"The Transformation of Consumer buying habits in Suburban Area

in Western India"

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1. ABSTRACT

It is a matter of debate as to whether Indian Kirana stores would be able to survive in the face of competition from organized modern trade grocery retailers. Although traditional retail currently constitutes over 95 per cent of the total sales in the country, smaller Kirana shops that are unable to compete with new age retailers in terms of variety and scale have begun losing volume in several parts of the country. Internationally, while some studies suggest that large scale retailers like Wal-Mart are responsible for widespread closings of mom & pop stores (Wal-Mart Watch,2005; Basker,2005) and question whether cost to communities in terms of labor displacements and higher poverty is offset against benefits of lower prices and greater convenience, other studies suggest that the process of creative destruction unleashed by Wal-Mart has had no statistically significant long-run impact on the overall size and profitability of the small business sector in the United States (Sobel and Dean, 2006). In India modern trade or organized retailing already account for 30 to 40 per cent of grocery sales in the top 6- 7 cities of the country (Kakkar, 2008). The Prime Minister's Office (PMO) of India has initiated a study on the impact of retail giants on small retailers and this move has been welcomed by the Confederation of All India Traders (CAIT). As pointed out by some researcher, so far retailers, who focused on developing only supply-side efficiencies in terms of reaching retail productivity targets, need to think about demand side efficiencies in terms of satisfaction of customers' needs in order to optimize business performance. It is important to identify efficient levels of the various dimensions of satisfaction of customers' needs that directly link to measures of specific firm outputs that firms intend to maximize in addition to supply side efficiencies. In this study we shall use two separate Data Envelopment Analyses (DEA): one DEA using CCR method to examine the demand dimensions of satisfaction of customers' needs and another DEA to examine supply side efficiency in terms of retail productivity. We have attempted to deduce the chances of survival of Kiranas by examining the two DEAs.

2. KEY WORDS

Kiranas (Unorganized Retailers), Super Markets and Hyper Markets (Organized Retail); Impulsive buying (Unplanned purchase), Suburban (out side city limits), Haat (weekly market), Mandis (local whole sale market).

3. INTRODUCTION:

Indian economy has transformed from an extensive controlled economy to a liberal market driven economy. High-income opportunities, changing attitude towards saving, international exposure and necessities of lifestyle are the key drivers for fast evolving Indian consumer behaviour (KSA Technopark, 2006). Indian retail industry is witnessing a paradigm shift as the sector is getting organized and consumers are seeking a one-stop shopping place with convenience and entertainment. Professionally managed and separately owned retail organizations are the face of today's retail sector. India is stepping into a new era of 'Retail Chains' from the traditional neighborhood 'Kirana Store'. Economic growth, changing lifestyles, urbanization, women's participation in economic activities and the spread of IT are the some of the key factors for the growth of the retail sector. With Liberalization, Privatization, Globalization and modernization, a modern competitive business is based on understanding the mind of the consumer and providing the king products and services that he wants. H is having multiple choices from unorganized retail to modern shopping experience. This is said that customer is the king, but he is not king, he is god because king can die but customer never die. This is important to know why customer prefers to buy. How does a customer buy it? When does a customer buy it? If retailer is able to match the customer expectations then he can improve his business.

Evolution of Retail Market in India

In the beginning there were only Kirana stores called Mom and Pop Stores, the Friendly Neighborhood stores selling every day needs. In the 1980s manufacturer's retail chains like DCM, Gwalior Suiting, Bombay Dying, Calico, Titan etc started making its appearance in metros and small towns. Multi brand retailers came into the picture in the 1990s. In the food and FMCG sectors retailers like Food world, Subhiksha, Nilgiris are some of the examples. In music segment Planet M, Music world and in books Crossword and Fountainhead are some others. Shopping Centres began to be established from 1995 onwards. A unique example was the establishment of margin free markets in Kerala state. The millennium year saw the emergence of super markets and hyper markets. Now big players like Future Group (Kishor Biyani) Reliance Industries, Bharti Wal-Mart, Tatas Super stores, Hindustan Unilever, Indian Tobacco Company are entering into the organized retail segment. The big international retail bigwigs are waiting in the wings as the present FDI guidelines do not allow them to own retail outlets in the country. Walmart is testing the waters by agreeing to provide back end and logistic support to Bharti for establishment of retail chains with a view to study the market for future entry when the FDI guidelines change and to establish a backbone supply chain. Table 1 shows the different phases in the growth of organized retailing in India.

Table No: 1. Journey of Organized Retail in India

Year	Growth	Functions
2000	First Phase	Entry, Growth, Expansion, Top Line focus
2005	Second Phase	Range, Portfolio, Former, Option
2008	Third Phase	End to end supply chain management, Backend operation, Technology, Process
2011	Fourth Phase	M&A Shakeout, Consolidation, High Investment

Source, Ernest & Young

The drivers for the growing retail boom or *‘R’ revolution* are many. The increasing purchasing power of the Great Indian Middle Class is the major reason for retail rush that is being witnessed. Fueling this fact is the changing demography of the Indian populace. The percentage of young people in the country is increasing. It portends well for the retail business as it is the young people who buy more than the old. Again the percentage of women in the population is showing an increasing trend. This again is good news for the retail market as women are more avid shoppers compared to men folk. The spread of the visual media is contributing its might in spreading visibility of various consumer goods to the public which heighten their aspirations to consume more and to shop in more congenial and luxurious environment. The increasing number of double income family who has more disposable income is another contributing factor for this phenomenon.

Organized retailing provides an ideal shopping experience through consumer preference analysis, excellent ambience and choice of merchandise. Changing lifestyles, strong income growth and favourable demographics are the drivers for the fast growth of this sector. Rising income level, education, acceptance of smart and credit cards and global exposure have an impact on the Indian consumer’s shopping habits (Baseer and Laxmi Prabha, 2007). Impact of the factors like availability of favorite brands, social status, buying behaviour during discounts, influence of family and friends over the organized retail and unorganized retail.. The main objective of this research is to know the consumer perception towards organized retail and unorganized retail while shopping.

This paper is an attempt to understand the changing consumer shopping behaviour from unorganized retail to organized retail.

