

# **A Study on Consumer Preference towards Unorganized Retail Industry at Trichy**

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## **ABSTRACT**

*The study has been conducted on the topic “A Study On Consumer Preference Towards Unorganized Retail Industry At Trichy”. This study focuses on the real aspects of consumer preferring on unorganized sector. In day to day life at this fast moving society the interest of people is varying time to time. This open research helped to understand the problems, profits and performance of unorganized sectors. This study is conducted by collecting primary data from the consumers in and around Trichy region of Tamilnadu. The data are analysed by using tools such as percentage analysis, Chi-square analysis and correlation. The suggestions are made for improving the unorganized sector to more number of consumers.*

*Keywords: Unorganized sector, Retail industry, Kirana stores*

## **INTRODUCTION**

The retailing is a marketing intermediary for the marketing channel in any country. This channel is very important for the growth and development of the country. Mainly the reason for retailing is because the person of business is both a consumer and producer. The line of system from the manufacturing sector to users will surely depend on the substance of retailers.

The reason of dependence is very obvious as the final goods must reach the customers with optimum utility and fine quality. Again the retail business gives a focus on four main categories namely product, place, price and promotion.

These retail people use many advertising methods and communication tools for the growth and awareness keeping in minds the future customers.

Hence this paper focuses on the integral part of our economic structure that will help to shape the life track. The power of individual retail organisation is also growing in bigger dimensions. So the aspect of retailing is derived with the help of supply chain method.

## **SCOPE OF THE INDIAN RETAIL MARKET**

The organized retailing sector in India is growing 35 percent annually while unorganised retail sector is pegged at 6 percent. There are under construction at present around 325 departmental stores, 300 new malls, and 1500 supermarkets. This proves that there is a tremendous scope for growth in the Indian retail market.

The scope of the Indian retail market have been seen by many retail giants and that the reason that many new players are entering the India retail industry.

## **SCOPE OF THE STUDY**

- This Study helps to identify the status of the unorganized sector.
- This Study helps to improve the unorganized sector.
- This Study helps to identify the existing drawback and Rectification.
- This Study helps to analysis the overall growth of unorganized sector.

## **REVIEW OF LITERATURE**

**Dr. M. Rajendran and Mrs. S. Hema (2017)** said that they are the highly different and deprived section of the society in the need of protection, security and assistance. As per details the unorganized workers by

gender across the states in the year 2013- 2014. The male workers are 90.7 and female workers are 95.9% in unorganized workforce. The female workers are more than male workers in unorganized sector as well as unorganized workers.

**Wilson Harvard (2012)** researchers found that Construction workers are frequently stressed with work-related injuries and pain and often fail to seek help, putting themselves at risk for more issues and mental health issues, including depression, anxiety, and even suicide, according to a new study by researchers at Harvard School of Public Health.

**RESEARCH METHODOLOGY**

This study has been carried out by primary data collected through structured questionnaire. Data collection was done by random sampling method and analyzed by chi square , correlation, tables and charts.

**RESEARCH HYPOTHESIS**

- To test the significant relationship between the age and attraction towards facilities provided by unorganized store
- To test the significant relationship between the income and service of unorganized sector.
- To test the significant relationship between the quality difference and price difference.

**Chi-Square Test**

**TESTING HYPOTHESIS**

H<sub>0</sub> :There is no significant relationship between age and attraction towards facilities provide by unorganized sector.

H<sub>1</sub> :There is significant relationship between age and attraction towards facilities provide by unorganized sector.

Chi-square= $\sum(O_i-E_i)^2/E_i$

O<sub>i</sub> =observed frequency

E<sub>i</sub>=Expected frequency

Expected frequency (E<sub>i</sub>) =Row Total\* Column total/ Net total

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> -e <sub>i</sub>	(o <sub>i</sub> -e <sub>i</sub> ) <sup>2</sup>	(o <sub>i</sub> -e <sub>i</sub> ) <sup>2</sup> /e <sub>i</sub>
4	0.8	3.2	10.24	12.8
4	3.4	0.6	0.36	0.1
2	3.2	-1.2	1.44	0.45
2	3.2	-1.2	1.44	0.45
0	1.4	-1.4	1.96	1.4
2	2	0	0	0
8	8.5	-0.5	0.25	0.0
14	8	6	36	4.5
6	8	-2	4	0.5
0	3.5	-3.5	12.25	3.5
0	2.3	-2.3	5.1	2.3
6	9.6	-3.6	13.2	1.4
6	9.1	-3.1	9.4	1.0
14	9.1	4.9	24.3	2.7
8	4.0	4.0	16.3	4.1
0	2.1	-2.1	4.6	2.1
14	9.1	4.9	24.3	2.7
6	8.5	-2.5	6.4	0.8
8	8.5	-0.5	0.3	0.0
4	3.7	0.3	0.1	0.0

2	0.8	1.2	1.44	1.8
2	3.4	-1.4	1.96	0.6
4	3.2	0.8	0.64	0.2
2	3.2	-1.2	1.44	0.45
2	1.4	0.6	0.36	0.3
			Calculated value	44.101

Degrees of freedom  $= (r-1)*(c-1)$

$(5-1)*(5-1)=16$

Level of significance  $(\alpha) = 0.05$

**Tabulated value = 26.296**

**Calculated value = 44.101**

**INFERENCE**

Hence the calculated value (44.101) is greater than tabulated value (26.296).and therefore null hypothesis is rejected. Alternative hypothesis is accepted. so, There is significant relationship between age and attractive facilities provided by unorganized stores.

