RURAL CONSUMER BEHAVIOR TOWARDS ORGANISED RETAILING

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Abstract: The retailing is a largest industry in the global economy it is going through a transitional phase with the spread of organised retailing. In Indian retail industry has strong linkages with the economic growth and development of the economy. Increasing number of nuclear families, working women, greater work pressure and increased commuting time, longer hours and multiplicity of choice are the major factors for the development of organised retailing. The retailing boom is being driven by increased expectations as well as changing shopping behaviour of the rural and urban Indian consumers. Hence, the study was undertaken with the objective of assessing the rural consumer behaviour towards organized retailing. The study was based mainly on primary data collected through the survey method from 60 rural consumers by using pre-tested structured survey schedule. Statistical tools like Frequency tables, percentage, indices and rank order scale were used for analysing the data. The study indicates that, purchasing behaviour, expenditure pattern and selection of the retail outlet of the rural consumers were transformed. The freedom to see, and select the product themselves by the customer also attracted them purchase from organised retail outlets. The better quality of the products, cleanliness condition of the store and reasonable prices are the major attractions even for the minor section of the society towards organised retail shops.

Keywords: retailing, organized retailers, rural consumers, retailing.

Introduction: The retailing is a largest industry in the global economy it is going through a transitional phase with the spread of organised retailing. In Indian retail industry has strong linkages with the economic growth and development of the economy. Liberalization of the economy, rise in per capita income, improved infrastructure, growing consumerism, retail attributes and effective marketing strategies of the retailers are the significant factors for the development of retailing in India. Realising the potential of Indian retailing, major national and multinational corporate have opened their showrooms and outlets in the country.

The Indian retail market is witnessing a migration from traditional retailing to modern/ organized retailing formats, with an explosive proliferation of malls and branded outlets. Modern retailing outlets in India are increasingly becoming global in standards and are witnessing intense competition. The growth in the overall retail market will be driven, in large part, by the explosion in the organized retail market. By this, we mean the familiar Western concept of chain outlets, department stores, supermarkets, etc., and this segment accounted for US$12.1bn of sales in 2006, or 4.6% of the total retail segment (Investment Commission of India (ICI) data, 2008). BMI forecasts that organized retail sales will reach.

Statement of the problem: Retailing is much more relevant subject as Kerala is known as a consumer state rather than a producer state. Similar to the national scenario, Kerala is also characterised by majority of unorganised retailers. The future of retailing seems to be bright with changing life styles, consumerism and increase in the disposable income of the people. Now organised retailing is spreading in various parts of the Kerala. It is facing competition from the innumerable number of

small unorganised retailers. The increased income and consumerism has shifted a section of the community to purchase from the organised retailers..

In Thrissur modern retailing is a big business and revenue earner for the city, jewellery and textile retailing occupies a major part of this retail sector. When considering the grocery and FMCG sectors in Thrissur, it was confined to organised retailers supermarkets and unorganised retail shops. Due to the entry of MNC's into the retailing sector it has become more competitive. Therefore the study aims to analyse rural consumer behaviour towards organised retailing.

Objectives:

➢ To examine the rural consumer preference towards organised retail out lets.

➢ To analyse their level of satisfaction towards organised retail out lets.

Methodology: Madakkathara and Vilvettam panchayats of Thrissur district were the locations of the study.

A sample of 30 consumers were selected from each selected panchayats using random sampling. Thus the total samples consist of 60 rural consumers .The study was based on both primary and secondary data. Primary data were collected by using pre-tested structured survey schedule. Secondary data were collected from journals, magazine, internet and records of rural retailers. Statistical tools like frequency tables, percentage, indices and rank order scale were used in analysing the data.

Analysis and discussions:

Preference towards retail outlets:

Table 1 Preference towards retail outlets		
Retail outlet	**No. of respondent**	**Percentage**
organised retail outlet	31	51.7
unorganised retail outlet	24	40
Both	5	8.3

Source: primary data

Table 1 revealed that half of the respondents (51.7%) were gave importance to organised retail outlets as the best retail outlets and two fifth of the respondents (40%) were gave importance to the rural unorganised retail shops.

Reasons for change from unorganised retailing outlet to organised retail outlets:

When organised retail shops introduced a large number of consumers shifted their shop to organised shops. consumers were asked to give the reasons behind it and depicted in table.2.