4. **OBJECTIVES OF THE STUDY.** Review of literature leads to the objectives of the study and statement of problem to the Formulation of the hypothesis

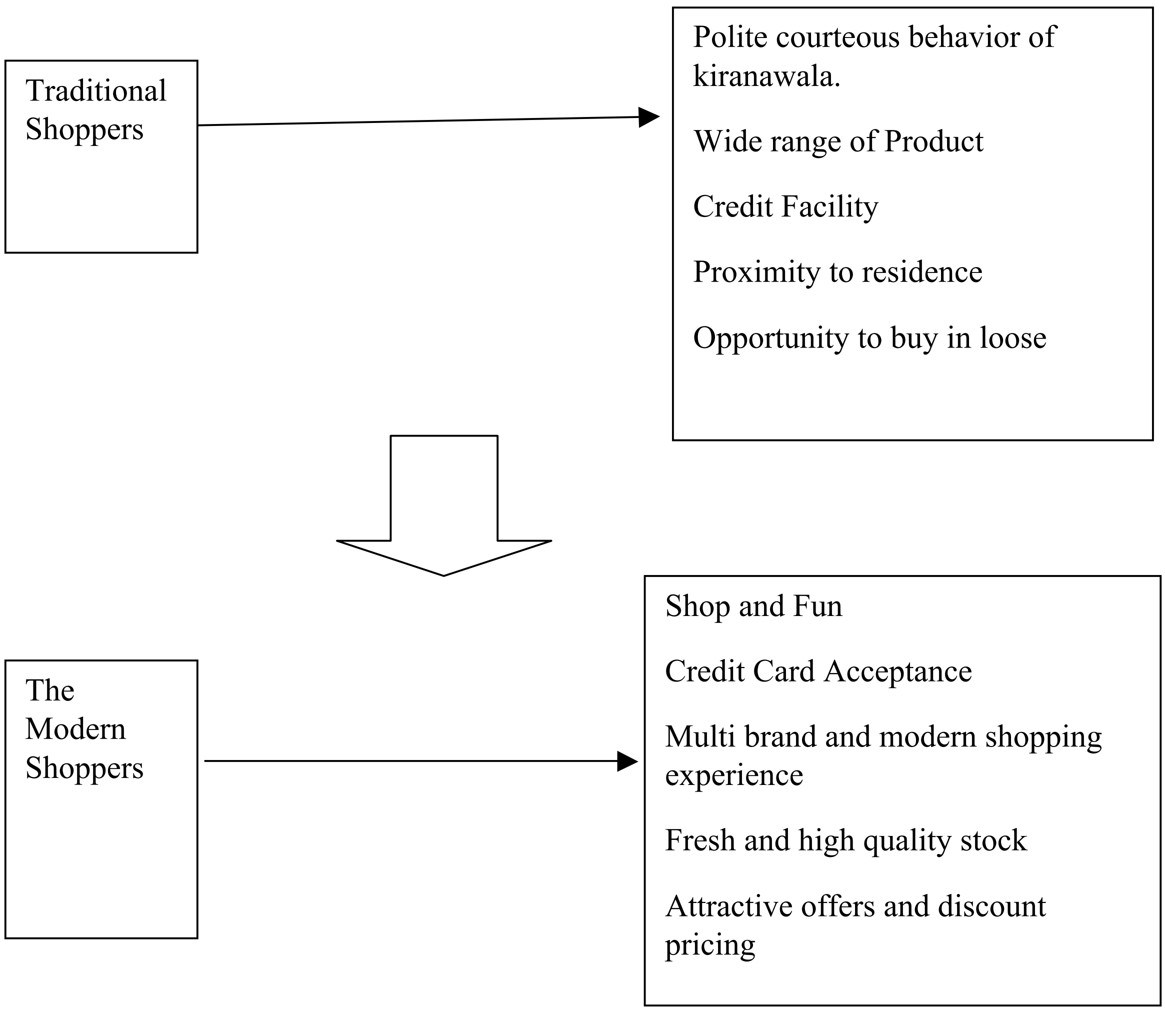
a. To understand the consumer shopping behaviour dimensions.
b. To measure the significance of demographic variables on shopping behaviour**.**
c. To analyze the change in shopping pattern in semin urban population of Western India.
d. To know the preferred shopping point.
e. To know the impact of organized retail on their wallet.

5. CONCEPTUAL FRAMEWORK OF THE TOPIC

Due to the growth of middle class and upper middle class segment in Indian economy retail market is booming. Middle class ownership patterns and increasing disposable and dual family income is the main cause for the growth of retail industry in Indian market. Earlier in India traditional kirana shops were the main choice of buyers. Now due to socio economical changes this study is an attempt to understand the changing consumer buying behavior. The Indian market is currently witnessing a retail boom with organized retailers offering a whole assortment of goods and services to consumers under one roof with congenital shopping ambience. Retail business is the largest private industry, ahead even of finance and engineering and contribute more than 10% to Indian GDP(Marketing White Book, 2009-2010). India is having more than 12 million retail outlet and known as country of shopkeepers. But as for as for as growth of organized retail is concerned, this is comparatively very low in comparison to other country. For instance in US share of organized retail is 85%, Taiwan 81%, Malaysia 55%, Thailand 40%, Indonesia 30%, China 20% while in India this is just 5% (Marketing White Book,2009-2010).

Actually, from the 1950s to 1980 Indian shoppers were used to shop at Haat, Mandis, Melas and at small family run stores kirana shops. After liberalization, privatization and globalization Indian government lifted the restrictions from private companies and Indian economy slowly progressed from being state-led to market friendly. This was the beginning of modern India. The growth of middle and higher middle class, growing trend of call centers and BPO, increasing number o dual income nuclear families, convenience of shopping from one place to another, reasonable pricing and a good place to pass the time fuelled the growth of supermarket, hypermarkets and concepts of organized retailing in India.

