

Customer Perception towards Organised and Unorganised Food Retailers in Jammu

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ABSTRACT

The study was conducted in Jammu city covering Jammu region for analyzing customer perception in which four retail outlets were selected through purposive sampling. The information from various retail outlets was collected with the help of structured questionnaire and the data was analyzed by using factor analysis approach for reducing data complexity by reducing the number of variables being studied. The result revealed that perception of consumers towards unorganized food retail outlets appears to be high then organized retail outlets with respect to Ambience having f-value as 0.09 and t value as 3.57, so there is a significant difference between the perception of consumer towards organized and unorganized retail outlets. The results also showed that perception of consumers towards organized food retail outlets appears to be high then unorganized retail outlets with respect to Visibility having f and t value as 0.01 & 0.14 so there is a significant difference between the perception of consumer towards organized and unorganized retail outlets. The study also depicted and showed f & t value calculated as 0.01 4.50 in respect to availability and 0.08 & 5 in respect to delivery and variety respectively.

Keywords: Factor analysis, complexity, perception

Globalisation and liberalisation can have a major impact on the poor through their influence on the agricultural sector terms of trade, availability and cost of inputs, and new investments in the agribusiness sector, including food retail. The role and influence of external initiatives in food production and trade will, as an institutional mechanism, determine the exact impact of globalisation on the poor producers and workers involved in food production and its trade. As per the National Accounts Statistics of India the 'unorganised sector' includes units whose activity is not regulated by any statute or legal provision and/or those, which do not maintain regular accounts. Thus, unorganised retailing refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner managed general stores, paan/

beedi shops, convenience stores, hand cart and pavement vendors, etc. Unorganised retailing is characterized as unstructured and high degree of fragmentation with street markets constitutes form peddlers, vegetable vendors, neighbourhood stores and consumer durable stores to manufacturer owned retail outlets. Organised retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. In other words, it is a network of similarly branded stores with an element of self-service. Organised retail in India today holds only a fraction of the market share potential in India. In 2001-02, organized retail trade in India was worth

Rs 11,228.7 billion. It has risen from 0 to 6 per cent in a very short period mainly on volumes and not a value-driven growth.

The Indian retailing sector is at an inflexion point where the growth of organized retailing and consumption by the Indian population is going to take a higher growth trajectory. The Indian population is observing a noteworthy demographics change. An increasing young working population under age of 24 years, sharp rise in the per capita income, an increase of dual income nuclear families in the urban areas, along with increasing working women population, internet revolution and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in India. India is at the crossroads with respect to the retail sector. Both modern and traditional retailers will co-exist in India for some time to come, as both of them have their own competitive advantages. Retail industry in India has a huge growth potential and opportunities existing in multiple sectors and segments. For a long time, the corner grocery stores (kirana stores) were the single choice available to the consumers. But with the LPG policy in 1991 the international formats of retailing paved their way in India. As the time passes, organized retailing especially has been creating curiosity amongst Indian consumers to sketching them into malls for shopping in huge numbers.

However the growth in organized retailing has been limited primarily to the urban markets in the country. Even the large chunks of unorganized retail have not fell depressed from this nominal growth in organized retailing and have tried to restructure and redefine themselves by introducing self- service formats, and value-added services, such as credit and home delivery (Sharma 2007). To safeguard the position in the market retailers have made an attempt to attract customers by offering newer service dimensions and creating unique shopping experiences for the customers. Perceptions about these retailers are largely determined by tangible characteristics of stores, such as format or size, proximity, varieties available as well as intangible factors like the store atmosphere, complaint handling, etc. The present study was undertaken with the objective to study the perception of customers towards organized / unorganized food retailers.

MATERIALS AND METHODS

The study adopted both primary as well as secondary data methods for collection of data from the sample area. For collection of the relevant information among the respondents in Jammu, the present study makes use of a purposive type of research design and has adopted a sequential sampling technique to conduct the survey among the consumers visiting to different retail outlets in Jammu city. The sample used in the present study consists of the consumers/ customers that visit to the retail outlets in different locations in Jammu city. The data has been collected through the market survey using questionnaires as the measurement tool. The sample size for the study was taken as 150.

