Shree mahalaxmi supermarket, central supermarket Vasta Supermarket, Balaji Supermarket, EZY Pick Supermarket Evergreen Supermarket, Haridham Supermarket, V Mart.

Table 1.2

Findings Regarding Customer's Preference towards Local Kiryanas:

A survey of 256 participants was undertaken to determine whether economics, proximity to home, quality, and customer intimacy are the sole criteria that influence a consumer's decision to visit a local Kiryana store.

The upcoming illustration in the form of a pie chart is a clear indication of this:



Pie Chart 1.1

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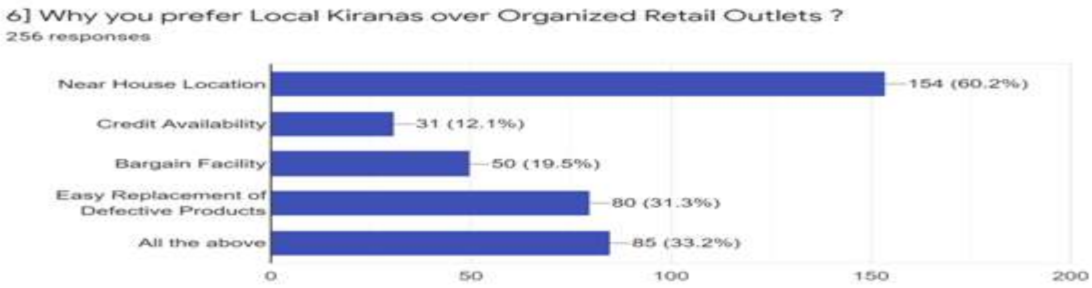
PREFERRED FACTORS	PERCENT
Near House Location,	60.2%
Credit Availability	12.1%
Bargain Facility	19.5%
Easy Replacement of Defective products	31.3%
People preferring all of the above factors	33.2%

Table 1.3

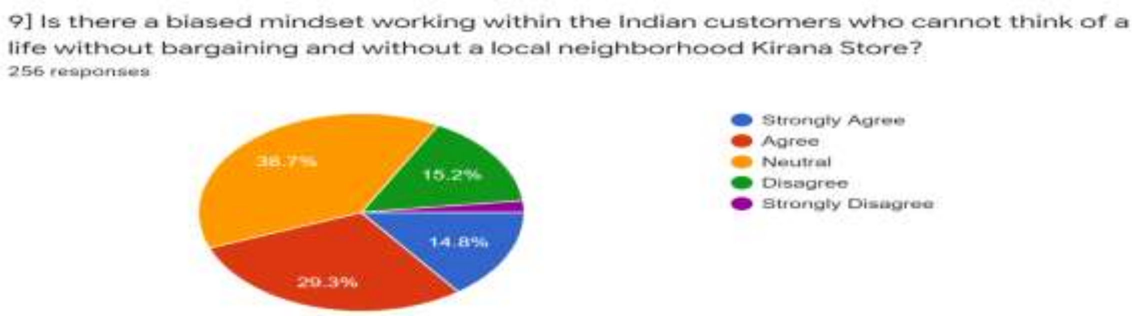
The bar graph is provided below:



Bar Graph 1.1

Findings Judging the Mindset of the People, Categorically a Biased Mindset of the One, Who cannot Think of a Life Without Bargaining and Without a Local Neighbourhood Kiryana:

The details are categorised through the pie-chart mentioned below:

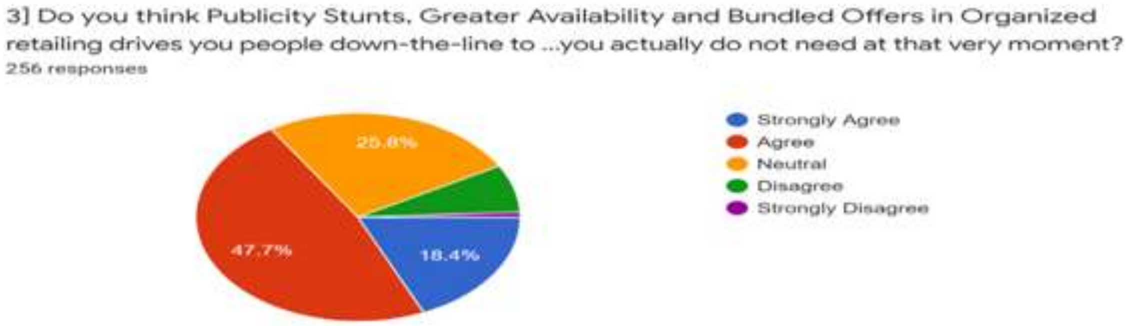


Pie Chart 1.2

Findings Regarding Customer's Preference Towards the Organized Retailing for the Purchase of Daily Groceries and FMCGs:

The factors considered here are Variety, Assortment of Products, Good Quality, Publicity Stunts, Greater availability, Bundled Offers. The details are cited below with the help of pie charts