**Testing Hypothesis :2**

To test the relationship between income and satisfied service of unorganized sector.

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> -e <sub>i</sub>	(o <sub>i</sub> -e <sub>i</sub> ) <sup>2</sup>	(o <sub>i</sub> -e <sub>i</sub> ) <sup>2</sup> /e <sub>i</sub>
8.0	6.8	1.2	1.4	0.2
18.0	19.8	-1.8	3.4	0.2
6.0	5.1	0.9	0.8	0.2
2.0	2.3	-0.3	0.1	0
0	0	0	0	0
2.0	19.8	-17.8	318.0	16.0
10.0	9.3	0.7	0.4	0
4.0	3.6	0.4	0.2	0
0	6.4	-6.4	41.0	6.4
0	0	0	0	0
4.0	4.8	-0.8	0.6	0.1
16.0	14.0	2.0	4.0	0.3
2.0	3.6	-1.6	2.6	0.7
2.0	1.6	0.4	0.2	0.1
0	0	0	0	0
10.0	9.2	0.8	0.6	0.1
26.0	26.8	-0.8	0.7	0.0
6.0	6.9	-0.9	0.8	0.1
4.0	3.1	0.9	0.9	0.3
0	0	0	0	0
			calculated value	24.7

Degree of freedom  $= (r-1)*(c-1) = (4-1)*(5-1)=12$

**Tabulated value = 21.026**

**Calculated value = 24.7**

**INFERENCE**

Hence the calculated value (24.7) is greater than tabulated value (21.026).and therefore null hypothesis is rejected. Alternative hypothesis is accepted. So, There is significant relationship between income and the service provided by unorganized sector.

## FINDINGS

- It is inferred that 26.6% of consumers are getting monthly income less than Rs.5000 and 15% are getting Rs.5000-10,000 and 20% Rs.10,000-20,000 and 38.3% are getting above 20,000.
- It is inferred that 51.7% respondents are residence distance of less than 1km and 43.3% are in 1km-5km distance and 5% are of 5km-10km distance.
- It is inferred that 18.3% respondents prefer for less price and 46.7% are prefer for less distance and 16.7% are prefer for good ambience and 11.7% are prefer for good quality and 6.6% are for better service.
- It is inferred that 81.7% are having plan to continue shopping in unorganized store 18.3% are not interested to continue.
- There is significant relationship between age and attractive facilities provided by unorganized stores.
- There is significant relationship between income and the service provided by unorganized sector.
- There is a relationship between quality difference and price difference.

## 5.3 SUGGESTION

- **Size and Space of store** Small store owners have to work on enhancing the size of the stores
- **Quality, Branded Products and Varieties** The unorganized stores should provide quality goods and services.
- **Cleanliness & Hygiene** The store should be clean and hygienic which will provide a pleasant atmosphere for the purchaser.
- **Home Delivery** Home delivery of goods should be provided by the small store owners to their consumers in order to strengthen the relationship and maintain them.
- **Standard List & Phone / Whatsapp Booking** Stores shall take booking on phone or Whatsapp based on standard list including delivery date & time and the products can be delivered.
- **Automated SMS System for Booking Reminders** Small Stores can introduce the SMS alert system where in they can maintain customers database and they can set automated reminders for once in fifteen days to Whatsapp Standard list and book the order. They can also use this system for promotional and other communications.
- **Credit & Card Facility** Credit facility should be provided to the regular consumers who have been purchasing from them for a long time and who the store owners want to retain.
- **Product display** should be made attractive and easy to view.
- **Replacement of Damaged Goods** Replacement of damaged goods should be done easily without any delay.

## 5.4 CONCLUSION

Retail is the process of selling consumer goods and service to customer through multiple channels of distribution to earn a profit. Marketing starts with the customer. For this study I have chosen the unorganized sector.

It is to conclude that majority of the shoppers who stated similar issues in unorganised formats majorly influence on “facilities & ambience, smooth transaction & interaction and shopper interface factors of unorganised retailing”. Whereas majority of the shoppers who stated similar issues in organised formats majorly influence on “Shopper Interface, Comfort & Convenience, Monetary benefit & Ease of access and Store image factors of organised retailing”

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