Fig : 1: Consumer behavioral Model in changing retail scenario



6. LITERATURE REVIEW

As far as grocery store patronage is concerned, though early studies (Enis and Paul, 1970; Dunn and Wrigley, 1984) found loyalty to be a characteristic of poorer shoppers, a recent study indicates significantly higher incomes and weekly expenditures of the loyal Indian consumer's shoppers (McGoldrick and Andre, 1997). Knox and Walker (2003) confirmed the existence of a weak but significant relationship between involvement and brand loyalty in grocery markets. Overall satisfaction with a store does not significantly influence customers' loyalty to that store and shoppers' intention to remain loyal to their ''primary store'' is influenced by factors like frequent-buyer reward schemes, travel distance, preference for an in-store delicatessen, size of the average grocery bill, store signage and the level of sale assistance (Miranda et al., 2005). However, given that grocery shopping patterns vary with culture, Indian grocery shoppers are required to be investigated separately to determine, which grocery store attributes contribute to store patronage (Shanon and Mandhachitara, 2005). The store dimensions which are relevant for grocery store choice of customers may now be investigated. Grocery industry is strongly driven by price competitiveness (Taylor, 2003). ''Credit'' is a predictor of grocery shopping expenditures spent out of the community and consumers spending a medium proportion of their grocery expenditures out of a locality had the highest overall shopping expenditures in all categories (Sullivanand Savitt, 1997). Product selection, assortment and courtesy of personnel are also very important in determining format choice and cleanliness is the most important attribute regardless of the format of grocery store (Carpenter and Moore, 2006; Teller et al., 2006).In an earlier study by Solgaard and Hansen (2003), assortment was found to be the single most important driver for the choice between store formats; price level and distance also being important drivers for consumers' choice between store formats; although quality and service were not found to be differentiator between formats. Again, Singh and Powell (2002) found that grocery shoppers consider quality to be most important, followed by price, locality, range of products and parking. Fox et al. (2004) found that shopping and spending vary much more across than within formats, and expenditures respond more to varying levels of assortment and promotion than price, although price sensitivity was most evident at grocers. While super center primary shoppers of food identified low price and assortment more often as the reason for store choice, traditional supermarket primary shoppers were less willing to trade off location convenience or, in some cases, quality and assortment (Seiders et al., 2000). Chinese supermarket shoppers found store location, price and product variety as the most important store attributes influencing satisfaction (McDonald, 1991). In an investigation of consumer shopping destination choice behavior for convenience goods shopping trips in Taiwan, spatial separation distance best explained respondents' shopping destination choice behavior, followed by store selection criteria (Yang, 2006). A study in Vietnam on the factors which influence decision-making by consumers when selecting traditional bazaars vs supermarkets revealed that freshness, price and convenience are important in shaping the choice by consumers for traditional outlets for fresh food, while price played a key role in selecting shopping outlets for processed food and drinks and non-food products(Maruyama and Trung, 2007). Hence, there is difference in the result of the studies of different authors as far as relative importance of attributes are concerned, which might be attributed to either changes in consumers over a period of time or to the place of study as grocery shopping patterns vary with culture (Shanon and Mandhachitara, 2005).Customers attach considerable importance to store location and private labeling is found to be a store selection criterion of low importance for grocery shoppers (Baltas and Papastathopoulou, 2003). Generally, national food brands were perceived as superior to own labels in terms of quality, packaging, consistency and good image (Omar, 1996).Customers can distinguish high-quality stores from low-quality stores, large stores(associated with the great amounts of goods, special offers and a lot of walking and searching) from small stores (associated with personal attention, accessibility, nearness, high prices), hypermarkets from other retail formats, stores where weekend purchases are made vs stores where only specific item/items are bought (Uusitalo,2001). Consumers are not able to perceive an important difference between home delivery and traditional grocery shopping (Teller et al., 2006). Older consumers are very price-conscious, have different needs compared to younger grocery shoppers, enjoy interactions more than younger consumers and prefer to shop in a store where they can receive special-assistance services (Moschis et al., 2004). Most people exhibit certain habits when they do their main trip to the supermarket and have a usual day and a usual time of day to shop (East et al., 1994; Singh and Powell, 2002). Seventy percent of shoppers visit grocery stores with random intervals and 30 per cent with relatively fixed intervals and ''routine'' shoppers spend more dollars for a given shopping trip but have difficulty in visiting grocery stores more often and in switching stores (Kim and Park, 1997).

7. RESEARCH MODEL

The present study is focused on the shopping behaviour dimensions of consumers who visit organized stores for food and grocery items. A convenient sampling method was used to obtain the data from the three areas of Pimpri, Dehu Road and Thane A total of 600 questionnaires were distributed; out of which 500 filled questionnaire were received. While conducting the survey due care was taken to include respondents from different walks of life, i.e., gender, educational background, occupation, age group, income level, etc.

Hypothesis:

$H_{1:}$ There significant relationship in consumer buying behaviour and attractive offers of organized retail.

H_2: There is significant relationship between age and no of visit to organized retail.

H_3: There is significant relationship between visit and income pattern at organized retail.

8. RESEARCH METHODOLOGY.

The methodology which is used for carrying out the research is as follows:

Research Design: The study is related to changing buying behaviour of consumers in organized retail as well as in un-organised retail in select area of suburb of western India. The studies made to know the changing buying behaviour of consumers. The data related to study is collected through structured questionnaires from customers who were visiting organized retail as well as unorganized retail (Mom and Pop stores). The study includes 3 months period from February 2010 to April 2010. The data is collected from approx 500 respondents and for analyzing the data percentage methods, chi square tests and other statistical tools related to data are used.

Data Collection Method: The data is collected through structured questionnaires from customers who are visiting organized retail as well as unorganized retail by using multistage-convenience method. This is like cluster sampling, but with several stages of sampling and sub-sampling. This method is usually used in large-scale population surveys. For research work primary as well as secondary data were used for collection of information. Research was broadly classified into two sections. First part was detailed study of various HR policy formulation & its implications and Second part were how these strategy have affected employees of various categories of IT industry i.e. employees, management and society.

Primary data:-

The primary data were collected by direct interaction with individuals on a one to one basis. The benefits of these approaches include richness of data and deeper insight into the phenomena under study. Primary data collection has been through interviewing and questionnaires to all types of target samples (urban and rural,) also on the basis of questionnaire and observing the socio-economic, living and working aspects of the sample in their behavioral pattern. The data were also collected through discussion with samples and experts from this field. The main methods of collecting data thus are a combination of questionnaire and interview.

Secondary data:-

Secondary data has been collected through a wide range of written materials. e.g. to understand the philosophy of consumer behaviour. These include research papers, articles in various magazines and journals, annual reports of the Govt of India, etc. Other sources used for collecting data are downloads from companies' websites, newspaper reports, technical and trade journal, books, magazines. The remaining statistical part of this study is derived from secondary sources like the publications of the Registrar, Census of India, Government of India, New Delhi; Commerce Ministry, Government of India, **Indian Council for Research on International Economic Relations (ICRIER),** retail report 2008, Government of India, Marketing white Book 2009-2010, National Sampling survey and Internet etc.

RESEARCH INSTRUMENTS

Questionnaire:-

In order to collect primary data to structured, exhaustive and descriptive (free end) questionnaires were designed. The same questions were asked to all Type of subjects which cover all areas of consumer buying behaviour and motives.

