01 | ## A Study of Consumer Perception towards Organized and Unorganized Grocery Retailer with reference to Burhanpur city of Madhya Pradesh

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Abstract:

Retail sector is one of the fastest growing segments of Indian economy. Grocery retailing holds a significant position in the economy due to the rise in private final consumption expenditure, income levels, and improved standard of living. This has led to increased consumer demand, prompting unorganized grocery retailers to shift towards organized grocery retailing. The significant demand and supply dynamics in this sector have attracted entrepreneurs and investors. Consequently, this fast-growing industry has not only created substantial employment opportunities but also made significant contributions to the country's GDP.

In today's era of globalization, there is a growing demand from consumers for better qualitative and quantitative products, which has led to a transformation in retail segment. Thus traditional grocery retailer segment has seen the emergence of modern grocery retailers

The paper focus on grocery retailers, as success of a business relies entirely on customer satisfaction and their attitudes, beliefs toward product, price, place, and promotion, in addition to customer relationship management. These core variables have been thoroughly investigated, and the outcomes are presented in this research paper. The study examines consumer perceptions towards the traditional and modern grocery retailers, revealing a significant disparity in consumer perception toward these two formats in relation to the 4 P's of marketing adding with customer relationship management. All these variables were tested through statistical analysis to yield relevant findings in the study area. The results were intriguing, demonstrating that both formats have both positive and negative aspects within the surveyed region.

Keywords: Consumer Perception towards Organized and unorganized Grocery Retailer (Modern & Traditional - Grocery Retail format)

Introduction:

Grocery Retail Industry is one of the fastest growing industries under retail sector and with the changing trend and high expectation of consumer which forces the big player to enter in the grocery retail market to make it more organize sector and scaling it for high probability. Consumers are choosing modern-organized stores over traditional kirana's retailers for a more engaging shopping experience.

Grocery Retail in India is gradually shifting towards becoming the next rapidly expanding sector. Therefore a country like India were grocery retailer have huge opportunities and the organize retailing starts penetrating in the market but the growth is just limited to the urban areas and unorganized retailing is still dominating in these grocery segment and with changing time they are updating and restructuring themselves by providing various value added facilities to the consumer and many of the traditional grocery retailer have transformed themselves to semi organized retailer, but capital and technology upgradation are constraints which are hindering the overall growth but still they wins over big organize player. Thus they are also increasing rapidly in the Indian market.

The study identify that not only organize retailers are increasing but the unorganized grocery retailer are increasing more rapidly day by day because this low cost retailing with less risk of failure which has also increase the self-employment level in the study area. The traditional grocery retailer with the changing trend has improve themselves introducing some value added services such as providing offers and deals, credit and home delivery facilities and many more services for consumer to overcome themselves and all these will help to compete them in market.

Literature Review:

Aditi R Khandelwal & Seema Singh Rathore (2024) in their research on 100 consumers in Jaipur area found that D-mart's ownership of property gives them an advantage, as they do not use leasing. Their efficient business model includes a centralized warehouse leading to lower prices, allowing them to focus on brand development and retail expansion. Sangvikar, B., Kolte, A.and Pawar, A. (2019) their study identify that unorganized retail stores are facing challenges like decreased sales due to the emergence of big players in the organized sector. Consequently, they are introducing measures such as enhancing their redesign display, providing home delivery services etc. Arati Biradar (2021) research indicates that consumers have varying preferences for organized and unorganized retailers based on factors such as store image, product selection, brand options, pricing, atmosphere,

credit options. Chandrasekar and G Manjusree (2023) their results show that customers opt for modern retail formats because of the quality, variety of products, and security concerns.

Sampling Method:

The paper relies both on secondary data as well as field survey and primary data was gathered through questionnaires distributed via random sampling to consumers who buy groceries from organized and unorganized retailers in Burhanpur city. The sample was gathered from 100 individuals who responded from various regions. The main focus of the research is to explore and illustrate the perception of consumers on organized grocery retailers and traditional grocery retailers (Kirana wala) and study analyses whether there found any variation in consumer perceptions towards both retail formats regarding to product, price, place and promotion concern adding with customer relationship management concern with respect to surveyed area. The collected data was examined using statistical tools such as the Chi square test, percentage and average methods to generate results.

Objective of the study:

1. To analyses the nature of Organized and Unorganized Grocery Retailers in Burhanpur city of Madhya Pradesh.

2. To determine and evaluate Consumer Perception towards 4 P's - i.e. Product, Price, Place & Promotion concern's related to Organized and Unorganized Grocery Retailers in Burhanpur city of Madhya Pradesh.

3. To Identify Consumer Perception towards Customer Relationship Management concern's related to Organized and Unorganized Grocery Retailers in the survey region.

