

Store Variables Influencing Unorganized Grocery Retail Store Shoppers

Prof. Hariprakash U.P * and Dr. Beeran Moidin B.M **

*Associate Professor, Department of MBA, Srinivas Institute of Technology, Mangalore

** Professor, MBA Department, P.A.COLLEGE of Engineering, Mangalore

Abstract

Indian retail industry is one of the fastest growing industries in the world. It creates 10% employment and contributes significantly to the Indian GDP. Changes in the lifestyle, increased disposable income, privatisation, liberalisation policies of the government has contributed to the growth of the retail Industry in India. Unorganised retail occupies 90% of the total retail market, hence this sector is the major employment generator. Organised retail growth is higher than the unorganised retail sector. Grocery retail occupies the majority share of the industry. There are certain challenges for the growth and development of this industry in India. Also due to the growth of organised retail, there is negative impact on unorganised retailers in some cases. Due to this it has become vital to understand the consumer behaviour of the shoppers who purchase from these stores. Hence this paper attempts to understand the variables influencing the selection of unorganised retail store by shoppers.

Keywords: Grocery, Organised Retail, Retailing, Shopping, Unorganised, Variables

1. Introduction

India's retail industry is growing and it is expected to grow further in the coming years. Indian corporates and International retailers are setting retail business in the India. Indian retail is dominated by unorganised retail sector. Unorganised retail sector consists of traditional retail stores or Kirana stores or pop and mom stores. This sector also consists of retailers in the open market, cart vendors, street vendors etc. Majority of these store deal with food or grocery. It was only after 1990 government's liberalisation, globalisation and privatisation policies the retail sector changed tremendously. Till then there were no

international players or major corporate in the Indian retail sector. Also the changes in the lifestyle and economic condition of the population influenced the growth of retail market in India. Today we see department stores, chain stores, hyper markets, speciality stores and malls across the country. There is a shift from consumers buying from Kirana store to organised stores in urban and semi urban areas. At one end these organised retailers are creating employment for skilled workers and providing quality products at competitive prices to customers and at the other end the unorganised retailers are losing their customers and business to organised retailers in few cases.

2. Need for the Study

Indian retail has a positive impact on the economic growth of the country. Indian retail industry is the largest private industry and has huge growth potential. The potential of Indian retail is reflected in the inflow of FDI to the retail sector which is increasing year by year. It is also one of the major sectors providing good employment opportunity to the population of the country. Hence its contribution cannot be neglected. Among the retail sector food retailing consists of around 60% of the total market in India. 90% of the retail being unorganised its contribution to the GDP and employment creation is significant. There is need for the coexistence of the both organised as well as unorganised sector. The growth of organised retail should not negatively impact the unorganised sector. There is need to know the factors that influence the shoppers who visit unorganised retail so as to help the unorganised retailers to focus on those aspect to retain the customers.

3. Literature review

Sinha and Banerjee (2004) in their research found that store convenience and customer services positively influenced the store selection of shoppers. Goswami (2009) found in his study that the store location, helpful of sales people, trust of salespeople, store cleanliness, were the variables influencing the store selection of grocery shoppers. He also found that unorganised stores were better performers in terms of location but poorly on store cleanliness,

offers, quality and helpful trustworthy salespersons variables. Chamhuri N (2013) in his study found that the purchase of grocery was influenced by product pricing, product freshness, and environment of shopping. Nilsson and Nordvall (2015) identified five different types of shoppers on the basis of their shopping behaviour. He identified different variables influenced them to shop from the grocery stores. Mehra and Shakeel (2016) analysed the factors influencing the shoppers and found that six factors play vital role in the selection of a grocery stores. These important variables were product quality, service provided in the store, product pricing, store location and facility for parking.

4. Methodology

The primary data was collected through survey method by distributing structure questionnaire to the respondents. The questionnaire consisted likert scale questions. The respondents were unorganised store grocery store shoppers of Udupi and Dakshina Kannada District. Eight taluks of these two districts were selected for the data collection. The taluks included Mangalore, Puttur, Bantwal, Belthangady, Sullia, Udupi, Karkal and Kundaur. Data was collected from 209 respondents. Multistage sampling method was adopted to select the respondents for the study. These respondents were from different age, gender and professional profiles.