Specific information and open ended questions for general information is used. Proper care is taken for sequencing the questions and ambiguous questions are avoided after pilot survey.

Individual interviews:-

Semi structured and unstructured interview method has been used. Semi structured (sometimes referred to as focused interviews) involve a series of open ended questions based on the topic area sent in advance which the researches wants to cover.

Unstructured Interviews are a method of interviews where questions can be changed or adapted to meet the respondent's intelligence, understanding or belief. Unlike a structured interview they do not offer a limited, pre-set range of answers for a respondent to choose, but instead advocate listening to how each individual person responds to the question.

Observation and Discussion methods:

Observation as a technique has been used to validate data provided in face to face encounters. Out of various techniques of Data collection available through observation written description has been adopted by making notes of what has been observed.

Data Analysis:

The study was carried out basically in three suburban areas of western India. The research field work was carried out considering Thane near Mumbai (92 persons) and Dehu Road, (122 respondents) and Pimpri (respondent 286) near Pune.

Table 2: Sample Distribution of Respondents

Age Group	Gender			
	Male		Female	
18-20 yrs	40	8.0%	17	3.4%
21-30 yrs	214	42.8%	62	12.4%
31-40 yrs	88	17.6%	13	2.6%
41-50 yrs	45	9.0%	7	1.4%
51 and above	14	2.8%	0	.0%
Total	401	80.2%	99	19.8%

Table 2 presents the demographic profile of the respondents. The results indicated that out of 500 respondents, the percentage of the male is 80.2% whereas the percentage of female is 19.8%. As expected slightly more than half of the respondents are between 21-30 years of age (42.8%+12.4%=**55.2%)** as this is the general age range for visiting malls and supermarkets for shopping. One fifth of the respondents are between 31-40 years of age **(20.1%)** , 16% respondents are between 41-50 years of age being the remaining 2.8% as respondents of above 51 years of age.

Table 3:- Income Profile of the Respondents

Income Group	Count	Percentage
Below Rs 5000	20	4%
Rs. 5000-10000	75	15%
Rs. 10001 to 20000	168	33.6%
Rs. 20001-30000	137	27.4%
Rs. 30001-40000	83	16.6%
Rs 40001-50000	09	1.8%
Rs 50001 & above	08	1.6%
Total	500	100

Table 3 presents the income profile of the respondents. The results indicates that out of 500 respondents the percentages of respondents who earn Rs. 10000-20000 is 33.6%, respondents have a salary ranged of between Rs. 20001 to 30000 is 27.4%, respondents have a salary ranged of between Rs. 30000 to 40000 is 16.6% while those who are more than Rs. 40000 and 50000 are only 1.8% and 1.6% respectively.

The respondent's salary range in this study provides one possible reason as to why they prefer to shop in organized retail.

Table 4:- Occupational Profile of the Respondents

Occupation	Frequency	Percentage
Student	86	17.2%
Salaried	271	54.2%
Self Employed	115	23%
Housewife	17	3.4%
Retiree	11	2.2%
Total	500	100

Table 4 above presents the occupational profile of the respondents. The results indicates that out of 500 respondents most of the respondents (54.2%) belongs to salaried category, 17%%

were student, 23% were self employed while 3.4% and 2.2% were housewife and retiree respectively.

Sampling Design: In this study multistage- convenience sampling method is used. This is like cluster sampling, but with several stages of sampling and sub-sampling. This method is usually used in large-scale population surveys.

a. The process of selection is based on chance as the consumers coming out of the Mall/ Super Store.

b. The study is of exploratory nature - it aims at having a feel of the issue or problems under study. There are many inputs from the samples which were not included in the questionnaires prepared for the research.

c. There are pressing time constraints that prohibit adopting other sampling technique.

d. The merits are - simplicity, convenience, low cost.

The Sampling Technique:

Multi Stage Convenient Sampling Technique: - Convenience sampling means a sample is drawn on the basis of opportunity. For example, the sample includes customers attending an organized retail.

Reasons for considering Multi stage Convenient Sampling:

a. This sampling scheme is very easy and convenient to operate.
b. Low cost of selection and low cost of fieldwork.
c. This method overcomes the chief hurdle of random sampling viz, giving unequal representation. Here unequal representation implies that certain parts of the populations may be better represented than others in the sample.
d. When the sample size is too large, it is always better to select a convenient sampling and select few people from whole. The method is useful in gaining an initial insight into the nature of the problem or for hypothesis formulation. The chief merit of this method is that the manner of picking up items from whole stratum is purely according to random sampling principles.

Data Analysis Procedure used: The data collected through structured questionnaires and filtered in required manners tabulated and while anlysing the data proper coding de-coding as per requirement of data were used. Statistical software SPSS, ver-16 is used and percentage method, pie chart, chi square test are used for hypothesis testing.

Contact method.

All sample units were personally contacted & interview technique was used for collection of information.

Reference Period:

The survey of sample design population was under taken during the period from Feb -2010 to Apr 2010.

9. FINDINGS

a. As expected slightly more than half of the respondents are between 21-30 years of age (**55.2%)** as this is the general age range for visiting malls and supermarkets for shopping. Market is dominated by young population.
b. Regarding the personal profile of consumers, 80.2% are male shoppers and 19.2% are female shoppers.The results indicates that out of 500 respondents the percentages of respondents who earn `. 10,000-20,000 is 33.6%, respondents have a salary ranged of between `. 20001 to 30000 is 27.4%, respondents have a salary ranged of between `.. 30000 to 40000 is 16.6% while those who are more than `.. 40000 and 50000 are only 1.8% and 1.6% respectively. This is observed that majority of shoppers are from Rs. 10000 to 30000 household income profile.
c. There is a major change in the shopping frequency of salaried customers, salaried categories have been changed (13.4%) their shopping pattern and prefer to shop weekly (22.4%) and fortnightly basis (15%). No major changes have been reported from retiree and housewife category.
d. There is a drastic change in the daily shopping pattern of **Pimpri** area consumers. Earlier 32.16% % consumers were visiting unorganized retail often more than once a day but after opening of supermarkets in the locality, now only 8.74% consumer follow this trend. Similarly 37.06%% consumers were visiting at least once a day (earlier) and now only 15.73% follow this pattern.
e. As for as daily visit is concerned consumers prefer to visit daily to buy perishable (FMCG) product (Milk/biscuits/butter) and any reduction in shopping pattern may affect sales of perishable nature product(FMCG) of unorganized retailers.
f. There is a negligible rise of such customers (1.74%) who have been stopped buying from unorganized retail outlets after opening of super market and malls in the locality.

