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A Comparative study of Consumer Buying Behaviour Regarding Organized and Unorganized Retail Sector of Hisar (Haryana)

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Abstract

This piece of research is an effort to study the buying behaviour of young consumers and their preferences regarding their shopping style, and choices from local kirana shops and shopping malls. For this purpose, a sample of 119 male and female young adults was taken from Hisar city. Results show that there are significant gender differences and males are more inclined towards shopping from shopping malls as compared to females. Further results show that overall these young adults are more inclined towards shopping form shopping malls as compared to local kirana shops. Factor analysis further separated these 15 statements into four groups. Although Hisar is a small city as compared to other big cities of Haryana but results show that the preferences of these young adults are changing if earlier researches and social image of the area is taken into consideration.

Keywords: Buying Behavior, Local Kirana Shops, Shopping Malls, Organized Retail, Unorganized Retail.

Introduction

Marketing involves the efficient administration carried out by an organization which encompasses trade relationship with several market and public (Kotler, 1982). Marketing begins and ends with the consumer – from determining consumer needs to ensure customer satisfaction. In marketing it is necessary to study the changing trends so that marketers can change their strategies for better results and more productive environment.

Consumer Buying Behaviour

The study of how, when, why and where individuals do or do not purchase any merchandize is referred to as consumer behaviour. It is an amalgamation of components from the fields of psychology, economics, sociology and social anthropology. It endeavors to comprehend the decision making process of the buyer, both separately and in groups. Consumer buying behaviour is the study of attributes of individual consumers such as demographics and behavioral variables for purpose of understanding the needs of the public. It also attempts to determine how the consumer is influenced by family, friends, reference groups or society. The study of the behaviour of customer is based on consumer buying behaviour, where the customer enacts three different roles that are of user, payer and buyer.

The buying behavior of a consumer is affected by personal, social, cultural and psychological aspects. However, such aspects are not in contol of marketers still they are taken into consideration to understand the complicated nature of the consumers. Consumer buying behaviour is the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires" (Solomon, 1995). Whereas in marketing, the term, consumer buying behaviour " refers not only to the act of purchase itself, but also to patterns of aggregate buying which include pre-purchase and post-purchase activities". Pre-purchase activity may possibly comprise of the strengthening awareness of a need or want; and to satisfy this, there is exploration and appraisal of knowledge about the products and brands. Post-purchase activities consist of the assessment of the item being use

after a purchase and there is decline in any type of anxiety which is associated with the purchase of affluent and infrequently-bought products.

Engel, Blackwell & Miniard (1986) have defined consumer behaviour as "those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine these acts". Regular observation offers inadequate comprehension of the complicated nature of consumer choice therefore, researchers tend to use advanced concepts and techniques for investigation suggested in behavioral sciences to recognize, expect and perhaps manipulate consumer behaviour more efficiently. Sociology, social psychology and psychology are the fields most extensively engaged in this vocation which itself has become a significant academic activity.

Laurent and Kapferer (1985) found that the effect of consumer behavior varies depending on the experiences of association. They advanced an involvement profile containing five antecedents of product involvement: the apparent significance of an item, the apparent significance of undesirable result if wrong item is purchased, the individual probability of purchasing a wrong item, the hedonistic value of the item, and the apparent sign or symbolic worth of the item.

Review of Literature

One dimension of consumer buying behavior is materialism which is closely associated with personality and quality of life of an individual (Bargujjar & Behmani, 2018). A number of studies has been conducted throughout the world to understand why consumer's choose a certain store for buying products (Prasad & Aryasri, 2011 & Sinha et. al, 2002). The demographic, socio-cultural and psychological factors has been also studied in relation to consumer buying behavior and choice of store (Gopal & Ranganath, 2012). Factors like availability of products, options available, facilities and monetary value derived are given importance by the consumers in the choice of store (Prashar, 2013). People from all age groups are keen towards spending and buying products showing a certain amount of materialistic orientation (Behmani & Bargujjar, 2018) to accomplish which they head toward various organized and unorganized retail stores.

