Demographic Profile of Customer: - A Study on Organized Vs. Unorganized Retail Sector

Preeti [1],
[1]Research Scholar,
Department of Management,
Punjab Technical University,
Jalandhar, Punjab.

Neeraj Kumar[2]
[2]Research Scholar,
Department of Management,
Maharaja Ranjit Singh Punjab Technical University,
Bhathinda.

ABSRACT- India started its Retail Journey since ancient time. In ancient India there was a concept of weekly HAAT, where all the buyers and sellers gather in a big market for bartering. It takes a very pretty long times to & step to shape the modern retail. In between these two concepts (i.e. between ancient retail concept & the modern one there exist modern Kirana mom and pop shops or Baniya ki Dukan).Indian Retail Industry is divided into two sectors- organized and unorganized. Retailing is one of the pillars of Indian economy and accounts for 14 to 15 percent of its GDP. The growths of India's organized retail industry and to survive in today's competitive business scenario, retailers are searching means to achieve competitive advantage through customer perception. In light of this, the present study enlightens how customer perception is affected by demographic profile of customers in organized and unorganized retail sector. The primary data was gathered by administering a prearranged questionnaire with 80 customers from the active mall and mom pop shoppers were used for statistical analysis. Marketer typically combines several variables to define demographic. Demographic profile plays crucial role in developing strategies by retailers. The paper highlights the demographic characteristics of the consumers in the organized and unorganized retail store. The purpose of this research is to analyze and make a comparative study of consumer profile in different retail formats. Demographic characteristics include gender, age marital status, occupation, income and number of dependents.

Keywords- Retail Industry, Organized Retailers, Unorganized Retailers, Mall Shoppers, Customer Perception, Demographic Variable.

I. INTRODUCTION

The Indian retail is the largest among all the industries, accounting for over 10 percent of the country's worth and around 8 percent of the use. The Retailing in India has come back forth of the foremost dynamic and quick paced industries with many players coming into the market. However all of them haven't however tasted success owing to the severe initial investments that square measure needed to interrupt even with substitute firms and run with them. The Indian retail is bit by bit inching its approach towards turning into successive boom trade. The entire construct associate degreed plan of searching has undergone n attention drawing amendments in terms of format and client shopping for behavior, unveiling a revolution in searching in India. Fashionable merchandising has entered into the Retail market in India as is determined within the type of active searching centers, multi-storied malls and therefore the large complexes that provide searching, recreation and food all undemeath one roof. An oversized young operating population with median age of twenty four years, nuclear families in urban areas, at the side of increasing working women population and raising opportunities within the services sector square measure planning to be the key factors within the growth of the organized retail sector in India. The growth pattern in organized merchandising and within the consumption created by the Indian population can follow a rising graph serving to the newer businessmen to enter the Indian retail trade. Indian retail is anticipated to grow twenty five per cent annually.

II. EVOLUTION: RETAIL INDUSTRY

The origin of retailing in India can be traced back to the emergence of Kirana stores and mom-and-pop stores. These stores used to cater to the native people. Eventually the government supported the countryside retail and many home-grown franchise stores came up with the help of Khadi and village industries Commission. The economy began to release up in the 1980s resulting in the alter of retailing. The first few companies to come up with retail chains were in textile sector, For example, Bombay Dyeing, S Kumar's, Raymonds ,etc. Later on Titan entered in the organized retail sector. With the passage of time new entrants moved on from manufacturing to pure retailing.

Traditionally retailing in India can be traced to:-

- The emergence of the neighborhood Baniya stores catering to the convenience of the consumers.
- Era of government support for rural retail: home-grown franchise model of store channels run by Khadi & Village Industries Commission.
- 1980s experienced slow change as India began to open up economy.
- Textiles sector with companies like Bombay Dyeing, Raymond's, S Kumar's and Grasim first saw the materialization of retail chains.