g. **Dehu Road** market is suburb of Pune and 4 K.M away from the area where organized retail are in operation. Now in comparison to earlier frequency (32.78%), only 8.19% customers visit to retailers often more than once a day, 19.67% at least one a day. Thus, there is decline in the daily visit pattern of shoppers at unorganized retail outlets.

h. Now, there is a almost 50% rise in such category of customers who were not visiting unorganized retail weekly basis and 17% rise on monthly buyers .

i. There is almost negligible rise (1.60%) of such customers who have stopped buying from unorganized retail outlets in Dehu Market.

j. There is 13.04% decline **Pune city** shoppers who were visiting unorganized retail outlet often more than once a day, 14.14% decline in daily shopper's category.

k. There is a major change (14.13%) in fortnightly shopping behavior while there is an only 5.43% rise in monthly shopper's category after opening of super markets and malls in their locality.

l. There is an 8% and respectively 5% decline in daily visit frequency of Middle Income Group (Rs.10000-20000) and Higher Middle Income Group (Rs.20001-30000).

m. No major changes have been reported by higher income group customers from the bracket of Rs.30000-50000 and above income group.

n. Table No.10 **(Appendix**) indicates that 76.92% consumers from Pimpri area, 94.26% from Dehu Road while 59.7% from Thane prefer to shop unorganized retail for their day to day needs.

p. Fig. No. 6 (**Appendix**) indicates that majority of customers reported that shopping in organized retail (supermarket/malls/Department Stores) increases the average expenditure pattern on their wallet

Findings from Hypothesis:

Hypothesis 1: The null hypothesis is rejected. There is significant relationship exists between attractive offers of organized retail and consumer buying behaviour.

Hypothesis 2: The null rejected. There is a significant relationship between age group and visit pattern.

Hypothesis 3: The null hypothesis is accepted. There is a significant relationship between income group and visit pattern at organized retail.

10. DISCUSSION

a. There are many players in the retail market-with different promotional schemes and facilities. In the face of so many options, the choice of appropriate retail stores becomes an important topic for the customers.

b. With the buying of a product, the customers also want to satisfy their unstated needs. Once the customers are satisfied with the unstated needs in the retail malls, then there is the possibility of revisit.

c. Prior to opening of organized retail in the vicinity of unorganized retailers customers were used to buy their stuff from kirana only but due to liberalization, privatization and globalization there are multiple options in the hand of customers to satisfy their wants and needs.

d. Customers are shifting their shopping pattern from unorganized retail to organized retail due to various factors such as due to economical improvement and increased disposable income, payment option (Credit Card), cleanliness, variety and fun during shopping at organized retail.

11. SCOPE AND LIMITATIONS OF THE STUDY

a. The study is limited to suburban area of two metropolitan cities in Western India namely Mumbai and Pune.

b. Due to the Time constraint of the research team the sample size was limited to 500 only. A larger sample size would give more accurate result.

c. The sample mostly carried out was in the evening time when the maximum people were coming. If we could collect data during other time the findings might be different.

d. There were only 8 people in the research team. A larger team would have brought better data.

12. **CONCLUSION:** This is observed there is tremendous changes in consumer buying behaviour after arrival of organize retail in their vicinity. Attractive offers of the organized retail and availability of multiproduct under one roof at attractive price always instigate and motivate to buy from organized retail. Majority of customers have shifted their partly purchase from un-organized retail (Mom and Pop) to organized retail. But as

far as day to day purchase is concern Indian consumers still prefer to buy from Traditional retail outlet in their locality.

Gen Y (age group of 21 to 30) and Gen X (age group 31-40) are the major consumer size prefers to visit organized retail. It has also been seen the big spenders in organized retail are the huge Indian middle class, which is more than many western countries total population.

13. FURTHER SCOPE OF RESEARCH

a. A similar research can be carried out in other parts of the region as well as other parts of the country.
b. This research is specially concern especially in the food an grocery segment of the retailing. There are enough scope in other segments like apparels, electronics, jewellery, consumer durables etc.
c. This study can be carried out in the rural segments as well.

14. MANGERIAL IMPLICATIONS

The findings of research are helpful for all practicing Managers and all those who are in research for understanding the changing buying behavior of consumers. To understand the consumer buying behavior is very important for formation of any kind of marketing strategy and implementation of sales promotion schemes for enhancing the overall sales volume of the company.

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Appendix

Consumer Survey Result

The purpose of the research is to understand the behavior of consumers and benefits to consumers in shopping at organized vs. unorganized retail outlets. The consumers, who shop in general stores, departmental stores, shopping malls, small retail outlets etc, in the area of PCMC, Dehu Road and Thane suburban town near Mumbai, were taken as the population for this study.

A convenient sample of 500 consumers was pooled up for the current study in which respondents were requested to complete the questionnaire on voluntary basis. The customers who were coming out after shopping from Malls (Exit customers) were interviewed through structured questionnaire. Study covers 286 respondents from Pimpri area, 122 from Dehu Road and 92 respondents from Thane city where organized and unorganized retails are in operation.

Table 5:- Analysis of change in shopping pattern on the basis of Occupation

Visit habits	Student		Salaried		Self Employed		Housewife		Retiree	
	Earlier	Now	Earlier	Now	Earlier	Now	Earlier	Now	Earlier	Now
Often more than once a day	5.4	2.2%	17.4	4%	6.6%	2%	1%	0.4%	0.2%	0.2%
At least once a day	7.2%	3.4%	15.8%	7.6%	8.6%	3.4%	1.4%	0.6%	1.4%	1.0%
Once or twice a week	2.4%	4.4%	14.8%	22.4%	5.6%	8.6%	0.6%	0.8%	0.4%	0.4%
Once a fortnight	1.4	6.2%	4%	15%	1.0%	6.2%	0.4%	1%	0.2%	0.4%
Once in a month	0.8%	0.8%	2%	3.6%	1.2%	2.4%	0.0%	0.6%	0.0%	0.2%
Not at all	-	0.2%	-	1.6%	-	0.4%				

Table 5 shows relationship between occupation and visit pattern of respondents. Respondents who were shopping often more than once a day and belongs from salaried categories have been changed (13.4%) been changed their shopping pattern and prefer to shop weekly (22.4%) and fortnightly basis (15%).

