

A Study on Retailing Format in Organized and Unorganized Sectors

***M.Rampier**

****Dr.M.Lakshmibala**

*Research Scholar, Bharathidasan University, Tiruchirapalli.

**Professor & Head, Department of Business Administration, Kunthavai Nachiyar Government Arts College for Women, Thanjavur

Introduction

Retail consists of the sale of goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mail, in small or individual lots for direct consumption by the purchaser

Retail scene in India

With organized retail in India pegged at Rs 25,000 crore (Rs 250 billion) -- out of a total of Rs 800,000 crore (Rs 8,000 billion -- and a double digit growth rate, marketing companies are setting up shops to provide differentiated services to clients. Till now sales people were the link between the retailer and the producer. But sales personnel are busy selling a product and do not have a fair idea of what retailing is about. The focus is to priorities retail. That is, not only to sell a product to a consumer but to get the consumer to interact with the product. Gone are the days when retailing meant mere availability of a product. With competition becoming stiffer companies are looking at 'experiential' marketing. Also the lack of proper metrics to measure marketing spends is a serious issue.

Organized Retailing in India

According to Euro Monitor International, a leading provider of global consumer market intelligence, sales from large format stores (supermarkets and hypermarkets) is expected to increase by 30% in 2005. In the year 2002, food-related items accounted for nearly 71% of retail sales in India. However, it was interesting to note that there had been a decline in the purchase of food-related items. These had earlier registered a 73% sale in 1999. In recent years, there has been higher spending on non-food items.

Entry of Large Business Houses

Organized retailing in India started picking up in South India in cities like Chennai and Hyderabad, where real estate at prime locations was available at cheaper rates than in cities like Mumbai and Delhi. In the early 1990s, leading Indian business houses started taking a keen interest in the retailing sector...

The main organized sectors are

Pantaloon Retail India Limited (PRIL),RPG Group,Tata Group,Raheja Group,Reliance

AV Birla Group

Indian unorganized retail sector

India is the only one country having the highest shop density in the world, with 11 outlets per 1000 people (12 million retail shops for about 209 million households). Rather we can see the democratic scenario in Indian Retail (because of low level of centralization, low capital input and due to a good number of self organized retail).

Unorganized retailing

Unorganized sector on the other hand, refers to the traditional formats of low-cost retailing, for example, hand cart and pavement vendors, & mobile vendors, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hardware shop at the corner of your street selling everything from bathroom fittings to paints and small

construction tools; or the slightly more organized medical store and a host of other small retail businesses in apparel, electronics, food etc.

Research Methodology

The purpose of methodology is to describe the process involved in research work. This includes the overall research design, data collection method, the field survey and the analysis of data.

Research Design

The research conducted in this study is a descriptive research. This is descriptive in nature because study is focused on fact investigation in a well structured form and is based on primary data.

Sampling Plan

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure that researcher would adopt in selecting items to be included in the sample i.e. the size of sample. Sampling plan is determined before data are collected. The selection of respondents were accordingly to be in a right place at a right time and so the sampling were quite easy to measure, evaluate and co-operative. It was a randomly area sampling method that attempts to obtain the sample of convenient. sampling size was 25.

Data Analysis

In case of store preference 50% of the customers prefer organized sectors, 30% of the respondents prefer unorganized sectors and 20% of the respondents prefer both the sectors.

In case of organized sectors 51% of the respondents prefer malls and 49% of the respondents prefer branded show rooms.

In case of unorganized shops 65% of the respondents prefer kirana shops and 35% prefer small society shops.

In case of price difference between organized and unorganized sectors, 65% accept that their existing a price difference and 35% not accepting the price difference.

In case of facilities provided by the organized and unorganized sectors, 75% accepting that there is a difference existing, 25% not accepting this statement.

In case of quality 55% respondents accepting there is a difference existing and 45% not accepting this statement.

Price difference existing because of facilities provided by the organized and unorganized sectors. For this case 80% accepting this statement and 20% not accepting this statement.

Method of payment is good in organized sectors. For this 60% accepting this statement and 20% not accepting this statement.

Organized sectors are attracted by facilities. In this case 65% accepting and 35% not accepting the state

65% respondents said that comfortable shopping is provided by organized sectors and 35% by unorganized sectors.

Findings & Conclusion

This study found that in today's world more than 50% of the total population is interested in shopping from organized retail stores. From the study it is concluded that consumers think that there is quality as well as price differentiation between organized & unorganized retail stores, & this differentiation is due to the extra facilities provided by the organized retail stores.

Suggestions

People should not attract towards the facilities provided by organized stores.

Sometimes the organized stores charge high prices, so consumer should be aware.

Consumers should also have their attention towards the quality of the products.

References

1. Amit Saraswat, Toby Mammen, Jayesh P. Aagja, Ruchi Tewari, (2010) "Building store brands using store image differentiation", Journal of Indian Business Research, Vol. 2 Iss: 3, pp.166 – 180

2. Cherukuri Jayasankara Prasad, Ankisetti Ramachandra Aryasri, (2011) "Effect of shopper attributes on retail format choice behaviour for food and grocery retailing in India", International Journal of Retail & Distribution Management, Vol. 39 Iss: 1, pp.68 – 86

websites

www.relianceindustry.com

www.vishalmegamarts.com

www.bigbazar.com

www.raheja.com