Variables involved in the Questionnaire

For studying the perception of customers towards organized/ unorganized food retailers, the present study incorporates the 23 statements into 9 factors. After collecting the data the results has been analyzed by using factor analysis, t-Test, F-test, Cochran and Cox test. The results were subjected to empirical analysis so as to provide the discussion regarding the perception of consumers towards the organised and unorganised retail outlets in Jammu region.

$$F = W_1X_1 + W_1X_1 ++ W_kX_k$$

Where,

F = Estimate of factor

W_i = weight /factor score coefficient.

X_i = standardized variable

K = number of variables

Chi-square Test

It is statistical test commonly used to compare observed data with the data expected to obtain according to a specific hypothesis.

F-Test

Fisher test is most commonly used in Analysis of variance (ANOVA) and the F test (to determine if two variances are equal)

T-Test

It compares the actual difference between two means in relation to the variation in the data (expressed as the standard deviation of the difference between the means).

Cochran & Cox test

It is a non- parametric test that is applied to the analysis of two – way randomized block design with a binary response variable.

RESULTS AND DISCUSSION

Customer Relationship Management

The consumers' perception regarding customer relationship management in organized and unorganized food retail outlets in Jammu city is depicted in Table 1. The comparing of the perception of respondents across both groups was made using the 'F' test. It can be seen that the consumers perceived that there is better Customer relationship management in unorganized food retail outlets, as compared to the organized retail outlets. There was a significant difference between the perception of consumer towards organized and unorganized retail outlets, as p value was less than 0.05. In case of organized retail outlets, the mean difference is 1.29 more than unorganized retail outlets.

Table 1: Perception of consumers about Customer Relationship Management

CRM	MEAN	SD	Test (p-value)
Organized	5.86	1.85	F-value 0.924
Unorganized	7.15	1.78	0.40 t - 0.0002 (<.02)

Pricing and satisfaction

The 'F' test was used to assess the significance of difference between consumers in organized and unorganized food retail outlets with respect to pricing and satisfaction in Jammu city. The

comparison of the perception across both groups revealed that consumers were more satisfied with organized food retail outlets as compared to the unorganized retail outlets as there was a significant difference between the perception of consumer towards organized and unorganized retail outlets, revealed from the p value of less than 0.05. In case of organized retail outlets, the mean difference was 0.67 more than the unorganized retail outlets (Table 2).

Table 2: Perception of consumer with respect to pricing and satisfaction

P&S	MEAN	SD	Test (p-value)
Organized	7.00	1.7	F- value 1.07
Unorganized	6.33	1.76	(0.37) t- 0.03 (<0.3)

Packaging and Promotion

The consumers perceived unorganized food retail outlets better than organized retail with respect to Packaging and promotion, as verified by Cochran and Cox test (Table 3).

Table 3: Packaging and promotion in organised and unorganised food retail outlets

P&P	Mean	SD	Test (p-value)
Organized	7.77	2.75	F value - 0.002
	11.23	1.81	Cochron & coxtest t 9.3 t _w 1.96

Note: $t > t_w$.

Perception on ambience in food retail outlets

The consumers perceived unorganized food retail outlets better than organized retail with respect to Ambience, as verified by Cochran and Cox test (Table 4).

Table 4: Ambience in organised and unorganised food retail outlets

Ambience	Mean	SD	Test (p-value)
Organized	4.74	2.02	F - value : 0.009
Unorganized	5.74	1.44	Cockhron and Cox Test
			t 3.57
			t _w 2

Note: $t > t_w$.

Perception of consumers with respect to service

The consumers perceived unorganized food retail outlets better than organized retail with respect to service rendered, as verified by Cochron and Cox test (Table 5).

Table 5: Perception of consumer with respect to Service in food retail outlets

Service	Mean	SD	Test (p-value)
Organized	7.95	2.80	F value : 0.01
Unorganized	8.78	2.14	Cockhron and Cox Test
			t 0.14
			t _w 1.94

Note: $t < t_w$.

Delivery & Variety of goods

The consumers perceived unorganized food retail outlets better than organized retail with respect to deliver and variety of goods offered, as verified by Cochron and Cox test (Table 6).

Table 6: Delivery & Variety of goods in food retail outlets

Comfort	Mean	SD	Test (p-value)
Organized	11.65	3.23	F value- 0.08
Unorganized	13.92	2.31	Cockhron and Cox Test
			t 5
			t _w 1.95

Note: $t > t_w$.

CONCLUSION

It can be concluded that the consumers perceived un-organized food retail outlets better than the organized retail outlets with respect to most of the features, namely delivery and variety of goods available, customer relationship management packaging and promotion, ambience, and service rendered etc.

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