



CONSUMER BEHAVIOUR TOWARDS UNORGANIZED SECTOR OF RETAIL MARKETING (An Empirical study of Raipur City)

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ABSTRACT :

As we all know that the unorganized sector practices by its own way of business. Today in Raipur City unorganized sector is one of the most earning resource, it has found that even the organized sector started practicing a part as unorganized selling because of the physiological environment of the consumer that unorganized sellers sell in cheap price as comparison to organized sector as the sector has no fixed stability in profit. As in past few years Raipur city is expanding, comparatively unorganized sector is more effective, powerful and extended form in past few years.

Focus of study: This research is focused changing consumer behaviour in Unorganized sector of retail marketing with 200 respondents randomly from all parts of Raipur city, also taken from who buy from the unorganized sector which includes those organized sectors also who on one hand performs unorganized retailing as a side retail business.

KEYWORDS : Unorganized sector, LIG/MIG/UGI group, Ample line, Informal Sector, Moving merchant, E – marketing, Consumer Loyalty.

1. INTRODUCTION

The unorganized sector is very popularly known as the 'Informal Sector'. In Indian context the unorganized sector is describe by (NCEUS) i.e. National Commission for Enterprises in the unorganised sector formed in 2004 by government of India as advisory hand reported condition of work and livelihood of workers, the reported estimated in 2005 unorganised sector generate 50.6 per cent of the GDP (Gross Domestic Product) as for today. With this paper we tried to reach to the consumer perceptions, their satisfaction, motivation and other factor influencing their behaviour.

2. CONCEPT OF CONSUMER BEHAVIOUR AND UNORGANIZED SECTOR

In the ancient era the consumer do not have much choices to make their purchase as they got the limited products to fulfil their requirements, they have to satisfy themselves in the restricted boundaries, due to lack of conveniences and knowledge the merchant brings the product from far away and sell them in



high prices as monopoly by going to different places. Later the merchant started to divide themselves in two sector one is organized sector who are well settle and pay all taxes and second is unorganized sector who also known as 'Moving merchant' as 'Pheriwala', milkman, vegetable and fruits seller, handicrafts. Weekly, monthly sellers etc., who exist till now following the tradition chain of our ancestors,

3. WHY RETAIL'S MARKETING IS CALLED UNORGANIZED SECTOR?

First of all retail includes all types retail business in which Unorganized sector is a part of it, this sector includes one's own producer and seller as it includes worker without facilities and with very little income like handicraft, joss stick and match box makers, papad makers, 'Gupchup' also known as 'Panipuri' or 'Golgappa', labours, domestic worker, vegetable and fruits seller, daily need sellers etc. The sector can be manufacture themselves and as factory activity in the homes with the limited production. But recently it have found that the eating and clothing sector in Raipur City breaks the boundaries of profit and earn approximately 3 -5 lakh annually. Although unorganized sector is not settle as organized sector but this sectors play a very – very important role in organized sector as they also supply their handicraft to organized sector in very low price and give indirect contribution to our economy.

4. OBJECTIVE OF THE STUDY

- 4.1 To analysis changing trends in consumer behaviour of unorganized sector in previous years.
- 4.2 Consumer behaviours are base of success of unorganized sector.
- 4.3 Due to increase in number of producer the consumer behaviour is more effective in unorganized sector.

5. RESEARCH HYPOTHESES

- A. H0: There is no significant change in consumer behaviour of unorganized sector in previous year.
H1: There is significant change in consumer behaviour of unorganized sector in previous year.
- B. H0: There is no significant role of consumer behaviours as base of success of unorganized sector in retail market.
H1: There is significant role of consumer behaviours as base of success of unorganized sector in retail market.
- C. H0: There is no significant increase in number of producer the consumer behaviour is more effective in unorganized sector
H1: There is significant increase in number of producer the consumer behaviour is more effective in unorganized sector

6. RESEARCH METHODOLOGY

- a. **Sample size:** 200 respondents from Raipur City.
- b. **Sampling Frame:** Consumers who buy products from both unorganized as well as organized retailers in Raipur City.
- c. **Sampling Unit:** Consumers from different parts of Raipur city's gender, age groups, education, income levels and religion etc.
- d. **Data Collection**
 - Primary data: was collected through survey in the form of interview schedule made in two main language of area i.e. Hindi and English.
 - Secondary Data: The secondary data is the collected from governmental reports, books, journals, websites etc.