Retail Scenario in India: A World of Opportunities

In the developed economies, 75-80% of total retail consists of the organized retail, while in developing economies, the retail sector is dominated by the unorganized sector. The share of organized retail differs extensively from only 1% in Pakistan and 4% in India to 36% in Brazil and 55% in Malaysia. Modern retail structure which consists of hypermarkets, supermarkets, superstores, discounts and convenience stores are very common in the developed countries however such system of retail outlets is recently expanding in the developing countries. The retail sector is still ruled by neighborhood shops and open vendors in the developing economies. As a consequence, wholesalers and distributors play a crucial role in the supply chain in such countries.

The retail industry is categorized into organized and unorganized retail sectors. Organized retailing encompasses trading activities managed by registered and licensed traders. These comprise of the corporate-funded hypermarkets and retail chains as well as large retail businesses which have private owners. Whereas an unorganized retail consists of local stores offering kirana products, basic amenities like food, clothing, footwear, paan and beedi outlets, hand-cart hawkers, etc.

In India, unorganized retailing sector constitutes of 98% of total trade of the country and is the most predominant form of trade while the remaining 2% is the organized retail. There are broad differences in the estimates related to the actual size of the retail business in India. A T Kearney has estimated it to be Rs. 4,00,000 crores which was composed to double in 2005. According to the government data, the retail industry comprised of Rs. 3,82,000 crores in 2002-03. The total size of the corporate owned retail sector amounted to Rs. 15,000 crores in 1999 and was poised to grow to Rs.35,000 crores by 2005 and with growth rate of 40% per annum. In a recent development, FICCI has valued the total retail sector to be Rs. 11,00,000 crores which comprises 44% of GDP. Retail sales (in nominal terms) in the country also adhered a parallel pattern with a high annual growth of 13.6 % during 1994-2000, a low growth of 4.8 % during 2000-03 and climbed around 11% during 2003-07 (Bakshi, Roy & Thorat, 2006). The disagreement between supermarkets and traditional retailers may be due to the fact that retailing in organized sectors is on large scale and the frequent use of technology; the differences may be due to the strategies adopted by the supermarkets including pricing, location, etc.

"Indian retail sector is controlled by a substantial number of small retailers which comprises of the local *kirana* shops, owner-manned general stores, chemists, footwear shops, apparel shops, *paan and beedi* shops, hand-cart hawkers, pavement vendors, etc. which collectively constitute the "unorganized retail" or traditional retail" (Bakshi et. al., 2006). There has been a recent upsurge in various modern stores owned by organized retailers in metros and other major cities. Nonetheless, the overall share of organized retailing in total retail business has remained low. The shopping behaviour is assimilated as a result of social interaction and it is based on the context as well as situation. The shopping malls have become the center of attention for the researchers in recent period (Ahmed, Ghingold & Dahari, 2007).

Rationale of The Study

The present study is focused on the purchase behavior of the urban consumer trends in the organized and unorganized retail sector. The study shall highlight the main differences between the behaviours of male and female consumers in relation to their shopping habits whether from shopping malls

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or from kirana stores. The study may be able to frame good marketing strategies for the retailing in urban sector. Present study is imperative because consumer in this sector leave great scope for the business. Sometimes consumers are not able to decide where he or she finds more standardization in respect of quality and pricing, status, convenience, pleasure, passion, whereas advertisement proves to be more dominating variable. In this piece of research consumer buying behavior exhibits the behavior of a person exhibited during shopping from retail outlets. Here with the help of a survey based questionnaire regarding their purchasing behavior, questions will be asked from organized and unorganized retail consumers.

Objective

To study the buying behaviour of young consumers and their preferences regarding their shopping style, and choices from local kirana shops and shopping malls.

