

AN ANALYTICAL STUDY OF ORGANIZED RETAILING (WITH SPECIAL REFERENCE TO BUYING BEHAVIOUR OF FEMALE CUSTOMERS)

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Abstract

The Indian retail industry has contributed a very big role for the growth of the economy. It is the second largest sector after agriculture in India, which contributes more than 10% of the GDP. It is estimated that India will be the third largest consumer economy in the world by achieving Rs. 27.95 lakh crore (US\$ 400 billion) in product consumption in the year 2025. The Government of India has also made a lot of reforms in Foreign Direct Investment policy (FDI) to improve the retail sector. For this, the government has given permission in multi brand and single brand retail, 51% & 100% FDI respectively. Thus, around US\$ 6.2 billion have been invested from private equity and venture capital funds in Indian retail industry in the year 2020. There are many factors that have developed the Indian retail industry i.e. increasing disposable income, healthy economic growth, changing in choice & preferences as well as demographic profile of consumer, urbanization etc. Women also have a huge contribution in the development of the Indian retail industry. As the most of the retail material are bought and consumed by women i.e. grocery, kitchen appliances, health & beauty products, children items, FMCG products, Apparel, Foot wear, home care, baby care etc. This study has been conducted in buying behavior of women towards organized retailing so that a proper guideline can be found for future research work. Primary and Secondary data have been used for this research work. A survey was conducted in the urban area of Jaipur city to collect primary data. For this purpose a well designed questionnaire was prepared. This survey was conducted among 100 female respondents with random sampling. To obtain the required interpretation and the findings, the filled up questionnaires were later analyzed. The secondary data was collected from the books, journals, websites etc.

Keywords: Demographic Profile, FMCG products, Foreign Direct Investment (FDI), Multi-Brand and Single-Brand Retail, Retail Industry etc.

Introduction

The Indian retail industry has contributed a very big role for the growth of the economy. It also contributes significantly to the growth of Gross Domestic Product (GDP) of Indian economy. It is the second largest sector after agriculture in India, which contributes more than 10% of the GDP. Along with this, after agriculture, it is also the second largest employment provider industry in India. The retail industry of India ranks fifth among the world's 10 largest markets. On the basis of availability of retail stores for per person, India leads the world. It is estimated that India will be the third largest consumer economy in the world by achieving Rs. 27.95 lakh crore (US\$ 400 billion) in product consumption in the year 2025. Indian retail industry has got a boost with the help of foreign and institutional investors. The Government of India has also made a lot of reforms in Foreign Direct Investment policy (FDI) to improve the retail sector. For this, the government has given permission in multi brand and single brand retail, 51% & 100% FDI respectively. Thus, around US\$ 6.2 billion have been invested from private equity and venture capital funds in Indian retail industry in the year 2020.

Deloitte and the Retailers Association of India (RAI) presented a joint report that Mobile and Internet penetration in India has grown rapidly in the last few years and many International brands and retailers have entered in retail industry of India. The organized retail market was 12% in 2017, which is estimated to be 22 to 25% by 2021. The market of E-commerce was also US \$ 24 billion in 2017, which is estimated to be US \$ 84 billion by 2021. Total consumption expenditure was US \$ 1824 billion in 2017. It is estimated to be US \$ 3600 billion by 2020. It represents 10% Gross Domestic Product (GDP) and 8% employment in the country. In the year, 2018, retail industry of India was US \$ 950 billion at a CAGR of 13%, which is estimated to be US \$ 1.1 trillion by 2020. According to United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019, ranking of India is 73, similarly according to World Bank Doing Business 2020; India is 63rd in the retail space. According to Department for Promotion of Industry and Internal Trade (DPIIT), foreign investment in Indian retail trading from the year 2000 to 2020 amounted to US \$ 3.44 billion.