Respondents who were self employed and were visiting often more than once a day also registered a change (4.6%) in their visit pattern and shifted their shopping pattern towards weekly and fortnightly basis.

As far as housewife and retiree are concerned they did not registered any major changes in their visit pattern. Any change in daily shopping pattern of shoppers definitely affects to daily turnover of retailers and create financial crisis for him.

Table-6:- Analysis of Income and Age Group

Monthly Household Income (Rs.)	Age Group									
	18-20 yrs		21-30		31-40		41-50 yrs		51 and above	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
Below Rs. 5000	6	1.2%	8	1.6%	3	0.6%	0	0.0%	1	0.2%
Rs 5000-10000	15	3.0%	41	8.2%	11	2.2%	6	1.2%	2	0.4%
Rs, 10001 to 20000	21	4.2%	102	20.4%	27	5.4%	13	2.6%	5	1.0%
Rs. 20001 - 30000	10	2.0%	74	14.8%	34	6.8%	19	3.8%	0	0.0%
Rs. 30001-40000	2	0.4%	39	7.8%	24	4.8%	13	2.6%	5	1.0%
Rs 40001-50000	1	0.2%	6	1.2%	0	0.0%	1	0.2%	1	0.2%
Rs. 50001 & above	1	0.2%	4	0.8%	2	0.4%	0	0.0%	0	0.0%
Total	57	11.4%	275	55.1%	101	20.2%	52	10.4%	14	2.8%

Table 6 shows the relationship between age group and income of the respondents. As data indicates that there is major contribution of respondents from the age group of 21-30 that is 55.1%. Respondents who are in the age group of 31-40 and active earning members contribute 20.2%. Respondents from 18-20 are 11.4%. Contribution from higher age group from 41-50 is 10.4% and 51 & above is only 2.8%..

The growth of the earning middle and higher middle class, which demands value for money, has led to a lot of changes on the retail front. The increase in household's income also led to a change in the spending patterns across retailing. The discretionary spending power in the hands of this group makes a very big impact on the ability to spend. Their level of aspirations is also higher from the older generations due to higher income in comparison to older generation.

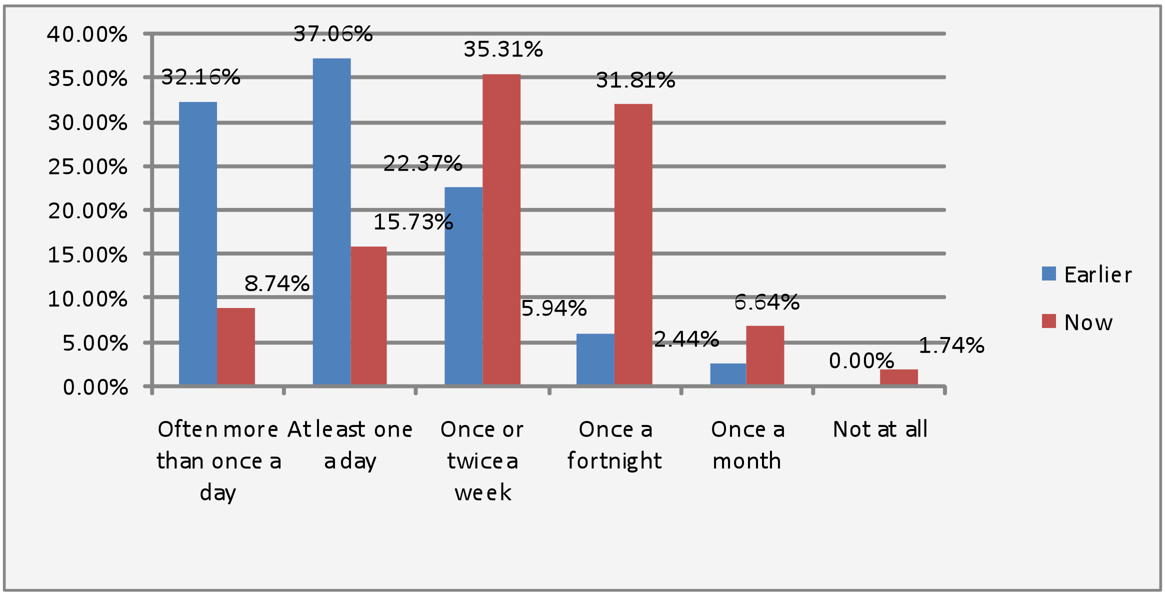
Table 7: Location wise Analysis of consumers

Location	Respondents	Percentage
Pimpri	286	57.2%
Dehu Road	122	24.4%
Thane	92	18.4%
Total	500	100

Source: Primary Data

Table-7 above shows location wise details of respondents.

Figure No.2: Comparative Visit Frequency Analysis (Earlier and Now), Pimpri Area Sample Size= 286



Source: Primary Data

Fig- 2 shows, that there is a drastic change in the daily shopping pattern of consumers. Earlier 32.16% % consumers were visiting unorganized retail often more than once a day and now only 8.74% consumer follow this trend, similarly 37.06%% consumers were visiting at least once a day (earlier) and now only 15.73% follow this pattern. It means there is reduction in shopping pattern of consumers on daily basis. As for as daily visit is concerned consumers prefer to visit daily to buy perishable (FMCG) product (Milk/biscuits/butter) and any reduction in shopping pattern may affect sales of perishable nature product(FMCG) of unorganized retailers.

Now there is a change in daily shopping pattern of consumers and this has been shifted from daily basis to weekly basis (35.31%) and fortnightly basis (31.81%).

There is a negligible rise of such customers (1.74%) who have been stopped buying from unorganized retail outlets after opening of super market and malls in the locality.