Hypotheses

1. It is expected that there will be significant gender differences regarding their shopping style, and choices from local kirana shops and shopping malls.
2. It is expected that young consumers will be more inclined towards purchasing from shopping malls as compared to local kirana shops.

Methodology

Questionnaire/ instrument used in this research

For this research a questionnaire of 15 items was made. While preparing this survey questionnaire initially 23 items were written. This questionnaire was further evaluated by 3 subject experts and some items were deleted and the language of some items was corrected so that these statements can fulfill the purpose of the researchers.

Table 1: Following Items were Used to Study the Buying Behaviour Preferences Of Youth In This Research

Question No.	
1	The items on the shopping list are easy for me to find in malls as compare to local kirana shops.
2	I felt under pressure in kirana shops to complete the shopping because of unorganized items as compare to shopping malls.
3	I had trouble reading the price tag and labels in the local kirana shops as compare to shopping malls.
4	Shopping Malls/ Organized Retail Outlet's atmosphere and decor is more appealing then local kirana shops.
5	Products are properly displayed in shopping malls as compare to local kirana shops.
6	Shopping malls are more clean then local kirana shops.
7	I found Adequate / sufficient dressing rooms in shopping malls then local shops.
8	In shopping malls we find convenient shopping hours than local kirana shops.
9	Shopping mall provides good Warranty of products then local kirana shops.
10	Shopping malls have better Exchange facilities of goods then local kirana shops.
11	Shopping malls are Better located then local kirana shops.
12	I prefer to shop at a shopping mall because of the open walking space as compare to local kirana shops.
13	Goods I buy from shopping malls are more useful and practical then from local kirana shops.
14	I prefer branded goods from shopping malls because they ensure quality as compare to local kirana shops.
15	I often buy things from shopping malls because it puts me in a better mood as compare to local kirana shops.

After preparing the questionnaire, data collection was done on the total sample of 150 participants in controlled conditions. In this research random convenience sampling technique was used. Data was collected from Hisar city of Haryana. The consumers visiting the shopping malls were requested to fill this questionnaire. No incentive was given for this purpose to any participant. Out of these 150 participants, the data of 31 participants was not included in the statistical analysis for this research paper due to incomplete response by participants.

Sample

Sample of the present research consisted of 119 adults out of which 51 (42.9%) were males and 68 (57.1%) were females. The sample was of the mean age range of 21.13 years. Further out of total 119 persons, 12 (10.1%) were married and 107 (98.9%) persons were unmarried. Out of these 119 persons, 2 (1.7%) persons belonged to the group who studied from 5th to 9th, 60 (50.4%) belonged to the

group who studied from 10th to 12th classes, 25 (21%) studied till graduation and 32 (26.9%) either were studying in post-graduation of studied till post-graduation. Out of these 119 persons, 116 (97.5%) were students and 3 were homemakers. 78 (65.5%) persons were from nuclear families and 41 (34.5%) persons were from joint families. 109 (91.6%) persons don't have any kid while 4 (3.4%) persons were having one kid and 6 (5%) persons were having 2 kids out of the total sample of 119 persons. Out of these 119 persons, 61 were belonged from families having income below 3 lakhs income, 41 persons were from families having 3 to 5 lakhs income, 13 were from families having income ranging from 5 to 10 lakhs and 4 people were from families having income more than 10 lakhs per year.

Statistical Analysis

While doing the statistical analysis, several techniques like inferential statistics, t-test, frequencies, percentage, and factor analysis were

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applied on the whole sample mentioned in the sample. The main reasons to use the t-test was to observe the differences between male and female respondents, while the frequencies and percentages were calculated to look at the response styles of the whole sample. Factor analysis was used to study the groupings of factors emerging from these fifteen questions used in the study.

Result and Discussion

The present research is an effort to study the buying behaviour of young consumers and their preferences regarding their shopping style, and choices from local kirana shops and shopping malls.

