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**AN EMPIRICAL STUDY OF CONSUMER BUYING PREFERENCES  
 TOWARDS ORGANIZED RETAILERS IN THE CITY OF RAJKOT**

**ABSTRACT ::**

*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. Especially, in countries like India, till date unorganized retailers play predominant role in offering products or services of different product or service mix at the convenient location with effective selling and buyers' retention strategies. But due to the recent changes in the field of retailing and with the entry of big domestic corporations as well as multinational and foreign companies into the field of various retailing ventures, the existing retail market scape has changed a lot. This has led to change in buying preferences of consumers. Therefore the main objective of this paper is to study the buying preferences of consumers towards organized retailers. This research work is in the form of 'ex-post-facto' study which is based on the survey method. The main source of collection of data in the present study is primary data which are supported by the secondary data. The primary data is collected through the well-structured close ended questionnaire and the secondary data collected from the reports, reference books, and journals are used for review of literature. This study consists of sample size of 50 customers in the Rajkot city. Convenience sampling method of choosing consumers is adopted to select the respondents. The researchers contacted each respondent individually and took personal interview. Statistical tools and techniques such as cross tabulation and simple percentages were used for studying proportions and preferences.*

**INTRODUCTION ::**

The word 'retail' has derived from the French word 'retailer', meaning 'to cut a piece off' or 'to break bulk'. In simple terms, it implies a first-hand transaction with the consumer. David Gilbert has defined retail as "any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution." Retailers are referred to as middlemen or intermediaries because they occupy a middle position in the distribution channel. They receive goods from producers and wholesalers and pass it on to customers. The retailers are able to accomplish this through the store/retail outlet located at a convenient place and also by ensuring that the customer is a focal point for the selection and display of stock

The retailers' market can be segmented on the basis of various retail formats to concentrate or focus on the needs of particular consumer groups. Ultimately, this has led to the development of a very complex retail environment. With the increase in competition in the retailing market, retailers are seeking new consumer groups and new ways to tap this market. Some of the important reasons for the growth in the consumer demand for retail outlets could be that there is a growing middle class of consumers with high disposable income, rise in consumer aspiration level for global lifestyle due to media exposure etc.

**REVIEW OF LITERATURE::**

Dr. A. S. Boora and Dr. Priyanka Singh in their study "Organized Vs Unorganized Retailing: A Three Dimensional Study of Purchase Attributes Preference in Grocery Retailing", have pointed out that organized retailing formats are closer to the consumer's choice as far as attribute preference is concerned. In this study they illustrate the preference for the purchase attributes in case of the grocery retailing. A three dimensional study has been used for illustration in which responses from the customers, organized retailers and unorganized retailers are taken and analyzed for the purpose.

Ms. Vidushi Handa and Mr. Navneet Grover in their study on "Retail Sector in India: Issues & Challenges", views that In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the Indian Retail Industry to grow faster. This paper provides detailed information about the growth of retailing industry in India. It examines the growing awareness and brand consciousness among people across different socio-economic classes in India and how the urban and semi-urban retail markets are witnessing significant growth. It explores the role of the Government of India in the industries growth and the need for further reforms.

Dr. V. Ramanathan and Dr. K. Hari carried out "A Study on Consumer Perception about Organized Vs Unorganized Retailers at Kanchipuram, Tamil Nadu" for studying the consumers' perception about the organized and unorganized retailers. Researchers has selected businesses/trade activities, equal number of organized and unorganized retailers were selected. The study was conducted to analyze the consumers' perception about organized and unorganized retailers and the factors influencing their perception, and factors which were taken into account were – quality of products offered, price charged, discount extended to consumers, promotional programs offered, packaging styles adopted, door to door delivery, complaint handling, availability of stocks, and customer relationship programs.

Prof. P. Sivaraman in his study on "The Future of Unorganized Retailing in Kanyakumari District", aims at to identify the various impacts of organized retailing on unorganized retailers. The data analysis of customer attitude towards unorganized and organized retailers shows that there is a perceived difference between organized retailers and unorganized retailers on the attributes of store image, range of products, brand choices, price, store ambience, credit availability, shop proximity and complements. However there is no perceived difference on product freshness and customer care. This study clearly point out that the unorganized retailers are facing stiff competition from the organized retailers. This has reduced their sales, profit, and employment considerably. The operational cost, consumer credit also increased certain level due to the presence of organized retailers. So the initiatives should be taken to protect the interest of the unorganized sector as this sector having the employment opportunity to the majority of the society.

- The global paper industry churns out around 310 million tones, with North American and Scandinavian countries such as Finland and Norway accounting for 55 per cent of the output. Asia accounts for a fourth of the world production. While the European and American output is largely based on soft pulp and is of better quality, the Asian production is a mix of hard wood pulp, soft wood pulp and other agri-residues.
- Writing and printing paper accounts for 33 per cent, industrial paper for 61 per cent and newsprint for around 6 per cent of the market.
- World average of per capita consumption of paper is 48 kg.