Although organized retailing originated in the last few decades yet it has been developed in major and metro cities as well as in Tier II and III cities. There are many factors that have developed the Indian retail industry i.e.

increasing disposable income, healthy economic growth, changing in choice & preferences as well as demographic profile of consumer, urbanization etc. Long term relationship is always beneficial for every industry so that the consumer stays connected with the industry for a long time and consumes its services and products. But in today's competitive era, it is a challenging task to keep the consumer connected for a long time. Companies try to attract the consumer with the help of new products and services, effective advertisement, sales promotion, low prices etc. In such a situation, consumer satisfaction is the basic mantra through which long term relations with the consumer can be maintained. A consumer can be satisfied only when he gets reasonable price, good quality, a wide range of products and good consumer services. Women also have a huge contribution in the development of the Indian retail industry. As the most of the retail material are bought and consumed by women i.e. grocery, kitchen appliances, health & beauty products, children items, FMCG products, Apparel, Foot wear, home care, baby care etc.

Review of Literature

Swapna Pradhan (2009), "Retailing Management" Text & Cases – 3rd edition (Tata McGraw Hill) The author has mentioned in the book that the retail sector occupies a very important place in the Indian economy. After the globalization and liberalization phase started, the Indian retail market has undergone very rapid changes. Many global market players have arrived in the Indian retail market who has promoted competition in the Indian retail market. According to the author, providing better service, low rate, variety, good quality are the only way that customers can be satisfied.

Philip Kotler (2007), "Retail Management" Tata McGraw Hill, Second print, pp 60 - 120

The author described in his book that at present there has been a lot of competition in the retailing sector. In this book, he discussed about adopting a strategic approach in the retail sector. Along with this, he also suggested to make a plan to adapt the complexity of changing environment.

Bajaj Chetan , Srivastava V Nidhi & Tuli Rajnish (2005), "Retail Sector in India", Oxford University Press, Third Impression. The authors have described in this book that the pace at which the India retailing industry is growing will overtake the other industry in the coming times. The Government of India has given a new direction to the Indian retail market by giving relaxation in FDI. Apart from this, due to globalization and linearization, new big shopping malls and retail outlets have come into existence today. This has encouraged organized retailing.

Need and Importance of the Study

This study has been conducted in buying behavior of women towards organized retailing so that a proper guideline can be found for future research work. Apart from this, to identify market potential, growth and market size of the organized retailing are the other important factors of this study. In current perspective this study represents the future scenario of the organized retailing. This research work provides guideline to further extension of the women customer's buying behaviour. Through this research work it is easier to know the consumers satisfaction with the various facilities, product range and availability, store location and modernization and other factors of these shopping malls.

Scope of the Study

To recognize the buying behavior of women customer's towards organized retailing is the basic scope of this research work. Thus, to complete this research work, primary and secondary data have been used. In this study only the consumers living in the urban area have been taken care of. Rural area consumers are not included in this study. The study provides help for further research in organized retail sector.

Objectives of the Study

This research work has the following objectives -

- To study the basic objectives of the women to visit the organized retail outlets.
- To make a study to know the consumer perception about retail stores and to study the level of consumer satisfaction;
- To know whether the stores are at, above or below the expectation of their respective consumers;
- To study the impact of sales promotion schemes on consumer buying behavior.
- To suggest, on the basis of study results, ways and means for improving the quality of services, with a view to make overall sales services more effective and efficient.

Limitations of the Study

This study is conducted in Jaipur city thus the result may not be applicable to other areas. To collect the data a field survey has been conducted in Jaipur city and only 100 female respondents have been selected with random sampling. Time and money are other factors as limitations of the study.

Research Methodology

Sources of Data

Primary and Secondary data have been used for this research work. A survey was conducted in the urban area of Jaipur city to collect primary data. For this purpose a well designed questionnaire was prepared. This questionnaire had 15 questions which contained questions like demographic profile, quality of service, consumer satisfaction etc. provided by the retail stores. This survey was conducted among 100 female respondents with random sampling. To obtain the required interpretation and the findings, the filled up questionnaires were later analyzed. The secondary data was collected from the books, journals, websites etc.

Sampling Plan

Following is the sample plan for this research work -

- Units of Sampling : Female consumer of Retail Stores
- Techniques of Sampling : Randomly
- Instrument used for research : Structured Questionnaire
- Method of Contact : Personal Interview

Sample Size and Area

To collect the data a survey was conducted at the various shopping malls in Jaipur city with 100 customers as respondents.