Table 2: Descriptive statistics and t-test

Question No.	Males		Females		t-value
	Mean	SD	Mean	SD	
1	3.82	1.05	3.56	1.14	1.30
2	3.63	0.89	3.29	1.05	1.82
3	3.53	0.90	3.26	1.10	1.40
4	**3.86**	0.82	**3.39**	1.08	**2.57***
5	3.80	0.95	3.70	1.03	0.53
6	4.14	0.95	3.88	1.03	1.37
7	3.92	0.87	3.62	1.01	1.73
8	3.82	0.81	3.63	0.88	1.21
9	**3.69**	0.95	**3.23**	1.12	**2.32***
10	**3.37**	0.98	**2.97**	1.11	**2.06***
11	3.57	1.08	3.70	0.98	-0.72
12	3.76	1.11	3.48	1.04	1.41
13	3.43	1.12	3.20	0.95	1.84
14	3.72	0.90	3.47	0.98	1.45
15	**3.69**	0.97	**3.22**	1.08	**2.45***

Table 2 clearly shows that there is significant difference between male and female in four questions. Out of these four items first is "*Shopping Malls/*

Organized Retail Outlet's atmosphere and decor is more appealing then local kirana shops". On this statement male shows high score of 3.86 as compared to the score of females which is 3.39. Second statement showing significant differences between male and female sample is "*Shopping mall provides good Warranty of products then local kirana shops*". On this statement male shows high score of 3.69 as compared to the score of females which is 3.23. Third statement showing significant differences between male and female sample is "*Shopping malls have better Exchange facilities of goods then local kirana shops*". On this statement male shows high score of 3.37 as compared to the score of females which is 2.97. Fourth statement showing significant differences between male and female sample is "*I often buy things from shopping malls because it puts me in a better mood as compare to local kirana shops*". On this statement male shows high score of 3.69 as compared to the score of females which is 3.22. On all these four statement males are showing higher scores as compared to females showing that males have greater preferences towards shopping from shopping malls as compared to females. Previous researchers like Pahl (1990) posit that gender differences play an important role in consumer shopping behaviour.

These results show that this aspect of gender differences is very crucial and there are differences in male and female behaviours in concern to shopping like other several matters in life. Although there are no differences in 11 out of total 15 statements, this notion that there are gender differences exists between male and female shopping behaviours of young adults exists in India can't be ignored and it needs to be further studied thoroughly.

Table 3: Frequencies of responses and percentage

Question No.	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	6(5%)	15(12.6%)	17(14.3%)	55(46.2%)	26(21.8%)
2	4(3.4%)	20(16.8%)	27(22.7%)	56(47.1%)	12(10.1%)
3	5(4.2%)	21(17.6%)	29(24.4%)	52(43.7%)	12(10.1%)
4	5(4.2%)	13(10.9%)	24(20.2%)	60(50.4%)	17(14.4%)
5	6(5%)	6(5%)	24(20.2%)	59(49.6%)	24(20.2%)
6	3(2.5%)	10(8.4%)	12(10.1%)	54(45.4%)	40(33.6%)
7	4(3.4%)	8(6.7%)	25(21%)	59(49.6%)	23(19.3%)
8	0(0%)	13(10.9%)	26(21.8%)	62(52.1%)	18(15.1%)
9	3(2.5%)	24(20.2%)	31(26.1%)	41(34.5%)	20(16.8%)
10	7(5.9%)	29(24.4%)	33(27.7%)	40(33.6%)	10(8.4%)
11	3(2.5%)	16(13.4%)	24(20.2%)	53(44.5%)	23(19.3%)
12	5(4.2%)	17(14.3%)	20(16.8%)	55(46.2%)	22(18.5%)
13	5(4.2%)	23(19.3%)	34(28.6%)	45(37.8%)	12(10.1%)
14	4(3.4%)	12(10.1%)	29(4.4%)	59(49.6%)	15(12.6%)
15	7(5.9%)	17(14.3%)	27(22.7%)	55(46.2%)	13(10.9%)

Table 3 shows clear patterns of positive inclination towards purchasing from shopping malls because the scoring pattern is of such kind that if customers score more on the point of "*agree*" or

"*strongly agree*" then they are in the favor of shopping from shopping malls. Out of these 15 items, on most of the items customers either ticked on the option of agree or strongly agree.