- Later Titan successfully created an organized retailing concept and established a series of showrooms for its premium watches.
- The latter half of the 1990s saw a fresh signal of entrants with a shift from Manufactures to wholesome Retailers.
- For e.g. Food World, Subhiksha and Nilgiris in food and FMCG; Planet M and Music World in music; Crossword and Fountainhead in books.
- Post 1995 onwards saw an emergence of shopping centers.
- Mainly in metropolitan areas, with facilities like car parking.
- Targeted to provide a complete familiarity for all segments of society.
- Emergence of hyper and super markets trying to provide customer with 3 V's - Value, Variety and Volume
- Expanding target consumer segment: The Sachet revolution - example of reaching to the bottom of the pyramid.
- At year end of 2000 the size of the Indian organized retail industry is estimated at Rs. 13,000crore.

The concept of retail as entertainment came to India with the advent of Shopping malls. Shopping malls emerged in the urban areas giving a world-class experience to the customers. In the due course hypermarkets and supermarkets emerged. The evolution of the sector includes the nonstop development in the supply chain management, distribution channels, technology, back-end operations, etc. this would finally lead to more of consolidation, mergers and acquisitions and huge investments.

III. ORGAINSED V/S UNORGAINSED RETAILING

Unorganized Retailing:
According to National Accounts statistics if India ' the unorganized sector includes units whose activity is not regulated by any statue or legal provision, and/or those, which do not maintain standard accounts. In the context of retail sector, it could therefore be said to cover those forms of trade which sell a range of products and services ranging from fruits and vegetables to shoe repair. These products of services may be sold or offered out of a fixed or mobile location and the number of people employed could range between 10-20 people. Thus, the traditional formats of low cost relating, for example, the neighborhood baniya, the local kirana shop, owner, mannered general stores, flea(THadi), markets, hand card and pavement vendors, vegetable, food vendors, mom and pop stores, local sabjimandi, weekly hearts, general readymade garments shop or a footwear shop, general electronic shop. The, the pan wala. The cobbler, etc. would be termed and unorganized sector.

Organized Retailing:
Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, etc. These include the corporate-backed hypermarkets and retail chains, departmental store, discount stores, drug stores, factory outlets, and also the privately owned large retail businesses. The organized retail stores are characterized by professionally managed stores or large chain of stores, providing goods and services that appeal to customers , in an ambience that is encouraging for shopping and agreeable to customers. For example: Vishal Mega Mart, Big Bazaar, Wills Lifestyle, Shoppers Stop, Reliance Trends, Spencrs, Rebook , Nike , Catmos , Lilliput , Mcdonald's , Piza hut ,Brista , Café coffe day , Koutons , Cotton county , Peter England , Tittan , Raymonds , Sony , Samsung , Next, LG, Apollo pharmacy, etc .

IV. LITERATURE REVIEW

Retailing is an upcoming area in the field of management research. Though retailing is a concept which is existing during the existence of the mankind, but the concept of unorganized retailing rotating to organized one is not that older a concept. Indian retailing has gone through drastic change late nineties after liberalization. The advent of retailing as a more organized form has give way to a lot of research avenues and off course the human behavior at the pivotal of this. It's the main area which is on focus for every researcher. Consumer has been the most important factor for any retailing activity. In other, retailing is always consumer centric and studying demographic profile of consumer is of utmost importance for the retailers, marketers and the researchers.

There has been substantial studies conduct on various aspects of retail over previous few years on some of these areas pertaining to different geographies and demographic. The researchers has under gone extensive study on the literature already available and tried to generate an idea of the research prospects and various aspects over which a research can be conducted in retail sector.

Ganesh J.& Reynolds K. E. & Luckett M. (2007) have tried to study the retail patronage behavior and shopper typologies using a multi-format, multi-method approach. Their finding on both the motivation-based and attributer based cluster analysis revealed five common shopper types across all retail formats. Based on their retail patronage behavior these shoppers are termed as 'Apathetic shoppers' (the most reluctant shoppers), Enthusiastic shoppers (shopping enjoyment), 'Destination shoppers' (brand seekers), Basic shoppers (need satisfying), and the 'Bargain seekers (price oriented).