## **PAPER : AS A PRODUCT ::**

The role of paper in every area of human activity is almost inevitable. Paper provides the means of recording, storage and dissemination of information. Over and above the writing and printing use, paper is almost widely used medium of wrapping and packaging, and finds its usage in structural application, too. The world over paper has become an essential commodity. Despite the electronics revolution leading to more and more automation of operation and computerization, the much talked about "Paperless Office" has remained a distant dream even in developed counties. If anything, computers the world over churn out even increasing reams of papers. Per capital consumption of paper in developed countries is nearly 100 times that of developing countries.

## **TYPES OF PAPER.**

Main Objective: To study the buying preferences of consumers towards organized retailers. • To know the mode of organized purchase. • To get idea about items purchased from organized retailers. • To study the reasons behind buying from organized retailers

## **RESEARCH DESIGN**

This study is intended to analyze the consumer buying preferences towards organized retailers. Hence, this study is descriptive in nature. The primary data is collected through the well-structured

close ended questionnaire. This study consists of sample size of 50 customers in the Rajkot city. Secondary data are used for review of literature. Statistical tool used in this study is simple percentage

## ANALYSIS AND INTERPRETATION

### Consumers' Buying Preferences

Table (1) Source of Purchases made by the Respondents

Source of Purchase	Frequency	Percentage
Organized Retailers	26	52
Unorganized Retailers	24	48
Total	50	100

Source: Primary data

#### Interpretation ::

The above given table (1) depicts the consumers' buying preferences in the city of Rajkot. Out of 50 respondents, 52% respondents are purchasing from organized retailers and remaining 48% respondents are purchasing from unorganized retailers. Surprisingly, majority of consumers prefer organized retailers for shopping. This shows that shopping trend is now changing in Rajkot city. Earlier people used to purchase items from unorganized retailers but slowly they are shifting to organized retailers.

### Mode of Organized Purchases

Table (2) Purchase Preferences of Respondents under the Organized Stores

Mode of Organized Purchases	Frequency	Percentage
Supermarket	7	27
Hypermarket	16	61
Departmental Store	3	12
Total	26	100

Source: Primary data

#### Interpretation:

As shown in table (2), out of 50 respondents, 26 respondents generally prefer organized retailers and out of these 26 respondents, majority of the respondents which is 61% prefer hypermarkets like Big Bazaar and D-Mart. On second highest, there are 27% respondents who prefers supermarkets like Chandan Supermarket (Amin Marg), Golden Supermarket (New Era School Road and Sadhu Vasvani Road), and Shital Supermarket (Airport Road). And there are only 12% of the respondents who prefer departmental stores like, Gopal Brothers (Jubilee Market Road) and Khadi Bhavan (Trikon

Baug Circle). Thus, hypermarkets are most preferred and departmental stores are least preferred. The main reason behind the craze of purchasing from hypermarket is the concept of 'everything under one roof'. Life is becoming very fast nowadays. People are in scare of time. So these hypermarkets help them save time, money and energy. Another reason is the sense of sophistication being developed by media exposure in middle class with high disposable income.

### Items Purchased From Organized Retailers by Consumers

**Table (3) Items Purchased From Organized Retailers by Consumers**

Items	Frequency	Percentage
Grocery	8	31
Textiles	7	27
Stationery	1	3
Vegetables	2	8
Food Items	3	12
Durables	2	8
Toiletries	1	3
All the above	2	8
<b>Total</b>	<b>26</b>	<b>100</b>

Source: Primary data

### Interpretation:

Table (3) shows that out of 26 respondents, majority of the respondents, i.e., 31% prefer grocery items to purchase from the organized retailers. 27% respondents prefer textiles and 12% respondents prefer food items to purchase from organized retailers. Stationery and toiletries are least preferred items at organized retailers as only 3% of respondents prefer to buy it from there. Thus, grocery items are most preferred and, toiletries and stationery items are least preferred.

### Reasons for Buying From Organized Retailers

**Table (4) Reasons for Buying From Organized Retailers**

Reason	Frequency	Percentage
Good Quality	8	31
Affordable Price	7	27

<b>Attractive Schemes</b>	2	8
<b>Home Delivery</b>	2	8
<b>Self Service and Satisfaction</b>	1	3
<b>Discount</b>	3	12
<b>Credit Facility</b>	0	0
<b>Value Added Services</b>	2	8
<b>Offers</b>	1	3
<b>Total</b>	<b>26</b>	<b>100</b>

Source: Primary data

### Interpretation:

As given in table (4) there are 31% consumers purchase from organized retailers just because they provide them good quality products. The second highest voted reason is 'affordable prices' i.e., 27%, because organized retailers purchase all items in huge quantities and get the maximum discount on it from wholesalers or producers and as a result they are able to provide good quality products at a minimum price ever possible.