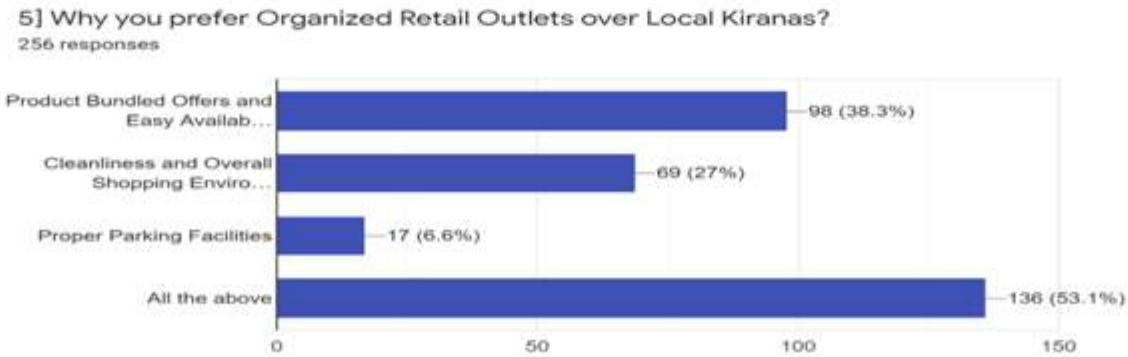
Pie chart 1.3



Pie Chart 1.4

Findings Regarding the Respondents' Preference of Organized Retail Outlets Over Local Kiryanas:

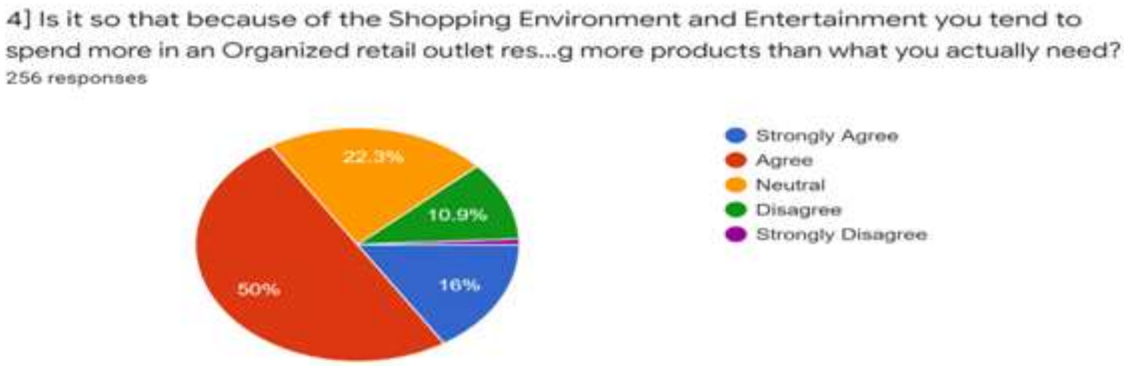
We can see that 38.3 percent attend organized shops because of product bundle offers and simple availability, 27 percent visit because of cleanliness and general shopping atmosphere, 6.6 percent visit because of good parking facilities, and 53.1 percent visit because of all of the above criteria. The following bar graph provides more information:



Bar Graph 1.2

Scrutinizing the Hyped Myth that Customers Tend to Spend More in an Organized Retail Outlet Resulting in Buying More Products than What You Exactly Need:

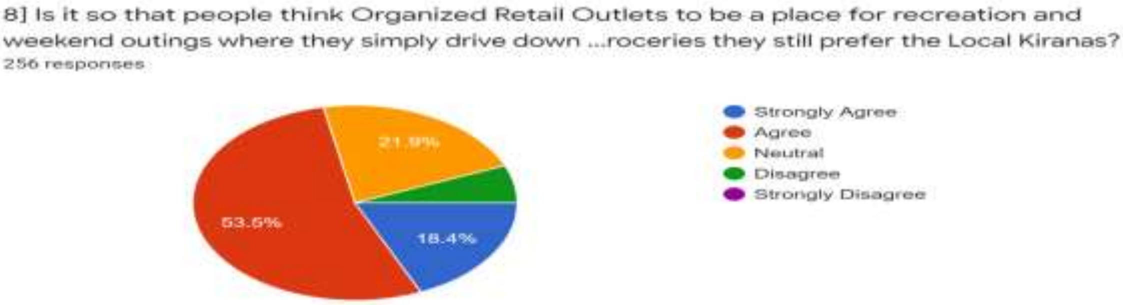
Factors Considered: Shopping Environment and Entertainment,
Respondents: 256.
The detail is mentioned below in the pie-chart provided.



Pie chart 1.5

Findings Regarding People's Perception Who Think Organized Outlets to be a Place for Recreation and Occasional Outings

The detail is mentioned below through the pie-chart provided.