Table 1.1: Age Profile of Respondents

	Unorganized Retail Shoppers	
Age	Frequency	Percentage
Under 20 Years	28	13.4
20 - 30 Years	79	37.8
31 - 40 Years	44	21.1
41 - 50 Years	41	19.6
Over 51 Years	17	8.1

Table 1.2 Gender Profile of Respondents

	Unorganized Retail Shoppers	
Gender	Frequency	Percentage
Male	103	49.3
Female	106	50.7
Total	209	100

Table 1.3 Professions of Respondents

	Unorganized Retail Shoppers	
Profession	Frequency	Percentage
Student	66	31.6
Service	16	7.7
Salaried	70	33.5
Professional	13	6.2
Self Employed	3	1.4
Business	4	1.9
Agriculture	22	10.5
Others	15	7.2
Total	209	100

Variables of the study included 39 different store variables that would possibly influence the selection of a store for a shopper. These store variables were identified by extensive literature review. The data collected was analysed using Friedmens test to know the degree of influence of each store variables and also to test the hypotheses.

5. Objectives and Hypothesis for the Study:

Objectives of the research is as under

1. To identify the store variables influencing the unorganised store shoppers

2. To indentify the most influencing store variables for a unorganised store shoppers
3. To indentify the least influencing store variables for a unorganised store shoppers

Following hypothesis was formulated

1. There is no significant difference in the degree of influence of the store variables on the shoppers.

6. Store Variables Influencing the Store Choice of Shoppers

The respondents were asked to give their response in the Likert scale questions to various store variables that would influence them to select a particular unorganised store. The collected data was analysed using Friedman's Test to the extent of influence and also to know if there is significant difference in the influence of each store variables.

Table 1.4: Friedman's Test for Store Influencing Variables

Store Influencing Variables	Mean Rank	Rank	Friedman's Test value = 968.962 d.f=38 p value = 0.000 <0.01
Near to Residence	25.1	1	
Quality Products	24.57	2	
Store Cleanliness	24.39	3	
Presence of Other Stores Around	24.35	4	
Convenient Store Timings	24.22	5	
Fresh Products	3.33	6	
Competitive Pricing	23.07	7	
Reasonable Pricing	23.01	8	
Variety of Products	22.44	9	
Easy Return policy	22.42	10	
Value for Money	22.4	11	
Faster Billing	22.36	12	
Store Lighting	22.07	13	
Trust in the Pricing of Product	22	14	
Trust in the Quantity of Product	21.78	15	
Faster Checkouts	21.62	16	
Good Parking Facility	21.54	17	
Trust in the Quality of Product	21.5	18	
Ambiance in the Store	21.06	19	
Different Brands of Products	21.01	20	
Customised Customer Attention	20.98	21	
Courteous Salesmen	20.97	22	
Store Brands	20.76	23	
Display of Products	20.72	24	
Near to Workplace	20.17	25	
Store Layout Facilitate Purchases	19.15	26	
Credit Facility	18.55	27	
Less Crowding in the Store	18.54	28	
Informed Salesmen	18.38	29	
Sales Promotion	18.27	30	
Presence of Food Zone	17.13	31	
Store Membership	16.59	32	
Credit Card Acceptance	14.75	33	
Store Advertisements	14.46	34	
Debit Card Acceptance	14.27	35	
Free Home Delivery	14	36	
E-Payments	13.16	37	
Rest Room Availability	12.57	38	
Escalator/ Elevator Availability	12.33	39	

Figure 1.1: Radar Chart - Store Influencing Variables



From the above data we can note that store variables “Near to Residence” with mean rank of 3.95 is the store variable having most impact on the store shoppers. This is the main advantage of any unorganised store. Majority of the shoppers prefer a unorganised grocery store because it is near to their residence. This is convenient for shoppers, especially when shoppers buy in small quantities. Apart from that Quality Products, Cleanliness of Store, Presence of Other Stores, Store Timings, Freshness of Products and Competitive Pricing of products are the other store variables that influence most for the unorganised store shoppers to select a particular retail store. Store variables like Acceptance of credit card, debit card, rest room facility, free home delivery, electronic payment facilities were the least influencing store variables for a unorganised store shoppers to select a particular retail store.

Through the analysis it is inferred that there is significant difference in influence of store variables, as the Chi square value is 968.962 and the significance value for 38 degrees of freedom is 0.000, which is less than 0.01. The hypothesis that there is no significant difference in the degree of influence of store variable is rejected.

7. Conclusion

Indian retail sector is witnessing tremendous changes. Organised retail is growing at a faster rate than the unorganised retails sector. International retailers are setting their retail stores and industrialists are also making huge investments in the Indian retail. The growth in the organised retail may have a negative impact on the unorganised grocery retailers. The unorganised retailers need to understand their customer needs and respond to it immediately or else they may lose their customers for the organised retailers. From this study we can observe that there are several factors that influence a grocery retail store shopper. Each variable has its own degree of influence, some are most influential and some are not that much. The retailer needs to give emphasis to those store variables that are very important from the perspective of shoppers and try to improve on that. This will help the unorganised retailers to face the competition from the other retailers especially from unorganised retailers around.

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