### FINDINGS

1. Researchers have found that 52% of the respondents buy from organized retailers and remaining 48% buy from unorganized retailers. So ratio is nearly same. This means unorganized retailers are fighting the competition with the organized retailers very strongly and shopping trend is changing in Rajkot city.
2. Out of 26 consumers who buy from organized retailers, 61% of them buy from Hypermarkets. So, Hypermarkets are most preferred by consumers for shopping. And departmental stores are least preferred.
3. Majority of the respondents (31%) prefer organized retailers for grocery items. Thus, grocery items are most preferred at organized retailers. And stationary and toiletries are least preferred item because only 3% respondents preferred it.
4. Majority of the respondents (31%) consider 'good quality' as a viable reason behind buying from organized retailers. Thus, 'good quality' is most considered reason behind buying and surprisingly no respondents considered 'credit facilities' as a reason behind an organized purchase.

### SUGGESTIONS

It is suggested that organized retailers should try to create good relationship with their customers with the help of providing value added services and trustworthy credit facilities to them because no respondents considered 'credit facilities' as a reason behind an organized purchase. Good relationship with customers will increase the trust factor among them. Supermarkets have the potential to compete with hypermarkets because they are closer in distance to the residential locations of the consumers than the hypermarkets. Value added services like 'free home delivery', 'special membership vouchers', etc. will help in increasing sales, retaining old customers and attracting new customers.

## **CONCLUSION**

This study reveals the consumers' buying preferences towards the organized retailers of Rajkot city. Shopping environment is changing in the city. Researchers observed a shift from unorganized shopping to organized shopping. Organized retailers are successful in providing good quality products at affordable price. Organized retailers focus mainly on to provide grocery items at its best. That is the reason why most of the consumers prefer to buy grocery from organized retailers. Organized retailers are preferred by consumers mainly because of the fact that they provide a better product mix at affordable prices.

## **SIGNIFICANCE OF THE STUDY**

This study gives a clear picture about the consumers' preferences towards organized retailers. It throws light on the reasons taken into consideration by the consumers while making purchase decisions and types of goods purchased by the consumers from organized retailers.

## **LIMITATIONS OF THE STUDY**

In real world, the researcher in any field of knowledge makes the ground for further researches and this process goes on but all studies and researches have their own limitations. The researcher has to face many problems, some related to circumstances or situations. The main limitations of the study are as follows:

1. Sampling approach has been used in this study. As such the study suffers from the limitations of sampling in general. The specific limitation of this study has been the non-inclusion of rural respondents and respondents of cities other than Rajkot due to time constraints.
2. The study being part of behavioural research and primary data was collected through questionnaire as such suffers from the subjectivity biases of the respondents.
3. Again this study is limited to the Rajkot city so the generalization of conclusions of the study may therefore not have universal applicability.
4. The time constraint has been a major limitation of this study.
5. The present study is limited to only 50 respondents of Rajkot city. Although the care has been taken in selecting the samples in the present study. But it may not be representative of the actual population.

## **SCOPE FOR FUTURE RESEARCH**

1. Retailing and consumer behaviour, both are very vast subjects in itself. Future researches can be done on each of them separately. For example, Social influence on consumers' buying preferences towards organized retailers and/or unorganized retailers.
2. Information Technology is becoming a vital part in retail industry. So another scope in this field can be consumers' preferences about online shopping and online retailing.
3. Consumer behaviour is very complex, uncertain and unpredictable. So one of the future researches can be done in the field of buying behaviour models or decision making process and its relationship with various models of perception and its effects in organized and unorganized retail purchase.
4. Online shopping behaviour and shopping trends, adoption of new technologies in retailing and buying preferences towards the e-retailing amongst consumers can be another future scope in the field of retailing research.
5. Relationship between consumers' preferences and brand loyalty in each segment of the products in retailing can be another interesting subject for future research.
6. Opinion leaders are most influencing players in the market. So a thorough study on opinion leaders' behaviour and perception about the organized and unorganized retailers is an attractive subject to work upon in future.
7. Separate study on both organized and unorganized retailers can be done separately with more in-depth research on each aspect of both kinds of business activities.
8. A separate study can be done on selected types of retailers and their consumers' buying preferences and behaviour. For example, study of purchase attributes in grocery retailing or any other types of retailers like chain stores, specialty stores, supermarket, hypermarket, etc.

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**Mr. Manthan Joshi**

Research Scholar, Department of Commerce Saurashtra University,  
Rajkot, Gujarat-360005

**Dr. Chitrlekha H. Dhadhal**

Assistant Professor, Department of Commerce Saurashtra University,  
Rajkot, Gujarat-360005

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