Table 4: Factor Analysis (Extraction method- PCA, Rotation Method- Oblimin with Kaiser Normalization)

Question No.	Factor 1	Factor 2	Factor 3	Factor 4
1	.332	.310	**.551**	.137
2	.366	.387	**.792**	.229
3	.263	-.029	**.704**	.229
4	**.737**	-.100	.364	.245
5	**.842**	.261	.254	.104
6	**.695**	.528	.102	.346
7	**.759**	.063	.303	.371
8	**.766**	.197	.097	.393
9	.215	.550	.304	**.556**
10	.112	**.759**	.199	.346
11	.423	**.625**	-.237	.340
12	.274	.187	.139	**.671**
13	.217	.351	-.034	**.696**
14	.210	**.729**	.164	.285
15	.303	.241	.295	**.707**

Table 4 shows the results of factor analysis applied on this whole sample of participants in this research work. Principal Component Analysis method with rotation method of Oblimin with Kaiser Normalization is used in this statistical analysis. This structure matrix table shows the four different factors after rotations. In first factor there are 5 statements which areas under

Statement No.	Statements
4	Shopping Malls/ Organized Retail Outlet's atmosphere and decor is more appealing then local kirana shops.
5	Products are properly displayed in shopping malls as compare to local kirana shops.
6	Shopping malls are more clean then local kirana shops.
7	I found Adequate / sufficient dressing rooms in shopping malls then local shops.
8	In shopping malls we find convenient shopping hours than local kirana shops..

These statements shows that this factor is related to facilities available in shopping malls as compared to local kirana shops.

In second factor there are only three statements namely:

Statement No.	Statements
10	Shopping malls have better Exchange facilities of goods then local kirana shops.
11	Shopping malls are Better located then local kirana shops.
14	I prefer branded goods from shopping malls because they ensure quality as compare to local kirana shops.

The nature of these statements shows that better location, facilities and better quality of products of shopping malls.

Further in third factor there are three statements namely:

Statement No.	Statements
1	The items on the shopping list are easy for me to find in malls as compare to local kirana shops.
2	I felt under pressure in kirana shops to complete the shopping because of unorganized items as compare to shopping malls.
3	I had trouble reading the price tag and labels in the local kirana shops as compare to shopping malls.

The nature of these statements shows that this cluster is broadly related to problems faced by customers at the local kirana shops as compared to shopping malls.

Further in fourth and last factor there is a grouping of four statements mentioned as under with their statement numbers.

Statement No.	Statements
9	Shopping mall provides good Warranty of products then local kirana shops
12	I prefer to shop at a shopping mall because of the open walking space as compare to local kirana shops.
13	Goods I buy from shopping malls are more useful and practical then from local kirana shops.
15	I often buy things from shopping malls because it puts me in a better mood as compare to local kirana shops.

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Broadly the nature of these statements shows that this cluster is related to better quality of products and better mood due to better facilities of customers.

Results of factor analysis shows that there are statements of the similar nature in these 15 statements, forming groups and acting a one dimension but due to the similar nature of all the items three factors are of similar nature while one factor is of problems faced by customers at the local kirana shops as compared to shopping malls.

Conclusion

Results show that there are significant differences between males and females and males are mere inclined towards shopping from shopping malls as compared to females. Further results show that overall these young adults are more inclined towards shopping form shopping malls as compare to local kirana shops. Factor analysis further separated these 15 statements into four groups. Although Hisar is a small city as compared to other big cities of Haryana but results show that the preferences of these young adults are changing if earlier researches and social image of the area is taken into consideration. Organized retail sector is having tremendous opportunities in India if we look towards the other developed and developing countries.

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