Data Analysis

Table 1.1

Age Group	0-15 years.	15-30 years	30-45 years	45-60 years	60 years & Above	Total
Female	14	41	25	15	05	100
Total	14	41	25	15	05	100

As the data shown in table 1.1, mostly respondents (41) were in the age group 15-30 years. In this age group mostly female were likely to purchase clothing, footwear, health & beauty products, personal care, gifts, baby care products, grocery and other house hold products of this age group. On the other side, in the age group 30-45 years, 25 respondents were there, who were likely to buy FMCG and house hold products, grocery, children's items, clothing, consumer durables, home accessories etc. Whereas 15 respondents were there who were in the age group 45-60 years and likely to purchase FMCG products, consumer durables and daily need items. In the age group 0-15 years, there were 14 respondents who liked to buy their personal items, gifts, clothing & footwear, stationery, mobile accessories and health & beauty products and personal care. There were only 05 respondents who were in the age group 60 years & above and likely to buy FMCG and house hold products.

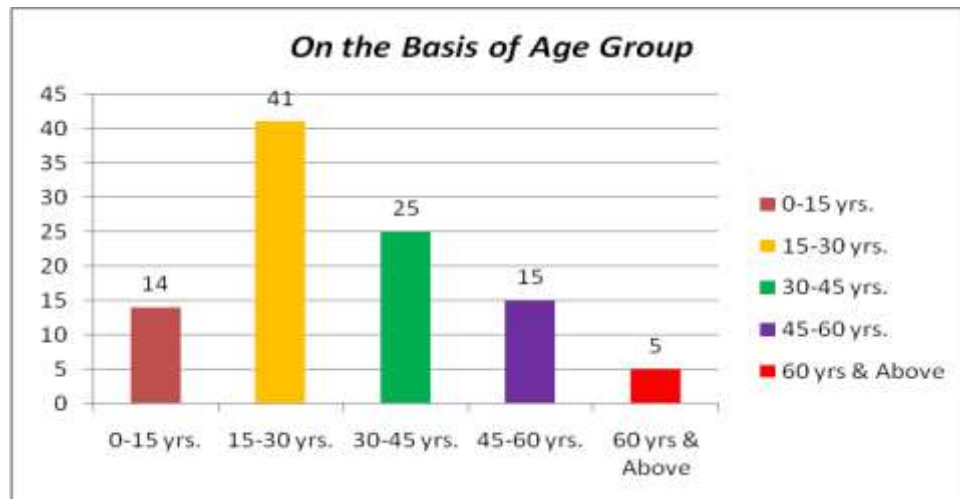


Table 1.2

Education	Upto Secondary	Upto Graduate	Upto P.G.	Professional	Total
Female	06	32	29	33	100
Total	06	32	29	33	100

As the data shown in table 1.2, most of the respondents (33) were professional having professional qualification i.e. C.A., C.S., I.C.W.A. Engineer, Doctor, Lawyer etc. The main reasons for buying from the retail stores were quality, time saving, product range and easy access for them. On the other hand, there were 32 respondents who had Graduate qualification. According to them price and promotional scheme were the basic reasons for buying the products from the retail stores. Whereas, having Post Graduation qualification, there were 29 respondents, who purchase from the retail stores due to price, wide range of products, quality and display of products. There were only 06 respondents who had secondary qualification and likely to purchase due to price and promotional schemes.

