

## A STUDY ON CONSUMER PERCEPTION ABOUT ORGANISED AND UNORGANISED RETAIL STORES IN SALEM CITY

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### Introduction

In India, the retail industry straddles both organised and unorganised sectors. Organised retailing involves trading activities undertaken by licensed retailers who pay sales tax, income tax, VAT etc. Many big corporate houses are already operating in the market. The unorganised sectors include retailers like the kirana shops, corner grocery stores and small shops by the placements and on highways. In India, Kirana shops drive as much as 95% of retail trade. Organised retail accounts for only a small share in the wider retail market. Organised retail business in India has entered in 1990s. But became more popular in 2002 onwards and organised retail stores become the part of middle class family from 2006 onwards. The customers perceive these two retail sectors in different manners. Perception is the process of attaining awareness or understanding of the environment by organising and interpreting the sensory information. The same stimulus (a stimulus is any unit of input to any of the senses) may be perceived differently by different set of customers based on their unique personal and situational context. Hence the indifferent service offered at any retail stores may be perceived positively by certain set of customers due to the opportunity it provides them to look up the product at leisure. However another set of customers may perceive it negatively. So this paper studies the factors affecting the customer perception both in organised and unorganised retail stores.

**Key words:** Customer perception, organised retail store and unorganised retail store

### Statement of the Problem

Retailing is a kind of business activity which offers products or services in small quantities to ultimate consumers, at a place where consumers prefer to buy specially in countries like India till date, the unorganised retailers play a predominant role in offering products for services of a different product or service which mix at the convenient location (kirana stores or apna bazaar) which effective selling and buyers retention strategies. However due to the reason changes in the field of retailing and the entry of big domestic corporations as well as multinational and foreign companies into the field of various

retailing ventures.(in the form of professionally organised ways with the support of technologies and attractive promotional cum selling programs) the existing unorganised retailers turn their existing business structures. The perception of consumers about both unorganised and organised retailers keeps on dynamically changing. most of the time both organised and unorganised retailers are in dilemma regarding the perception of consumer and hence due to the and hence due to the unpredictable natural of the customers both the type of retailers face difficulty in realizing their business strategies because of this kind of issues prevailing in today's retail markets. The researchers selected the present topic for the research purpose.

#### **Objectives of the Study**

1. To determine the factors that influencing the consumer perception about organised and unorganised retailers.
2. To offer suggestions to both organised and unorganised retailers to enhance value added services to customers.

#### **Research Methodology**

The study is based on both primary and secondary data. The primary data has been collected by a self structured questionnaire through interview method. And secondary data has been collected from books, manuals, journals and internet. The sampling frame included consumers who purchase from both organised as well as unorganised retailers at Salem town. And the unit of sample included consumers from different age groups, gender, locations, income and educational backgrounds. Sample size of 100 was taken up for the study and the convenience sampling method was used.

#### **Tools for Data Collection and Analysis**

The questionnaire is the major tool administrated for collecting primary data from the consumers and factor analysis is used for the data analysis.

#### **Scope of the Study**

The present study has been carried out at Salem city, Tamilnadu for studying the consumer's perception about the organised and unorganised retailers, selected retail format like grocery, general merchant, vegetable products, textiles, foot wear, electrical and electronics etc. The study was conducted to analyse the consumers perception about organised and unorganised retailers and the factors influencing their perception, factors which were taken into account work quality of products offered, price charged, discount extended to consumers packaging promotional programs door delivery, compliment handling and availability of shops. Further research may consider analysing service, quality perception of customers about all areas of retail stores in organised and unorganised.

### Findings of the Study

Factors influencing customer's perception in retail stores in Salem are studied through factor analysis and presented as follows.

1. The respondents consider quality of the product and price and services of the retail store as the most important factor for any retail store.
2. The respondents consider cleanliness of the retail store and their safety as the second most important factor.
3. They consider distance of retail store and availability of variety of goods as the most important factor.

### Customers perceive organised and unorganised retail sector as follows:

#### Organised retail store

1. In the organised retail store, the customers perceive that the retail sector provides better quality and services to them as compared to unorganised.
2. Consumer perceive that the organised retail store are much more clear than unorganised.
3. They also perceived that the prices charged by the organised retail store are worth according to the quality provide to them.
4. They also perceive that the organised retail store provided more variety, more secure and staff friendly, spacious and display facility of products
5. The fact that the organised retail stores are very far from their home place which leads to purchase of their perishable products and day to day products from the unorganised retract stores.

#### Unorganised retail stores

The unorganised retail store, they perceive that the easy approachability of like kirana stores nearby to their houses and the local markets and prices are affordable to their pocket. The quality of the unorganised retail stores as the moderate factor to satisfy them. They perceive that, the services are unsatisfactory and the availability of variety of goods are not sufficient, the behaviour of staff and management is not that much friendly and the unorganised retail stores are not spacious as there is no display facility.

### Conclusion

From the above discussion, it is very clear that the consumers perceive the organised retail sector as the better option, even though consumers prefer to buy from unorganised retail stores which are nearer to them. The present study was conducted with the purpose of understanding the changes taking place in the minds of consumers regarding organised and unorganised retailers because of new marketing strategies adopted by organised and unorganised retailers. The researchers observed that due to the recent

changes in the demographic system of consumers and the awareness of quality consciousness consumption, consumer prefer to buy different products from both organised and unorganised retailers. Both the organised and unorganised retailers endeavour to implement various value- added services to provide pleasant shopping experiences to consumers , even though the retailers were making adequate efforts, there are some factors where the service gap level is wider in nature.

### **Suggestions**

It is suggested that the unorganised retailers give adequate importance to get feedback from consumers about the products they offer to them that will them to retain the existing buyers. A better product mix and assortment strategy may be reconsolidated to target the consumers and if they target the consumers with the strategy of category killing. They can increase their rate volume. For organised retailers it is suggested that the organised retailers should take effective care on consumer complaints. It could help them to retain more number of consumers. And also a comprehensive credit scheme may help the organised retailers to enhance their sales and growth.

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