Figure No.3 :- Comparative Visit Frequency Analysis (Earlier and Now), DEHU ROAD , Sample Size= 122

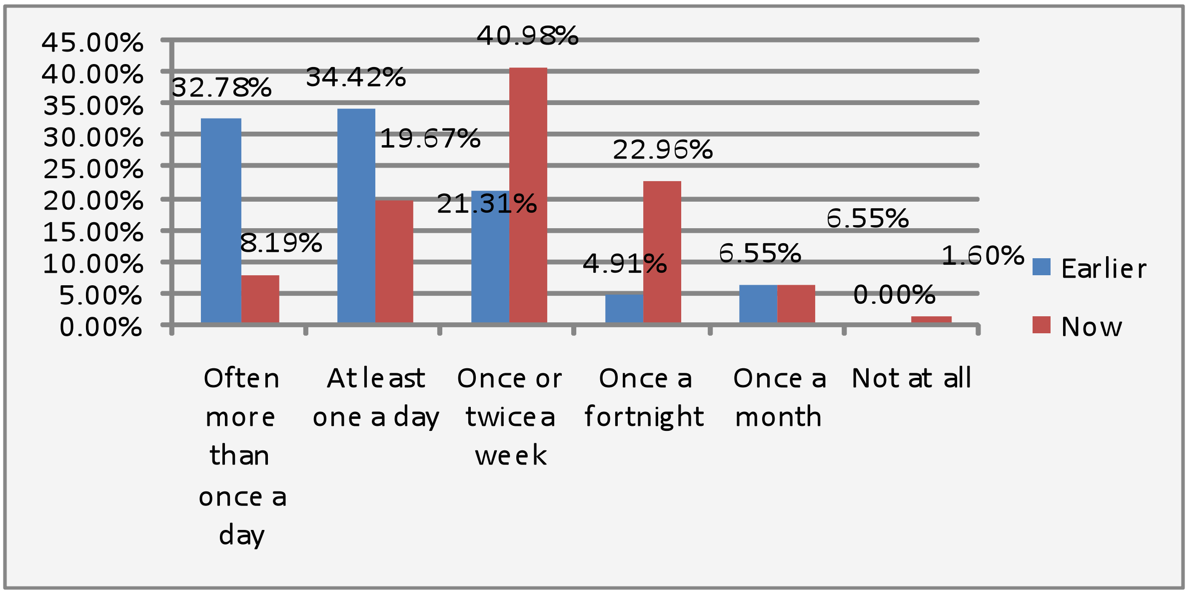


Fig No 3 indicates Dehu Road market is suburb of Western India near Pune, where unorganized retail are in operation. Fig 2 shows that prior to opening of organized retail outlets in Pimpri area shoppers were visiting very frequently to unorganized retailers in Dehu Market.

But after opening of super markets/hyper markets (organized retail) in the vicinity of unorganized retailers there is a frequent change in the shopping pattern of consumers who were visiting unorganized retail often more than once a day .

Now in comparison to earlier frequency (32.78%), only 8.19% customers visit to retailers often more than once a day, 19.67% at least one a day. Thus, there is decline in the daily visit pattern of shoppers at unorganized retail outlets.

Customer buying behavior and frequency is changing. Prior to opening of organized retail in the locality they were used to buy their stuff from neighborhood stores on day to day basis.

Now, there is a almost 50% rise in such category of customers who were not visiting unorganized retail weekly basis and 17% rise on monthly buyers .

There is almost negligible rise (1.60%) of such customers who have stopped buying from unorganized retail outlets in Dehu Market.

Table -8: Visit Frequency Analysis of Thane Region, Sample Size = 92

Frequency	Earlier	Now	Change in Percentage(±)
Often more than once a day	22.82%	9.78%	-13.04%
At least one a day	26.09%	11.95%	-14.14%
Once or twice a week	31.52%	34.78%	+3.26%
Once a fortnight	13.04%	27.17%	+14.13%
Once a month	6.52%	11.95%	+5.43%%
Not at all	0.00%	4.34%	+4.34%

Majority of organized retailers like Reliance Fresh, Spencer, Big Bazaar, More, Central are in operation in Pune city. 92 respondents were selected from various locations in Pune city.

There is 13.04% decline in those categories of customers who were visiting unorganized retail outlet often more than once a day, 14.14% decline in daily shopper's category.

There is a major change (14.13%) in fortnightly shopping behavior while there is an only 5.43% rise in monthly shopper's category after opening of super markets and malls in their locality.

There is a not major rise in the category of customers who have been stopped their shopping from unorganized retail outlets. Only 4.34% customers have changed their shopping preference 100% from unorganized retail to organized retail that is not major impact.

Table No 9:- Analysis of Change in visit pattern on the Basis of Income profile of Consumers

Income Group	Shopping Pattern	Earlier Trend in %	Current Trend in %	Variation ± in %
Rs. 5000-10000	More than once a day	5.4	1.6	-3.8%
	AT least once a day	5.2	3.6	-1.6%
	Once or twice a week	3.2	5.8	+2.6%
	Fortnightly	0.6	3.2	2.6%
	Monthly	0.6	0.6	Nil
	Not at all	0	0.2	+0.2%
Rs.10000-20000	More than once a day	11	2.4	-8.6%
	AT least once a day	13.6	5.4	-8.2%
	Once or twice a week	6.6	13.2	+6.6%
	Fortnightly	1.2	10.4	+9.2%
	Monthly	1.2	1.4	.2%
	Not at all	0	0.8	0.8%
Rs.20001-30000	More than once a day	8.4	3	-5%
	AT least once a day	9.6	4.2	-5.4%
	Once or twice a week	8.4	9.6	-1.2%
	Fortnightly	2.4	7.2	+5%
	Monthly	0.6	3	+2.4%
	Not at all	0	0.4	0.4%
Rs.30001-40000	More than once a day	4.2	1	_3.2%
	AT least once a day	3.4	1.8	-1.6%
	Once or twice a week	6	5.8	+.20%
	Fortnightly	2.2	5.6	+3.4%
	Monthly	0.8	2	+1.20%
	Not at all	0	0.4	0.4%