7. Reason why unorganized sector attract consumers and also change consumer behaviour

- **Consumer set mentality:** Consumer behaviour changes according to once own set mentality in both organized sector and unorganized sector. First taking organized sector, consumer better know that it has its own benefits like; Quality maintains, better service, better after sell service, guarantee and warranty and in reasonable price or some time a little higher price according to the product types and their quality. So the consumer behaviour changes according to consumer knowledge of organized sector. Second for

unorganized sector consumer behaviour change as consumer's mentality is set about product may be like: product have no quality and guarantee, bargaining is possible in at their ways, yet they buy those product.

- **Lower Price:** As we know that organized sector go with paying taxes to the government, licencing them self, becoming authorized seller, completing demand of the quality and with reasonable price but there is another sector taking all the stardom in street by changing consumer behaviour with their price. Seller reveal that people buying from unorganized sector first asked '**KitnekaHai**' (price of the product), not the quality of the product which makes them the most profitable earner in the market. Some of these sellers sell with guarantee and warranty but some sellers sell with the motto 'NO GUARANTEE, NO WARRANTY, and 'NO EXCHANGE, NO RETURN' policy, and then also people are happily buying these product with very comfort. The unorganized sector is basically known for their low prices which normally attract LIG (Low Income Group consumers and MIG (Middle Income Group) consumers but for some reasons it also attract UIG (Upper Income Group) consumers also.
- **Non affordable capacity:** The middle class people actually have very low income capacity which they can't efforts buying with bigger organized sector although they yet buy products from small organized sector with limited product only as they have limited sources of income to spend.

8. REVIEW OF LITERATURE

8.1 Sudeep B. Chandramana in (17th January, 2015) in his paper presentation named '*An Empirical analysis on consumer attitude towards organized retailing and unorganized retailing*' presented that in India there is co – existence of both modern and traditional retailers because of their own competitive setups. Modern offers the consumer advantage of wide range and good shopping experiences. But talking about kirana shop is basically based on the low cost structure, near approce to the consumer. This study revealed that advantage to consumers was the nearness and consumer conveniences shop to buy products and also home delivery facility. The unorganized is based on their loose selling ability.

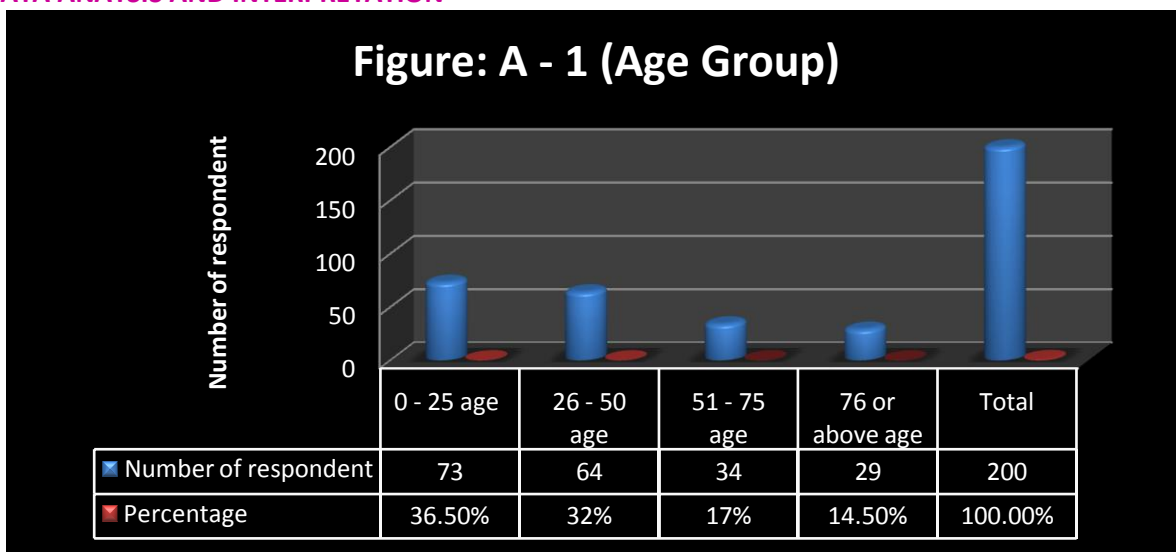
8.2 Dr. Ravindra Tripathi and Iftaqar Ahmad (2015) in their paper '*Prospect for unorganised manufacturing sector in India: A comparative study with respect to China*' they said in India, it take time to pull unorganized sector manufacture from total 80% manufacturing sector including unorganized sector but generates only 33% of total income as unorganized sector face more competition because of both private and public sector in the market.