Sinha R.K (2009) in his study investigated the shoppers' preferences for organized and unorganized retail formats. The consumer preferences were examined along with perception of practical benefits offered by the two formats of retailing along with demographic and personal factors. His study resulted in useful insights about better prediction of shoppers' behavior. Shoppers purchase from more than one outlet in spite of some preferred store or store format. This indicates that consumer's perception of choice of

Special Issue - 2017

International Journal of Engineering Research & Technology (IJERT)
ISSN: 2278-0181
NCIETM - 2017 Conference Proceedings

outlets and preference do not result in patronizing of retail format. Thus, this research revealed that perception of functional benefits; demographic factors and individual factors have no impact on the overall patronage behavior of consumers, towards different formats of grocery retailing. The study says situational factors like any kind of sales promotion, availability of products, opinions of relatives or it can be variety of seeking tendency and similar factors which may play a decisive role for the shoppers wile shopping.

Johnson J. & Raveendran P.T. (2009) has studied the demographic profile of the shoppers of organized retailers. They have tried to identify the relevant decision variables that influence the consumers' patronage behavior towards an existing organized retail store and segment them on the basis of these factors. The research on the basis of a 13 factor model analysis revealed that the shoppers of organized retailer in kerela could be segmented into three- "Grocery shoppers" as they are more inclined towards grocery shopping than anyone else and are interested in seeking new products probably when going for purchase of groceries. Second are "Purposeful shoppers" as they are more planned in their shopping. They are price conscious, bargain seekers, perhaps socialized with other shoppers and employees of retail stores to know more about better price and products. The third are "Fun shoppers" as they are least bothered about price and time but are the ones who take shopping as fun, they are more relaxed.

Kamath G.B (2009) in his research analyzed the consumers' preferences of the specific attributes of retail store in Manglore city. The most significant factor that determines the retail outlet preference is the shopping experience and ease of shopping itself. Consumer wants a hassle free shopping. Convenience in parking, clean and friendly atmosphere when he enters the store, gets whatever he wants to buy, gets a good service and quality products. The second most important factor is the entertainment factor and gaming facilities availability at the store. When the parents are shopping, the consumers want their kids to be engaged in some activity. The third most important factor is the discounts and low prices. They want a value for their money. The fourth factor can be called the add-on services and facilities like smooth billing, easy and effective bagging and free home delivery. Consumers prefer a lot of comfortable shopping. The fifth factor is termed as variety at the retail sector. The consumers require ample range of different brands and products from which they can choose from. Other factors like anytime shopping, convenient placement of products and proximity to location also play an important role in deciding a purchase from organized retail outlet.

Mittal K.C and Prashar A. (2010) tried to understand the differences in retail purchased behavior conditioned by demographic and geographic factors and its implications on Retail Marketing. They tried to study the diversity in retail purchase behavior and the influence of place and demographic factors on it. The study was confined to four cities of Punjab and the results revealed that purchase patterns of grocery remains same across geographies to large

extent and people prefer grocery stores to be nearby. Proximity and price are more important than other factors.

V.OBJECTIVE OF THE STUDY

The Objective of the study is to investigate the demographic profile of customer with special reference to organized and unorganized retail. To identify the key factors related to demographic profile of customers that's includes age, gender, marital status, level of education, occupation, family structure of retail customers etc.

VI. RESEARCH METHODOLOGY

Scope of the Study:
The Scope of this study is confined to the organized and unorganized retail sector. The respondents belongs to the Panipat (Haryana).The study examines primary data and secondary data. The researchers collected data by using convenience sampling method. The researchers personally contacted hundred respondents out of which only eighty provided appropriate responses. The shoppers were inside the mall, kirayna store or walk in customers. The researcher conducted the survey in the month of November; 2016.The data is analyzed using tables and chi-square test.

Data Collection:
The data has been collected from primary sources and secondary sources. The Primary data has been collected by means of questionnaire, personal interview and schedule through enumerator. Secondary data is collected from journals, books and related websites.

Sample Size :
Sample Size of the total 80 respondents nearly eighty percent of them answered through questionnaire.

Population:
Major of the respondents, on an average are about 25-45 years of age and few were adults above 50 years.

Methods and Tools Used:

Case Study Analysis, Questionnaire, and Personal Interview & Social Networking Sites.