Figure No. 4: Income Group & comparative visit analysis at unorganized retail

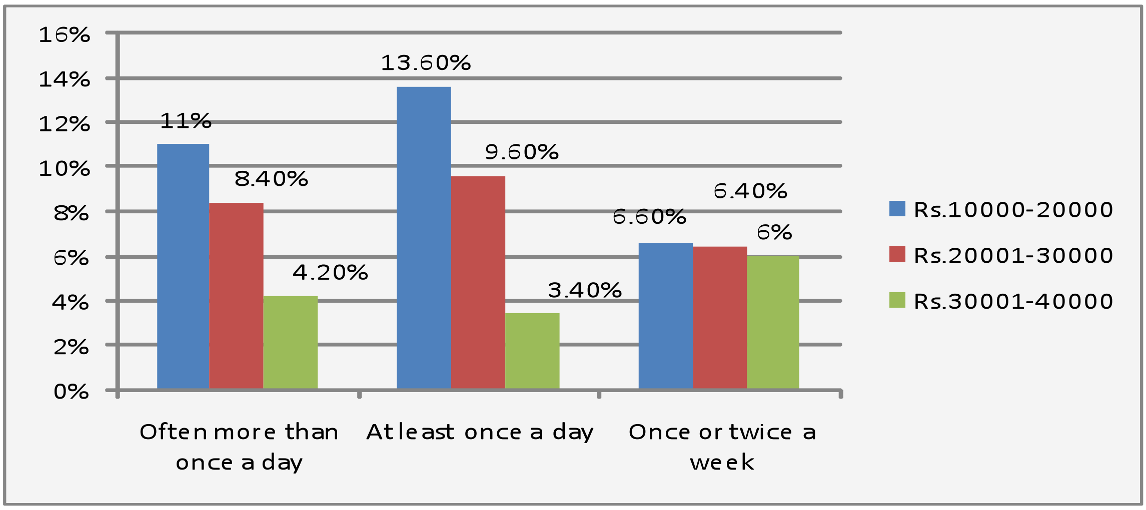


Fig No 4 above indicates of a Shopping Pattern of various income group customers BEFORE opening of organized retail in the locality

Figure No 5: Visit Frequency of Shoppers after Opening of Organized Retail"

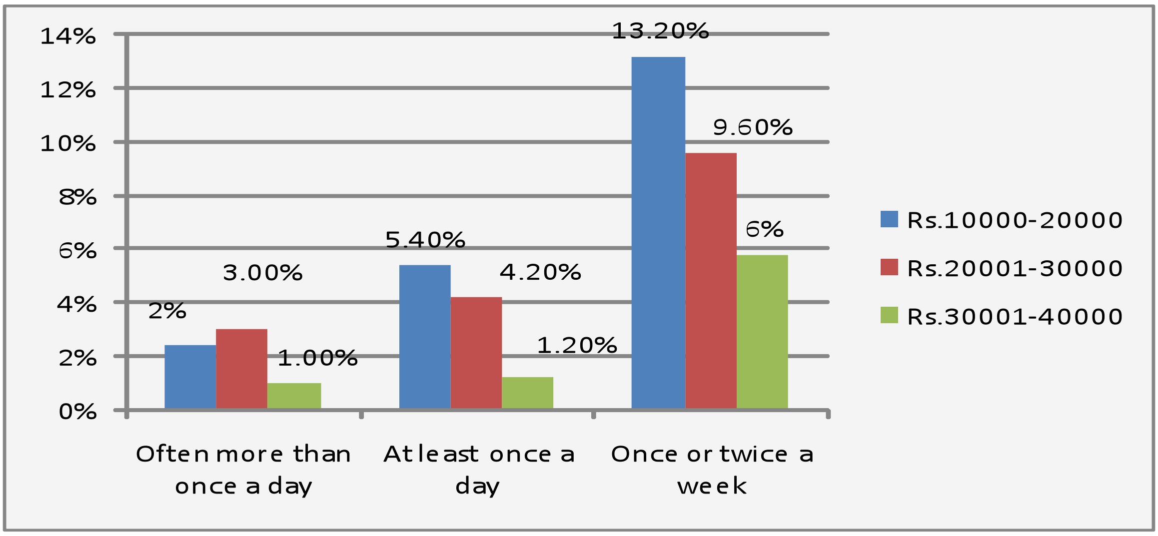


Fig No 5 above indicates of a change in Shopping Pattern of various income group customers AFTER opening of organized retail in the locality

Table No. 10:- Analysis of Preferred Shopping Choice of Consumers for daily needs.

Area	Organized Retail	Percentage	Unorganized Retail	Percentage	Total
Pimpri	66	23.07	220	76.92	286
Dehu Road	17	13.93	115	94.26	122
Thane	37	40.21	55	59.7	92

Table No.10 above indicates that 76.92% consumers from Pimpri area, 94.26% from Dehu Road and 59.7% from Thane prefer to shop unorganized retail for their day to day needs.

Figure No. 6:- Shopping in organized retail format increases the monthly budget.

Sample Size 500

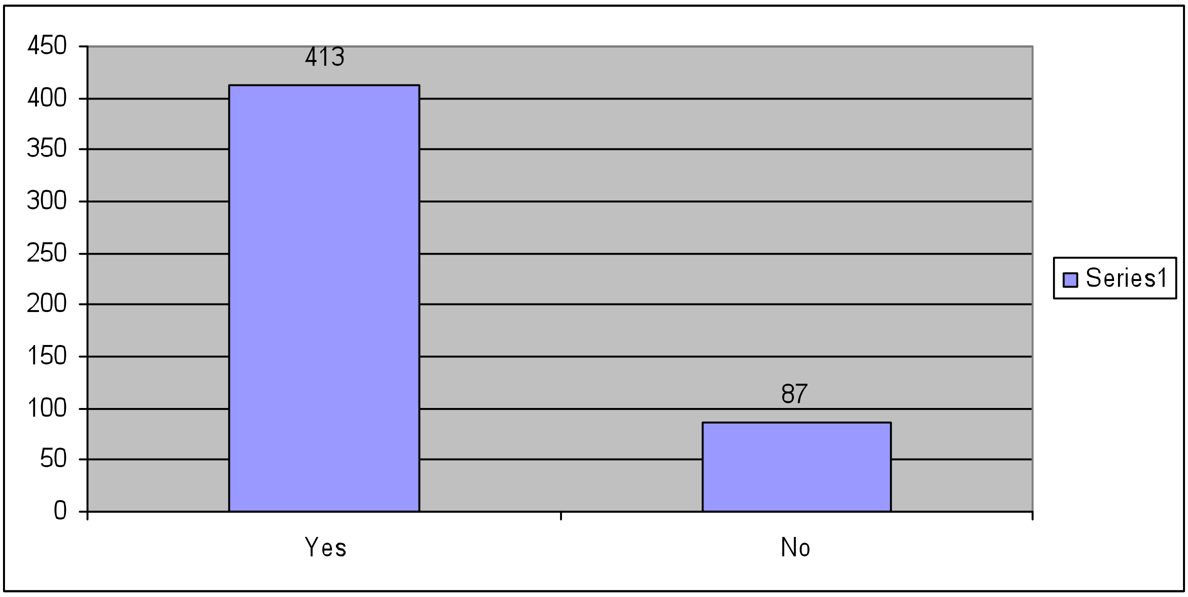


Fig. No 6 above indicates that majority of customers reported that shopping in organized retail (Super market/malls/Department Stores) increase the average expenditure pattern on their wallet.