8.3 Dr. H. M. Chandrashekar (April 2016) in his paper '*A Study on Organized Retail on Unorganized Retail Outlets in Mysore City*'. The study opens the door by telling that the main change in Indian organized sector is due to change in the consumer's perception, lifestyle and different patterns. Now the modern consumer wants to buy from the place he or she can found every item at one place whether it is organized or unorganized sector. The values, cultures and beliefs of consumers take them to the place where the product is, at low price and with very less waiting time for billing.

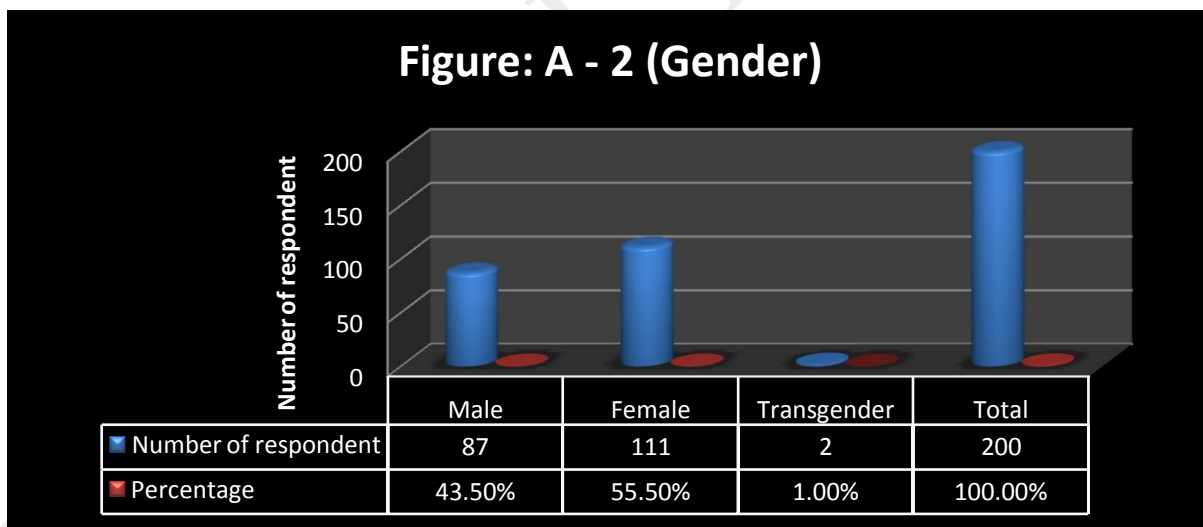
8.4 N. Muneendra, Dr. N.R. Mohan Prakash (December. 2016) '*A Study on the Consumer Buying Behaviour with Reference To Organised and Unorganised Retail Formats in Hyderabad*' reveal that while make choice between product consumer have got the freedom to make choice in loose product, packaging, quality about organized and unorganized outlets, the consumer perception in variables, parking space, location, store image, infrastructure, cleanness environment lay an impact on consumers while choosing between organized outlet and unorganized outlet.

8.5 Gupta Himanshu, Dubey Neetu and Patani Pawan (August 2012) In their paper '*Effect of Organised retail on Unorganised retail in Indian retail market*' Said in their paper that in India it is doubtful that the organized retail will completely over come to unorganized sector, although the values, beliefs of the customers prompt consumer to go the same retail shop, where they can get the product they needed at time. No matter how good is the market; the organised and unorganized sector in retailing has to go a long way to customer requirement to fulfil their capacity.