Hypothesis:

Hypothesis -1

H_0: Consumer Perception towards Product concerns does not show any significant variation for Organized & Unorganized retailers i.e. (Modern & Traditional - Grocery Retail format).

H_1: Consumer Perception varies significantly in relation to Product concern's for Organized & Unorganized retailers i.e. (Modern & Traditional - Grocery Retail format).

Hypothesis -2

H_0: Consumer Perception towards Price, Place and Promotion Concern's does not show any significant variation for Organized & Unorganized retailers i.e. (Modern & Traditional - Grocery Retail format).

H_1: Consumer Perception varies significantly in relation to Price, Place and Promotion Concern's for Organized & Unorganized retailers i.e. (Modern & Traditional - Grocery Retail format).

Hypothesis -3

H_0: Consumer Perception towards Customer relationship Management Concern's does not show any significant variation for Organized & Unorganized retailers i.e. (Modern & Traditional - Grocery Retail format).

H_1: Consumer Perception varies significantly in relation to Customer relationship Management Concern's for Organized & Unorganized retailers i.e. (Modern & Traditional - Grocery Retail format).

Results and discussion:

Hypothesis -1

H_0: There is no significant difference about Consumers Perception towards Product Concern's

H_1: There is significant difference about Consumers Perception towards Product Concern's

Variation between Grocery Retailer i.e. (Modern & Traditional - Grocery Retail format) and Consumer Perception towards Product Concern's

Grocery Retail Format	Consumer Perception towards Product Concern's			Total	Chi-Square Value	p-Value
	Product Variety Availability	Quality Product Availability	Small Size unit Availability			
Organized Grocery Retailers	20 (46.51) [52.63]	15 (34.88) [51.72]	8 (18.60) [24.24]	43	2.2424	< 0.05*
Unorganized Grocery Retailers	18 (31.57) [47.36]	14 (24.56) [48.27]	25 (43.85) [75.75]	57		
Total	38	29	33	100		

*Note: The value within the ( ) refers to row percentage and the value within the [ ] refers to column percentage and * refers to significance at 5% level.*

The chi-square statistic is 2.2424. The p-value is .325894. The result is not significant at p < .05.

The hypothesis reveal that 46.5% (20) consumer revealed that organized grocery retailer have wide product variety and 34.88% (15) consumer belief good quality product available and for unorganized grocery retailer 43.85% (25) consumer believed that unorganized grocery retail have small size units available with them and 24.56% have belief they sell quality product is found in the study.

The data was analyzed in light of statistical tools, chi square test was used and the calculated value is 2.2424 and the p-value is .325894 which is more than .05. Therefore the alternative hypothesis is rejected at 5% level of significance hence it is concluded from the study that null hypothesis is accepted i.e. There is no significant difference between Grocery Retail Format i.e. (Modern & Traditional - Grocery Retail format) and Consumer Perception towards Product Concern's is revealed from analysis.

Hypothesis -2

H_0: There is no significant difference about Consumers Perception towards Price, Place & Promotion Concern's

H_1: There is significant difference about Consumers Perception towards Price, Place & Promotion Concern's

Variations between Grocery Retailer i.e. (Modern & Traditional - Grocery Retail format) and Consumer Perception towards Price, Place & Promotion Concern

Grocery Retail Format	Consumer Perception towards Price ,Place & Promotion Concern Concern's				Total	Chi-Square Value	p-Value
	Variations in Prices	Deals & Savings on Items	Parking Facility availability	Near to house i.e. convenience for frequently shopping			
Organized Grocery Retailers					58	**8.5564**	**< 0.05***
	12 (20.68) [54.54]	18 (31.03) [81.81]	15 (25.86) [60.00]	13 (22.41) [41.93]			
Unorganized Grocery Retailers					42		
	10 (23.80) [45.45]	04 (9.52) [18.18]	10 (23.80) [40.00]	18 (42.85) [58.06]			
Total	22	22	25	31	100		

*Note: The value within the ( ) refers to row percentage and the value within the [ ] refers to column percentage and * refers to significance at 5% level.*

The chi-square statistic is 8.5564. The *p*-value is .035809. The result is significant at $p < .05$.

The hypothesis Second analysis and reveal that 20.68% (12) consumer revealed that organized grocery retailer have difference in prices and 31.03% (18) the highest among all variable here consumer observe Deals & Savings are best on products for organized segment and for unorganized grocery retailer only 9.52% (04) consumer believed that unorganized grocery retail less offer and deals available with them but almost (18) 42.85% consumers observe that they are near to house i.e. convenience for frequently shopping is found in the study.