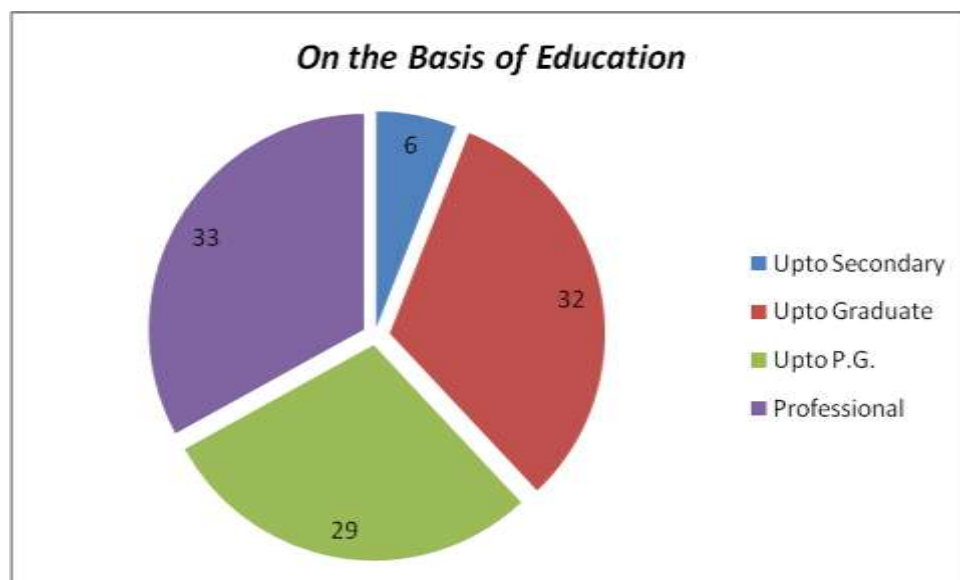


Table 1.3

Income	0-10,000	10,001-20,000	20,001-30,000	30,001-40,000	More than 40,000	Total
Female	02	12	30	32	24	100
Total	02	12	30	32	24	100

As the data shown in table 1.3, most of the respondents (32) were in the income group 30001-40000. These respondents told that they purchased FMCG products, house hold items, food & grocery, home décor, health & beauty products, personal care, clothing & footwear and day to day items from the retail stores. On the other hand, 30 respondents who were in the income group of 20001-30000 told that they bought various item i.e. FMCG, baby and children care, grocery etc. from these stores. Other than that, 24 respondents in the income group more than 40000 told that they were likely to buy grocery, house hold products, health & beauty products, personal care, consumer durables, electronic items, home décor items etc. from these stores. Similarly, in the income group 10001-20000, there were 12 respondents. These respondents were likely to buy FMCG products and daily need items. There were only 02 respondents who were in the income group 0-10000 and likely to buy day to day need products from the retail stores.

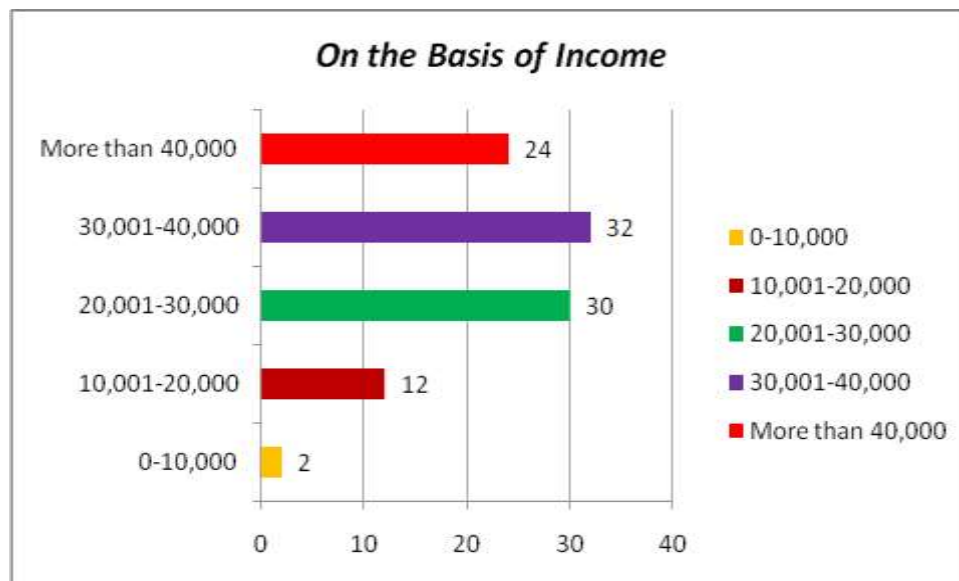


Table 1.4

Visit	Every Day	Once in a week	Fortnightly	Once in a month	Total
Female	14	22	28	36	100
Total	14	22	28	36	100

As the data shown in table 1.4, most of the respondents (36) were likely to visit the retail store once in a month. As they were professional or service class and had less time to go every day or week to the retail stores. These respondents told that they purchased monthly items in one visit. On the other hand, there were 28 respondents who were likely to visit fortnightly. They preferred to buy FMCG product and daily need products in this visit. Similarly 22 respondents were there who visit the retail stores, once in a week and 14 respondents every day. Both the respondents told that they have sufficient time to visit the retail stores. To buy daily need product and Fresh items was another reason for daily visit.