Table 2 Reasons for changing retailing outlet		
Reasons	**No. of respondent**	**Percentage**
low quality products	9	37.5
High pricing strategy	24	100
Unhygienic condition of the store	18	75
Bad shopping environment	12	50
Unavailability of new products	12	50
Unavailability of desirable products	21	87.5
Good offers are not providing	15	62.5

Source: primary data

It is vivid from table2 that major reasons for changing unorganised retail outlet were high pricing strategies (100%) followed by unavailability of desirable product (87.5%),unhygienic condition of the store (75%),good offers not available (62.5%), bad shopping environment (50%), unavailability of new products (50%) and low quality of products (37.5%).

Table 3 Customers preferences towards the retail shops for purchasing products					
Products	Organize retail shops only		Rural unorganized retail shops only		Both shops	
	No. of respondent	Percent age	No. of respondent	percen tage	No. of respondent	Perce ntage
Staples	21	35	0	0	39	65
Packed food product	9	15	0	0	51	85
Non packed food product	0	0	60	0	0	0
Beverages	19	31.7	6	10	35	58.3
Edible oil	20	33.3	0	0	40	66.7
Stationery items	0	0	41	68.3	19	31.7
Toiletries	0	0	11	18.3	49	81.7
Textile and footwear	32	53.3	19	31.7	10	16.7
Fruits and Vegetables	0	0	60	100	0	0
Cosmetics and fancy items	0	0	36	60	24	40
Bakery products	0	0	34	56.7	26	43.3
Packaged drinks	11	18.3	29	48.3	21	35
Dairy products	0	0	48	80	12	20
Frozen items-fish, meat	0	0	49	81.7	11	18.3
Electronic items	22	36.6	0	0	38	63.3
Electrical items	0	0	57	95	3	5
Home appliance	26	43.3	0	0	34	56.7

Source: primary data

It is evident from the table 3. that half of the respondents preferred to purchase textile and footwear item only from organised shops and two fifth of the respondents (43.3%) preferred only organised retail shop for purchasing home appliances. And also one third of the respondents preferred only organised retail shop for purchasing staples, beverages, edible oil, and electronic items. It is clear that all respondents preferred only rural unorganised retail shops for purchasing fruits and vegetables. More than half of the respondents preferred only rural unorganised retailer shops for purchasing stationary items, cosmetics, bakery products, fish , meat, dairy products and electrical items. Further we can see that, more than four fifth of

the respondents were preferred both retail outlets for purchasing packed food product, toiletries and more than half of the respondents were preferred both shops for purchasing staples, beverages, edible oil, electronic items and home appliance.

The factors which influencing the preferences towards organised retail outlet
Customers were asked about the reason for preferring the organised outlet to un organised outlets and analysis was made with the help of rank order scale.

Table 4. The factors which influencing the preferences towards organised retail outlet		
Factors	**Score**	**Rank**
a status symbol	180	1
Availability of variety of brand	180	1
Product Bundling Offers	180	1
Attractive display of the product	180	1
Cleanliness of the Store	180	1
Shopping Environment	180	1
Entertainment for children	180	1
Discount offers and gift	180	1
Attracted through advertisement	180	1
Proper parking facility	175	2
Reasonable price	174	3
Good quality of products	170	4
Proper packaging of the products	150	5
Easy availability of products	140	6
Easy billing practice	140	6
Easy replacement of defected products	135	7
After sale services are available	125	8
Supportive sales executive	115	9
Acceptance of credit card	115	9
The good relations with the shopkeeper	100	10
Immediacy of the store	65	11

Source: primary data

Table 4, indicates that the major reasons for preferring organised shop were considering in a status symbol, choice/variety of brands availability, product bundling offer, attractive display, cleanliness of the store, good shopping environment, discount, offer, gift and attracted through advertisement followed by proper parking facility, good quality of the product, packaging of the product, reasonable price, easy availability of the product, easy billing practice, easy replacement of defected product, after sales service, supporting sales executive, acceptance of credit card and relationship with shopkeeper. Proximity to home obtained the last position.

