A Study on the Consumer Buying Behaviour with Reference To Organised and Unorganised Retail Formats in Hyderabad

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Abstract: *The Retail Industry in India has been showing exponential growth which is seen as sunshine industry. Indeed, healthy economic growth, changing demographics, increasing disposable incomes, rapid urbanisation, changes in family structure (increased nuclear families), increased women employment, diversified needs and wants of the consumers, changing consumer tastes and preferences are the other factors driving growth in the organised retail market in India. To study the changing consumer buying behaviour and understanding their preferences in a way, a retailer can recognise the changing needs and wants of the target audience is a key for retailers to survival.*

I.   Introduction

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the total employment. According totheInvestmentcommissionof India, the retail sector in India is the world's fifth-largest destination globally. India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015, registering a compound annual growth rate of 16.7 per cent over 2015- 16, driven by income growth, urbanisation and attitudinal shifts. The overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent. The country is among the highest in the world in terms of per capita retail store availability. Thecontributionofmodernretailiscurrently8 per cent isexpectedto increaseform 37billionUSDto220billionUSDin2020.

According to new market research report by RNCOS titled, "Booming Retail Sector in India", specifies that the number of shopping malls is expected to increase at a CAGR of more than 18.9 per cent from 2007 to 2015. It further specifies that rural market is projected to dominate the retail industry landscape in India by 2012 with total market share of above 50 per cent. Thus, according to industry experts, the next phase of growth is expected to come from small cities and rural markets, with rural India accounting for almost half of the domestic retail market, valued over US\$ 300 billion.According to UNCTAD's world investment report 2015, India ranks third among most prospective host economy for 2015- 17. Increasing contribution from foreign and private players will boost the retail infrastructure. According to the BCG retail, the Indian retail market size would be USD 1300 billion by 2020.

II.   Statement of the Problem

The India retail has come forth as one of the most dynamic and fast paced industries. It offers immense potentiality; indeed consumer spending over retail items has been increasing which would be the most attractive factor for the global business people. Global retail giants are investing in retail market in India. The entry of global giants in retail sector has changing the retail landscape in India, in terms of organisation structure, consumer buying patterns, Investment and infrastructure. It also increases the consumer expectations over the services offered by the stores, this would be the biggest challenge to the domestic and traditional players. It is often considered as a complex to the domestic players, to formulate strategies to compete with these changes.

In this regard, it is imperative to study the changing consumer buying behaviour and understanding their preferences in a way, a retailer can recognise the changing needs and wants of the target audience is a key for retailers to survival. Thus, this research project is initiated to study the consumer buying practises and decision variables affecting their preferences in both organised and unorganised formats.

III.   Review of Literature

Survey of literature in this study covers, demographic profiles of the sample consumers and its impact on their buying preferences, challenges faced by organised and unorganized retailers

Ganesh Das (2015) , in his study assumed, the retailers can prepare themselves to face the competition in future time period. They agreed to provide good quality product and branded product on reasonable price. This will help them to survive in the new retail environment. Most of the customers are interested to buy

grocery and daily use product nearby the house. In order to attract more customers, the unorganized retailers have to offer attractive promotional schemes and attractive discounts as offered by organized retailers. It will become a strong tool to survive in future retailing environment.

Syed and Dr. Chanchalwala (2015) , opined that there are number of issues which governs the buying behaviour of an individual out of that age is consider as one ofthe noticeable factors next to price of the product and income. A large number of researches have been done on the cognitive process of buying behaviour. Consumer decision making is complicated process. Psychological aspect a consumer is observed as income, irrational and income and passive when making decision.

Abdul Waheed et.al (2014) in his studies identified that there are seven independent variables which governs purchase behaviour and that are age, education, income, marital status, credit facility and mostly price of the product. They opined that, education and income are the major factors of the purchase decision as compared to other

Objectives

The main objectives of this paper is to analyse and compare consumer buying behaviour towards organised and unorganised retail formats. To explore the factors affecting the preference towards organised and unorganised retail stores in Hyderabad.

