

CONSUMER PERCEPTION REGARDING PRICING OF ORGANIZED RETAILERS OVER UNORGANIZED RETAILERS: A STUDY ON KAVAL TOWN UP.

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ABSTRACT

Organized Retail sector has been fast developing in India particularly in post LPG policy. This paper is a study Consumer perception regarding pricing of organized retailers over unorganized retailers: A study on KAVAL town of UP.

Consumer Perception carried out the attention of the consumers towards the product, price, memory, features, Consumer decision, feeling etc. It includes the consumer opinion towards the product, frequency of buying, selecting the store, it may be organized retail or unorganized retail.

Keywords: Consumer, Retail, Perception.

INTRODUCTION

Retailing is one of the largest sectors in the global economy. Indian retail industry is highly fragmented, with the organized retailing still at a nascent stage which accounts for far less percentage than the unorganised retailing of the total Indian retail market.

Retail is currently the flourishing sector of the Indian economy. Retailing consist all activities involved in marketing of goods and services to consumers for their personal, family, or household use. Retailing acts as an interface between the producer and consumer, improves the flow of goods and services and raises the efficiency of distribution in an economy. Retailing is the set of business activities that add value to the products & services sold to consumers for their personal or family use.

Retailing refers to all functions and activities involved in the selling of commodities directly to consumers. Retailing is the one of the oldest businesses that human civilization has known. It acts as an interface between producers and consumers improve the flow of goods and services and raise the efficiency of distribution in an

economy. For a strong, stable and consistency growing economy, a well organized an efficient retail is required. Retailing can be defined as buying and selling of goods and services.

REVIEW OF LITERATURE

1. Sushmana (2014) observed that the infrastructure facility is ahead of the growth of organized retailers because they provide the variety of products under a single roof with a food and entertainment facility which creates interest of customer towards organized retail outlets. It is also found that growing customer choice also accounts for boosting of organized retail outlets.
2. Singh and Singh (2015) concluded that due to the economies of large-scale organized retail outlets are able to offer more services at rational prices. It is also found that organized retail outlets provide various promotional and festive offers and schemes. On the other hand, unorganized retailers are giving personal touch to the

customers and providing satisfactory after sales services than the organized retailers.

3. Chandrashekar (2016) analyzed the customer buying behavior towards organized and unorganized retail outlets in Mysore city. He found that majority of the high-income group people are shopping at organized retail outlets.
4. Ramakrishnan (2010) The study aims to analyze the Consumer Perception towards Private Label Brands on Big Bazaar, Coimbatore. The objective of the study is to understand the possibility of success when retailers introduce private brands. The research is aimed to explore if buying choices are made based on brand loyalty and to analyze whether customers actively seek for new brands or strict to the old brands.

OBJECTIVES OF THE STUDY

1. Pricing perception of customers on organized retailers over unorganized retailers.

RESEARCH DESIGN AND DATA COLLECTION

To study the research objectives and to examine the customers' perception towards organized and unorganized retail outlets it is proposed to use the descriptive-cum-exploratory research design on the basis of the research problem. Primary data was collected financial year 2016. The primary data has been collected through a well-structured questionnaire filled by the 320 respondents of 5 districts i.e. Agra, Allahabad, Varanasi, Lucknow and Kanpur (KAVAL), U.P. The respondents were asked to respond on a four Point That is high price, reasonable price, low price and cost saving. Secondary data was gathered from various websites, journals, magazines, book and newspapers etc

LIMITATION OF THE STUDY

The scope of study is limited to the retail outlets situated in the urban elite areas of U.P. There may be perceptual difference in the opinion of the potential customers in other parts of U.P. A large section of the U.P. population is still not exposed to organized retailing, especially in the semi urban/rural region.

For every research there are restriction and limitations. Without them the world does not exist. Similarly, there are some restrictions in my research work, which could not be controlled. The research design used for the study was to the best of the knowledge of researcher based on scientific methods but still limitations cannot be overruled. The following were some limitations, which I faced in the making of this research.

1. The study was restricted to selected cities (KAVAL), malls and stores of U.P.
2. The size of sample is relatively small. A bigger sample could enhance the confidence level.
3. The time was biggest constraint. It was difficult and time consuming to get the questionnaires filled personally from the respondents thus the sample size was restricted to 320 customers.
4. There may be some discrepancy in views as some people might give false information in the questionnaires.
5. The respondent may be biased in their opinion.

HYPOTHESIS/DATA ANALYSIS

H₀: Customers do not find; cost saving pricing strategy at unorganized retail store.

H₁: Customers find cost saving pricing strategy at unorganized retail store.