Problems faced from organised retail outlet:

Table 5 Problems faced from organised retail outlet		
Problems	**Score**	**Rank**
Inconvenient location	105	1
No credit facility	100	2
No Home delivery	80	3
Poor after sales service	75	4
Improper parking facility	75	4
Non cooperative attitude of sales person	70	6
Unavailability of desirable products	65	7
Unavailability of branded items	65	7
Selling of counterfeiter products	64	9
Unhygienic conditions of the store	63	10
Improper shelf space	61	11
Lack of knowledge of retailers/sales person	60	12

Source: primary data

Table 6. Customers satisfaction level towards organised retail outlets			
Particulars	**score**	**Customer satisfaction index**	**Rank**
Quality of product	262	87	1
Wide variety/ choice	257	86	2
Availability of new products	255	85	3
Behaviour of employee	228	76	4
Atmosphere of shop	228	76	4
Knowledge of retailer/sales person	222	74	5
Discount/Gifts/schemes offered	221	74	6
Handling complaints	216	72	7
Sales man's service	213	71	8
After sale service	210	70	9
Parking facility	205	69	10
Children's play area	204	68	11
Nearness of the shop	186	62	12
Credit facility provided	152	51	13
Easy delivery	113	38	14

Source: primary data

Table 5 revealed that inconvenient location was the major problem faced from the organised retail shop followed by no credit facility, no home delivery, poor after sales service and improper parking facility, non-cooperative attitude of sales person and unavailability of desirable products, unavailability of branded items, selling of counterfeiter products, unhygienic conditions of the store and improper shelf space. Lack of knowledge of retailers/sales

person obtained the last position.

Customers' satisfaction level towards organised retail outlets: It is revealed from the table 6 that majority of the respondents were highly satisfied with quality of the products However the level of satisfaction towards sales man's service, after sale service, parking facility, children's play area and nearness of the shop. Credit facility provided and easy delivery is comparatively low.

Findings and conclusions:

- All respondents were purchasing products from both retail outlets.
- 51 percentages of consumers prefer organised retail shops for their purchase.
- The major reasons for changing unorganised retail outlet was high pricing strategies followed by unavailability of desirable product, unhygienic condition of the store, good offers not available, bad shopping environment, unavailability of new products and low quality of products.
- All respondents were not interested in changing current retail outlet.
- The half of the respondents were gave importance to organized retail outlets as the best retail outlets and two fifth of the respondents were gave importance to the rural unorganized retail shops.
- All respondents preferred organised retail outlets for purchasing staples, packaged food products, edible oil, electronic items and home appliance. Nobody preferred organised retail out for purchasing fruits and vegetable and non-packed food products.
- More than half of the rural consumers were depending on rural organised retail shops for purchasing all kinds of products.
- The half of the respondents preferred to purchase textile and footwear item only from organised shops and two fifth of the respondents preferred only organised retail shop for purchasing home appliances.

provided by organised retail outlet followed by wide variety/ choice and availability of new products, behaviour of employee, atmosphere of shop and knowledge of retailer/sales person, discount/gifts/schemes offered.

- All respondents preferred only rural unorganised retail shops for purchasing fruits and vegetables.
- Major reasons for customers preferring organised shop are considering as status symbol, choice/variety of brands availability, product bundling offer, attractive display, cleanliness of the store, good shopping environment, discount, offer, gift and attracted through advertisement.
- Inconvenient location was the major problem faced from the organised retail outlets followed by no credit facility, no home delivery, poor after sales service and improper parking facility.
- Majority of the respondents were highly satisfied with quality of the products provided by organised retail outlet followed by wide variety/ choice and availability of new products, behaviour of employee and atmosphere of shop. Credit facility provided and easy delivery were the highly unsatisfied factors in.

Conclusion: Thus, it is clear from the study that the growth of organised retailing made an enormous impact in rural customers. The study indicates that, purchasing behaviour, expenditure pattern and selection of the retail outlet of the rural consumers were transformed. The freedom to see, and select the product themselves by the customer also attract people to had their purchase from organised retail outlets. The better quality of the products, cleanliness condition of the store and reasonable prices had attracted even the minor section of the society towards organised retail shops, Finding of the study identified the need for starting organised out lets in rural area. Rural

consumers attitude are changed very much and they are having favourable attitude towards organised retail outlets. Retailers have to utilise this high potential that will benefit to them and the rural community as a whole.

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