The result drives from chi-square test indicate that the chi-square statistics value which is 8.5564 and *p*-value is .35809, therefore the null hypothesis is rejected at 5% level of significance. The study concludes that the alternative hypothesis is accepted i.e. Consumer Perception varies significantly in relation to price, place and promotion concern's.

<u>Hypothesis -3</u>

H_0: There is no significant difference about Consumers Perception towards Customer relationship Management Concern's

H_1: There is significant difference about Consumers Perception towards Customer relationship Management Concern's

Variations between Grocery Retailer i.e. (Modern & Traditional - Grocery Retail format) and Consumer Perception towards Customer Relationship Management Concern's

Grocery Retail Format	Consumer Perception towards Customer Relationship Management Concern's					Total	Chi-Square Value	p-Value
	Support to select best Product	Consumer connection level	Home Delivery Facility Availability	Credit Facility Availability	Easy Replacement Policy			
Organized Grocery Retailers	10 (24.39) [55.55]	07 (17.07) [31.81]	12 (29.26) [60.00]	02 (4.87) [11.76]	10 (24.39) [43.47]	41	11.3929	< 0.05*
Unorganized Grocery Retailers	08 (13.55) [44.44]	15 (25.42) [68.18]	08 (13.55) [40.00]	15 (25.42) [88.23]	13 (22.03) [56.52]	59		
Total	18	22	20	17	23	100		

*Note: The value within the ( ) refers to row percentage and the value within the [ ] refers to column percentage and * refers to significance at 5% level.*

The chi-square statistic is 11.3929. The *p*-value is .022486. The result is significant at $p < .05$.

The variations between Grocery Retailer formats and Consumer Perception towards Customer Relationship Management Concern by using chi-square statistical test indicate that 24.39% (10) respondent have opinion that these segment support to select right product whereas a lowest figure which is 4.87% (02) respondent says they provide credit and second lowest as compared to unorganized i.e. 17.07% (07) has view on consumer connection level i.e. trust, faith and loyalty level between buyer & seller for organized grocery retailer was found while analysis.

And for unorganized grocery retailer 25.42% (15) respondents reveals that credit facility availability by them, 22.03% (13) respondents beliefs that they has easy replacement policy as compared to organized and 25.42% (15) consumers exposes that they are well connection level with unorganized grocery retailer as they are in good touch and strong relation with them from past was found during analysis.

The result revealed that the chi square calculated value is 11.3929 and the *p*-value is .022486 which is more than 0.05, the null hypothesis is rejected. Thus the alternate hypothesis is accepted at 5% level of significance. Therefore the alternate hypothesis i.e. Consumer Perception varies significantly in relation to this study i.e. the percepts varies significant to Customer Relationship Management Concern's.

Limitation of the study:
1. The study is based on limited geographical area.
2. The study had used limited variable for identifying relationship, further variables could be added for purpose of detail study.

Conclusion:
The research reveals interesting information about both organized and unorganized grocery retailers in the study region. Burhanpur City is currently in a phase of development and consumer perception regarding these important variable i.e. marketing 4P's was studied, for product concerns results shows that there is no significant difference in consumer perception towards both grocery retail formats. And for remaining variables results shows that there is significant difference in consumer perception towards both grocery retail formats. Despite having different advantages and disadvantages for both grocery retail formats, there are no major variations in consumer perception, the overall conclusion is that Unorganized grocery retailers need to change their mindset and has to adopt the current retail trend. The research also acknowledges that consumers prefer traditional retailers because they offer a greater availability of small-sized units compared to modern organized retailers, who have a limited variety of small-sized items.

The study also reveals that the consumer percept significant variations in relation to price, place, and promotion concern, both formats have their positive and negative aspects, consumer beliefs for offer, deals and saving on products are higher in organize grocery retail as compared to the traditional retailers.

The research paper moreover highlights on consumer perceptions toward customer relationship management concern and their percepts varies significantly in relation to this concerned in a study region. Thus traditional

retailers have good relation and connection with their consumer by providing credit and other value added facilities as they are well connected with people emotionally and physically.

Both grocery retail formats in the survey region have their advantage and disadvantage with relate to the 4P's of marketing which is considered in relation to the perception of consumer in the study region. The study founds that organize grocery retailers are start establishing their market in the study area and have significant opportunities for growth and profitability and changing trends is forcing consumer towards them, still lots of factors like family-budget, extra unnecessary shopping and time consuming are determinants which are constraints for organized retailer is found during study. Thus, traditional grocery retailers continue to hold a strong presence in the market but up to a certain level, they need necessary changes as per the changing demand and expectation adding with good experience while shopping for consumer. Consequently, traditional retailers must take proactive measures by offering valuable and enhanced services, and by upgrading themselves. Thus both sectors have tremendously opportunities for growth and development.

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