Hypothesis:
$H_{o:}$ - There is no significant relationship between gender of customers and their choice of retail stores.

$H_{a:}$ - There is a significant relationship between gender of customers and their choice of retail stores.

Present Scenario:
Retailing in India is witness to the boom in terms of modern retailing formats, shopping malls etc. The prospect of

Special Issue - 2017

International Journal of Engineering Research & Technology (IJERT)
ISSN: 2278-0181
NCIETM - 2017 Conference Proceedings

retailing for any product across the country will certainly be in malls where the consumers can get-

- Variety

Table No.-2		
Gender	Organized	Unorganized
Male	19	22
Female	21	18

- Quality
- Ambience.

Statistical Tools:

The statistical tools used for the analysis are as follows:

*Tables***:** Tables are used to demonstrate the response of the respondents in a precise term so that it become easy to evaluate the data collected.

Chi-square Test: The Chi-square is used to determine if there is a significant relationship between gender of the respondent and the choice of retail format. Symbolically written as X^2, is a statistical measure used in the context of sampling analysis for testing the significance of population variance. As a non-parametric test, it can be used as a test of goodness of fit and as a test attributes. Thus, the chi-square test is applicable to a very large number of problems in practice.

$$x^2 = \sum \frac{(O-E)2}{E}$$

Where O is observed value &E is expected value.

VII.   LIMITATIONS

The hindrances and limitations the researcher came across during the entire research were:-

✓ The research was limited only to the Panipat (HR) and few cities so the result can't be generalized to the whole market.

✓ The sample taken for the inquiry was concerned only for 50 customers rather than millions of customers scattered around the world.

✓ Some of the premium segments could not be met due to time be deficient in and by not obtaining prior engagement due to rigid schedule of the respondents.

VIII.   FACTS & FINDINGS

TABLE No.-1 :- 1 CHARACTERISTICS OF THE RESPONDENTS (N=80)		
CHARACTERISTICS	ORGANIZED RETAIL	UNORGANIZED RETAIL
GENDER		
Male	19	22
Female	21	18
AGE		
Below 20	5	6
20-40	17	18
40-60	16	15
Above 60	2	1
MARITAL STATUS		
Married	27	29
Unmarried	13	11
PROFESSION		
Service	8	6
Business	14	15
Student	6	7
Housewife	10	9
Retired	2	3
INCOME		
Up to 15,000	5	7
15,001 - 30,000	15	18
30,001 - 45,000	14	11
45,001 - 60,000	4	3
60,000 On wards	2	1
NO. OF FAMILY MEMBERS		
Below 3 No.	12	11
4 No. - 6 No.	20	23
7 No. and Above	8	6

Demographic of the shoppers are the important determinants affecting the choice of store behavior of respondents. As far as demographic profile of the respondents for the study is concerned, Gender is an important variable in understanding the demographic profile of. The data in table number 1 shows the respondent distribution according to gender in organized and unorganized retail format. It is clear that 55% respondents are female and 45% a respondents are male in organized retail. On the other side 52.33% respondents are male and 47.67% a respondents are female in unorganized retail. The data analysis shows that majority of organized retail customers are women while visit of men are more than women in unorganized retail store. Age of the respondents is one of the most important characteristics in understanding the customer views about their choice of retail store; by and large age indicates level of maturity of individuals in that sense age becomes more important to examine the response, the table no.1 shows that in organized retail outlet the