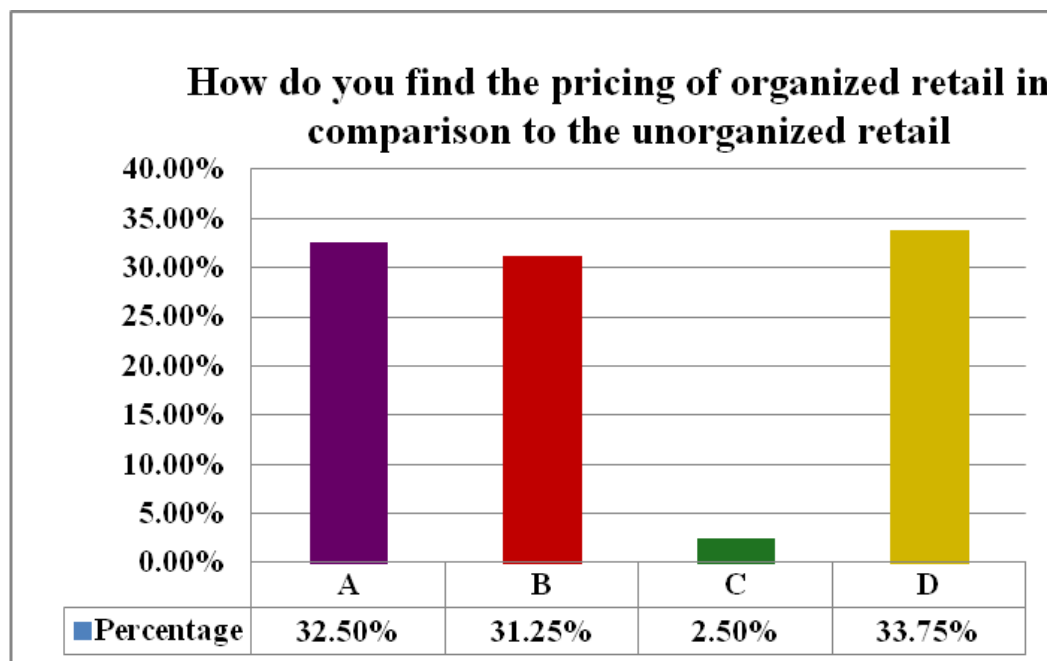
How do you find the pricing of retail?
organized retail in comparison to the unorganized

Table:1

How do you find the pricing of organized retail in comparison to the unorganized retail?							
	Agra	Allahabad	Varanasi	Lucknow	Kanpur	Total	%
A- High price	16	22	18	28	20	104	32.50%
B-Reasonable price	20	18	20	30	12	100	31.25%
C- Low price	1	1	2	4	0	8	2.50%
D- Cost saving	13	19	20	38	18	108	33.75%
Total	50	60	60	100	50	320	100%

Source: Primary data

Figure:1. How do you find the pricing of organized retail in comparison to the unorganized retail?



By analysis it is found that of organized retail market in KAVAl Town $\approx 32\%$ people says that pricing strategy are high in organized retail market, $\approx 31\%$ people says that pricing strategy are reasonable in

organized retail market, $\approx 3\%$ people says that pricing strategy are low price in organized retail market and $\approx 34\%$ people say pricing strategy are cost saving in organized retail market.

Table:2. CROSSTAB / CHI-SQUARE TESTS OF QUESTIONNAIRES

CROSSTAB / CHI-SQUARE TESTS						
OBSERVED FREQUENCIES						
	Agra	Allahabad	Varanasi	Lucknow	Kanpur	Total
A-High price	16	22	18	28	20	104
B-Reasonable price	20	18	20	30	12	100
C-Low price	1	1	2	4	0	8
D- Cost saving	13	19	20	38	18	108
Total	50	60	60	100	50	320

Source: Primary data

CHI-SQUARE = 8.271, D.F. = 12, PROB. = .7636

For this analysis the chi-square value is 8.271.

Degree of freedom = 12

Table value of chi- square test at 12 degrees of freedom.

For this analysis the chi-square value is 8.271

Here calculated value of chi-square is less than table value of chi-square at 5%, 1% and 0.1%. So we say that the hypothesis is non-significant.

INFERENCE

From the analysis of data, it is revealed that most customer feel that the pricing at organized retail store is reasonable and cost saving.

Therefore, null hypothesis is accepted and alternate hypothesis is rejected.

CONCLUSION

Oorganized as well as unorganized retail outlets have certain positive as well as negative attributes that have influence on the pricing perception. The analysis shows that there is significant difference in pricing perception of customers.

The study also states that customers prefer unorganized retail outlets due to low price and they prefer organized retail outlets for reasonable price and cost saving.

By looking at the data, it can be concluded that about 32.50 % of people believe that there is a higher price in the organized retail sector than in the unorganized retail sector.

31.25% of people believe that organized retail prices are reasonable than unorganized retail prices. Only 2.50% of people believe that low prices in organized retail than unorganized retail.

33.75% of people think that cost savings are better in organized retail than unorganized retail.

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