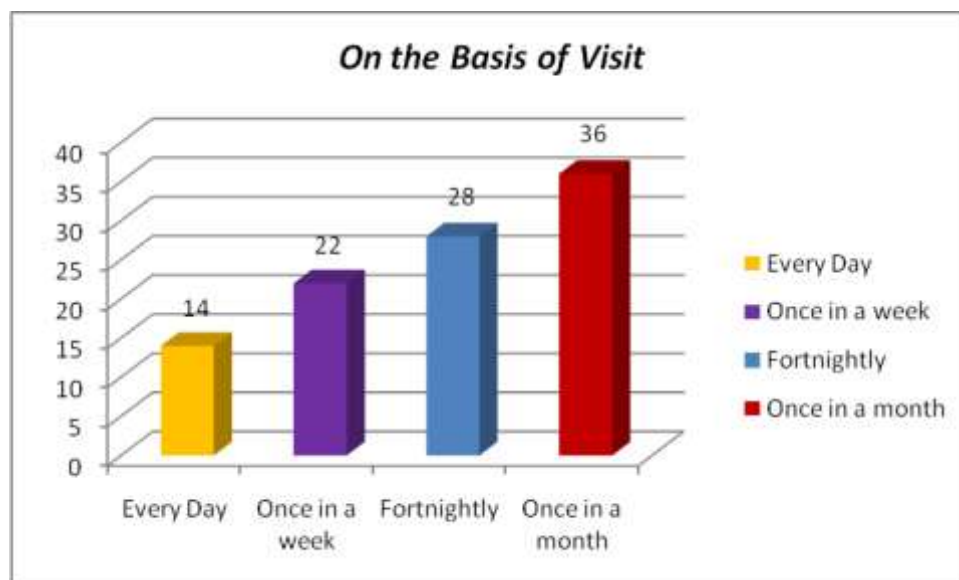


Table 1.5

Reason	Quality	Time	Range	Display	Schemes	Price	Total
Female	17	21	15	10	12	25	100
Total	17	21	15	10	12	25	100

As the data shown in table 1.5, most of the respondents (25), had emphasized on Price factor as a basic reason for purchasing from the retail stores. According to them, the organized retail stores provides reasonable price as compared to unorganized sector. Other than that, 21 respondents had given their vote to timing issues. As there were many respondents who were either professional or service class background and they didn't have sufficient time to buy the products from unorganized sector. Thus it was easier to buy the products from organized retail stores due to time saving. On the other hand, quality was the main reason for 17 respondents. According to them, the organized retail stores had a better quality and these stores didn't compromise with the quality issues. There were 15 respondents who were satisfied with the product range of the organized retail stores. On the other hand, 12 respondents were buying the products due to promotional schemes, discounts and offers from these stores. Display of products attracted 10 respondents for purchasing from these organized retail stores.



Conclusions

After looking at the above data we have come to a conclusion that female are the main consumer of the retail stores. As these stores provides food & grocery, home décor, health & beauty products, gifts, FMCG products,

electronic items, baby care, stationery, sports items, toys, clothing & footwear etc. which are mostly using by female customer. Thus male as well as female consumer are important for the organized retail stores. In this way, reasonable price, better quality and good customer services should be provided by these stores. These stores should maintained their brand image by providing better services. The main focus of these stores should build long term relationship with their customers by providing customer satisfaction.

SUGGESTIONS

- The organized retail outlets should always keep fresh Vegetables & fruits so that customer can be satisfied.
- Free home delivery may be a best option for the working women, so the retail stores should pay attention to this.
- The retail stores should take special care of hygiene in this COVID-19 period.
- Female customers are very sensitive to the variety, design, range, budget etc. so retail stores should also pay attention to this.
- The organized retail stores/outlets should keep good staff especially female staff so that they can deal well with women customers.
- The number of billing counters should be increased in the organized FMCG retail outlets.
- Credit facility is also an important factor to keep the loyal customers.
- More promotional schemes should be launched to add new customers.

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