maximum number of respondents that is, 42.5% & 40% are between 20-40 years and 40-60 years respectively which is the major sample. On the other side in unorganized retail outlet the maximum number of respondents that is, 45% & 37.5 % are between 20-40 years and 40-60 years respectively which is the major sample. The perceptions and attitudes of the person can also differ by the marital status of the persons because the marriage might make the persons little more responsible and matured in understanding the responses to the questions asked. The data distribution as given in table no.1 exhibits, majority of people visiting modern retail stores are married i.e. 67.5 % and 32.5% are unmarried. In unorganized also majority of respondents are married i.e. 72.5% and other 27.5% are unmarried. The data table shows that in organized retail store maximum no. of respondents i.e. 35% are business people whereas 25% are housewives, 20% are service people, 15% are students and remaining 5% are retired people. The data also depicts that in unorganized retail store maximum no. of respondents i.e. 37.5% are business people whereas 22.5% are housewives, 15% are service people, 17.5% are students and remaining 7.5% are retired people. In modern retail malls major buyers that are 37.5% having monthly income between ₹. 15000-30000 and very close that are 35% respondents having monthly income between ₹. 30000-45000. In kiryana store major buyers that are 45% having monthly income between ₹. 15000-30000 and close to that are 27.5% respondents having monthly income between ₹. 30000-45000.It is evident from the table 1 that a large majority of the households among organized retail shoppers i.e. 50% of the respondents have 4-6 members in their family. On the other hand a large majority of the households among unorganized retail shoppers i.e. 57.5% of the respondents have 4-6 members in their family.

IX. TEST OF HYPOTHESIS TESTING

CHI-SQUARE TEST

The following tables give the shopping patterns of respondents with respect to gender. Use Chi-Square test to determine whether shopping Pattern of the respondents is independent of gender or not.

Null hypothesis (H_o):- There is no significant relationship between gender of customers and their choice of retail format.
Alternate hypothesis (H_a):- There is significant relationship between gender of customers and their choice of retail format.

Table No.-3			
E11		E12	RT
19		22	41
21		18	39
CT	40	40	80

Level of Significance = 5% i.e. **0.05.**
Degree of freedom (d.f) = (r-1) x (c-1) = (2-1) x (2-1) = **1**
Table value or V_t^2 = **3.84**

Table No.-4(Chi-Square Calculated Value Table)				
O	E	(O-E)	$(O-E)^2$	$\dfrac{(O-E)^2}{E}$
19	20.5	-1.5	2.25	0.109
21	19.5	1.5	2.25	0.115
22	20.5	1.5	2.25	0.109
18	19.5	-1.5	2.25	0.115
			Total	0.448

Table No.-5			
	Calculated value	Degree of freedom(r-1)(c-1)	Tabulated value
Chi-square	**0.448**	**1**	**3.84**

With reference to table no.-5, since the calculated value is 0.448 which is less than table value is 3.84 i.e. the null hypothesis is accepted and alternate hypothesis is rejected.

The result of hypothesis testing shows that there is no significant difference between gender of customers and their choice of retail format. The choice of retail outlet type depends upon the product to be purchased; it can vary from product to product.

X. CONCLUSION

The conclusion drawn from the research mainly focuses on demographic variables and its relationship with buying. The respondents will visit the retail format according to the availability of time. The analysis of demographic insights of consumers includes the majority of consumers of retail store are married female who are middle aged having moderate family income. Researcher also comes to a conclusion that business class people visit more malls than service class.

XI. SUGGESTION

A study of demographic variable suggests that the retailer should frame such advertisement and promotional measures which attract the consumer profile whose frequency is more in their retail stores.

REFERENCES

[1] Foxall, G.R. (1987), Consumer Behaviour, pp. 124-146. In Baker, M.J. (1987), The Marketing Book, Heinemann Professional Publishing.
[2] Anderson, E. W., Fornell, C. & Lehmann, D. R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden, Journal of Marketing, 58(3),pp 53-66.

Special Issue - 2017

International Journal of Engineering Research & Technology (IJERT)
ISSN: 2278-0181
NCIETM - 2017 Conference Proceedings

[3] Arndt, J. (1967). The hypothesis of a Dominance theory of information sources, Academy of Marketing Science Journal, 9(4), pp 337-351.

[4] Critical service encounters: the employee's viewpoint, Journal of Marketing, 58, pp 95-106. Bolton, R. N., & Drew, J. H. (1991, March).

[5] Kotler, Keller, Koshy and Jha (2012). Marketing Management, 13th edition, , pg-144, 432, 453.

[6] Rajasekar S., Philominathan and Chinnathambi, (2006). Research methodology retrieved from http://arxiv.org/pdf/physics/0601009.pdf.

[7] Www.wikipedia.org/wiki/Demographics.