Pie chart 1.6

XI. DATA ANALYSIS

Reliability Scale:
Scale: All Variables

Case Processing Summary			
		N	%
Cases	Valid	256	100.0
	Excluded[a]	0	.0
	Total	256	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.798	7

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
14.71	8.842	2.973	7

Interpretation:
It is clearly discernible that the reliability of the questionnaire is 79.8. %

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Factors Nourish Kiryana	1	172	1.79	.633	.048
	2	84	1.94	.700	.076
Factors Organized	1	172	1.67	.741	.056
	2	84	1.52	.685	.075
Organized buy more	1	172	2.27	.866	.066
	2	84	2.19	.871	.095
Factors spend more	1	172	2.36	.891	.068
	2	84	2.19	.898	.098
In House Indian Mentality	1	172	2.20	.856	.065
	2	84	2.30	.818	.089
A place of recreation	1	172	2.20	.821	.063
	2	84	2.08	.732	.080
biased mindset	1	172	2.61	.988	.075
	2	84	2.58	.972	.106

Independent Samples T-test:

		Levene's Test for Equality of Variances			
		F	Sig.	t	df
Factors Nourish Kiryana	Equal variances assumed	.386	.535	-1.716	254
	Equal variances not assumed			-1.657	150.752
Factors Organized	Equal variances assumed	.577	.448	1.565	254
	Equal variances not assumed			1.608	176.806
Organized buy more	Equal variances assumed	.236	.627	.717	254
	Equal variances not assumed			.715	163.909
Factors spend more	Equal variances assumed	.936	.334	1.430	254
	Equal variances not assumed			1.426	163.559
In House Indian Mentality	Equal variances assumed	.066	.798	-.890	254
	Equal variances not assumed			-.904	171.639
A place of recreation	Equal variances assumed	3.453	.064	1.083	254
	Equal variances not assumed			1.127	182.935
biased mindset	Equal variances assumed	.036	.849	.207	254
	Equal variances not assumed			.209	167.219

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Independent Samples Effect Sizes

		Standardizer[a]	Point Estimate	95% Confidence Interval Lower	95% Confidence Interval Upper
Factors Nourish Kiryana	Cohen's d	.656	-.228	-.490	.033
	Hedges' correction	.658	-.228	-.488	.033
	Glass's delta	.700	-.214	-.476	.050
Factors Organized	Cohen's d	.723	.208	-.053	.470
	Hedges' correction	.725	.208	-.053	.468
	Glass's delta	.685	.220	-.044	.482
Organized buy more	Cohen's d	.867	.095	-.166	.356
	Hedges' correction	.870	.095	-.165	.355
	Glass's delta	.871	.095	-.167	.356
Factors spend more	Cohen's d	.893	.190	-.071	.452
	Hedges' correction	.896	.190	-.071	.450
	Glass's delta	.898	.189	-.074	.451
In House Indian Mentality	Cohen's d	.844	-.118	-.379	.143
	Hedges' correction	.846	-.118	-.378	.142
	Glass's delta	.818	-.122	-.383	.140
A place of recreation	Cohen's d	.793	.144	-.117	.405
	Hedges' correction	.795	.144	-.117	.404
	Glass's delta	.732	.156	-.106	.418
biased mindset	Cohen's d	.983	.028	-.233	.288
	Hedges' correction	.986	.028	-.233	.288
	Glass's delta	.972	.028	-.233	.289

a. The denominator used in estimating the effect sizes.
Cohen's d uses the pooled standard deviation.
Hedges' correction uses the pooled standard deviation, plus a correction factor.
Glass's delta uses the sample standard deviation of the control group

XII. INTERPRETATION:

The significance level is set at 95% in this case. We obtain the null hypothesis to be a statement that shows no substantial difference between the male and female consumer's choice of the many aspects supporting both organized and unstructured retailing when gender is taken into account. On the other hand, the alternative hypothesis reveals a significant difference between male and female responders. We can observe that the p value is greater than.05 when we run an independent samples t-test in SPSS, indicating that the argument is not statistically different, implying that the null hypothesis is apparently accepted. As a result, there is no significant difference between male and female respondents in terms of their preferences for elements that encourage organized retail or local Kiryana. Furthermore, while delving deeper into the research, it becomes evident that all subsequent tests are totally nullified due to the inclusion of usual multi-factor variables in the individual questions.

Findings

- All of the respondents are knowledgeable of both organized retailing and local Kiryanas.
- Variety, product assortment, good quality, publicity stunts, increased availability, bundled offers, cleanliness, and overall shopping atmosphere, as well as adequate parking facilities, are the key motivators for shoppers to gravitate towards organized commerce.
- Economic benefits, proximity to home, customer intimacy, credit availability, bargaining skill, and ease of replacement of defective products are some of the primary characteristics that draw buyers to unorganized retailing.
- The 17 states of India's most popular outlets are now available.
- There is no significant variation in opinions of the factors that influence structured and unorganized platforms between men and women.
- The majority of respondents (66%) believe organized shopping has increased their overall spending.

XIII. CONCLUSION

To summarise, we may say that customers in India are flocking to both structured and unorganized sectors. The expansion of organized retailing in India is also due to changing consumer behaviour. However, this does not negate the need for the unorganized sector among Indian buyers. The typical thinking of an average Indian is to look for a nearby Kiryana store since in practical life, something needs to be purchased now and something needs to be purchased tomorrow, so people prefer to go to a nearby Kiryana store.

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