IV. Methodology

To study the objectives, a questionnaire was developed and administered on as sample size of 628retail consumers out of which 319 were unorganised and 309 were organised consumers.Personal interview method were used to collect the data with the help of schedule.

The simple random technique is employed to select the sample respondents in Hyderabad.The gathered dataare tabulated and statistical tools were employed to examine the data collected and test hypothesis.Statistical tools used: Chi-square, Paired t- test, Percentage and Cronbach's Alpha for reliability testing.

Analysis and Interpretation
Paired sample T test for product attributes
H0 = There is no significant difference in perception of consumers while choosing between Organized and Unorganized Outlet in view of product attributes
H1 = There is a significant difference in the perception of consumers while choosing between Organized and Unorganized Outlet

Retail format	Mean(Organized)	Mean(Un organized)
Availability of large assortment	4.6861	3.5549
Freedom in choosing products	4.7605	3.9498
Availability of loose products	4.5049	3.9781
Packaging	4.6861	3.5799
Maintains quality	4.7184	4.4357
Accessibility of the products	4.5178	4.5266

The above table gives us the mean of Organized and Unorganized for the product attributes variables

V. Paired Sample T-Test

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Organized - Unorganized	.64147	.45808	.18701	.16075	1.12219	3.430	5	.019

Paired Sample T-Test is conducted between the Organized and Unorganized respondents to find out the significance between them , the above table conveys that the Paired differences mean is .641, Standard Deviation is .458, Standard error mean .187, t= 3.430 and significance= 0.019.

The value of the significance must be less than or equal to 0.05, then we can predict that there is a significant difference between the variables. As the significance value is 0.019, this suggests that *there is a significant difference in perception of consumer while choosing between Organized and Unorganized Outlet.* Hence Alternative Hypothesis is accepted.
Inference: To perceive the association in perception of consumers while choosing between Organized and Unorganized Outlet, paired t- test was performed. The above table suggests, there is a significant difference

between the perceptions of the consumers in choosing a retail format as the t-test value is 3.430 and the significance value is 0.019. Thus, there is a significant difference in perception of consumers while choosing between Organized and Unorganized Outlet.

Paired sample T test for locational factors

H0 = There is no significant difference in perception of consumers while choosing between Organized and Unorganized Outlet in view of locational factors.

H1 = There is a significant difference in the perception of consumers while choosing between Organized and Unorganized Outlet.

Retail format	Mean(Organized)	Mean(unorganized)
Store image	4.5858	3.7085
Sufficient Parking facility	4.6861	3.5549
Convenient location	4.2395	2.6176
Ambience	4.4628	2.6332
Good infrastructure	4.4725	2.7241
Clean and tidy surroundings	4.4013	3.1975
Store layout	4.0809	3.3323

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Organized - Unorganized	1.30869	0.42916	0.16221	0.91177	1.7056	8.068	6	0

Paired Sample T-Test is conducted between the Organized and Unorganized respondents to find out the significance between them , the above table illustrates that the Paired differences mean is 1.308, Standard Deviation is .429, Standard error mean .162, t= 8.068 and significance= 0.0.

The value of the significance must be less than or equal to 0.05, then we can predict that there is a significant difference between the variables. As the significance value is 0.0, this suggests that *there is a significant difference in perception of consumer while choosing between Organized and Unorganized Outlet.* Hence Alternative Hypothesis is accepted.

Inference: To perceive the association in *perceptions of consumers while choosing between Organized and Unorganized Outlet*, paired t- test was performed. The above table supports, there is a significant difference between the perceptions of the consumers in choosing a retail format as the t-test value is 8.068 and the significance value is 0.0. Thus, there is a significant difference in *perception of consumers while choosing between Organized and Unorganized Outlet.*

VI.   Conclusion

The variables, availability of large assortment, freedom in choosing products, availability of loose products, packaging, maintains quality, have a significant difference in perception of consumer while choosing between organized and unorganized outlet. The variables, store image, sufficient parking facility, convenient location, ambience, good infrastructure, clean and tidy surroundings, store layout have a significant difference in perception of consumer while choosing between organized and unorganized outlet

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