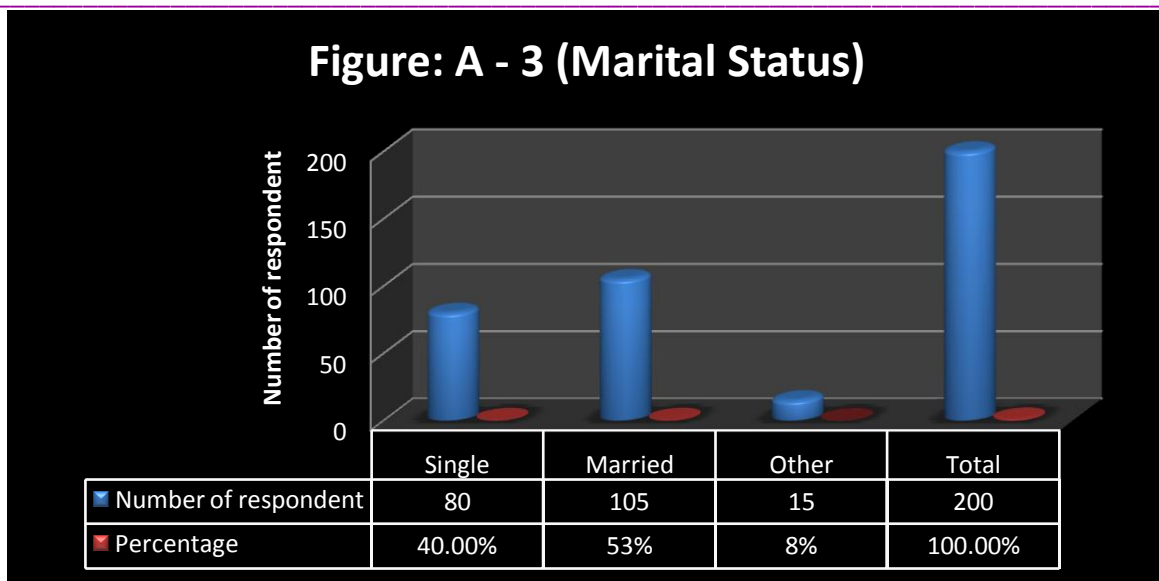
9. DATA ANALYSIS AND INTERPRETATION



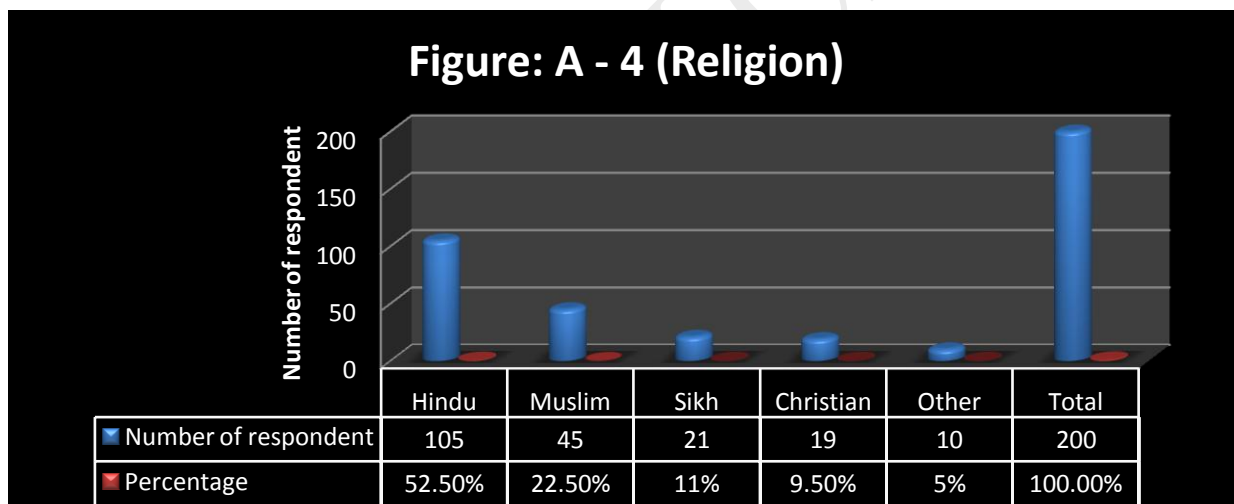
In the above figure A-1 Age we can see the age group is divided into four categories as the first one is from 0 – 25 years group where the about 36.50% are youth highly show their positive behaviour and expectation from unorganized sector like: Panipuri (Gupchup), mobile covers, gadget etc. the second is 32% people from 26 – 50years are as in their middle age basically housewife’s, etc. earning attention of shopping from the unorganized sector like:socks, handkerchief, the next is consumers at 17% from 51 – 75 years consumers who buy from unorganized sector as for mobile, cloths etc. last is the above 76 with 14.50% consumers who lowers, saree etc.



In the above figureabove 55.50% Female’s buy most of their personal and other household applies and change their behaviour according to their price comparison from unorganized sector whereas approximately 43.50% males buy their requirements from unorganized sector such as their cloths, footwear, other accessories etc., others as 1% transgender go for the un organized sector too.

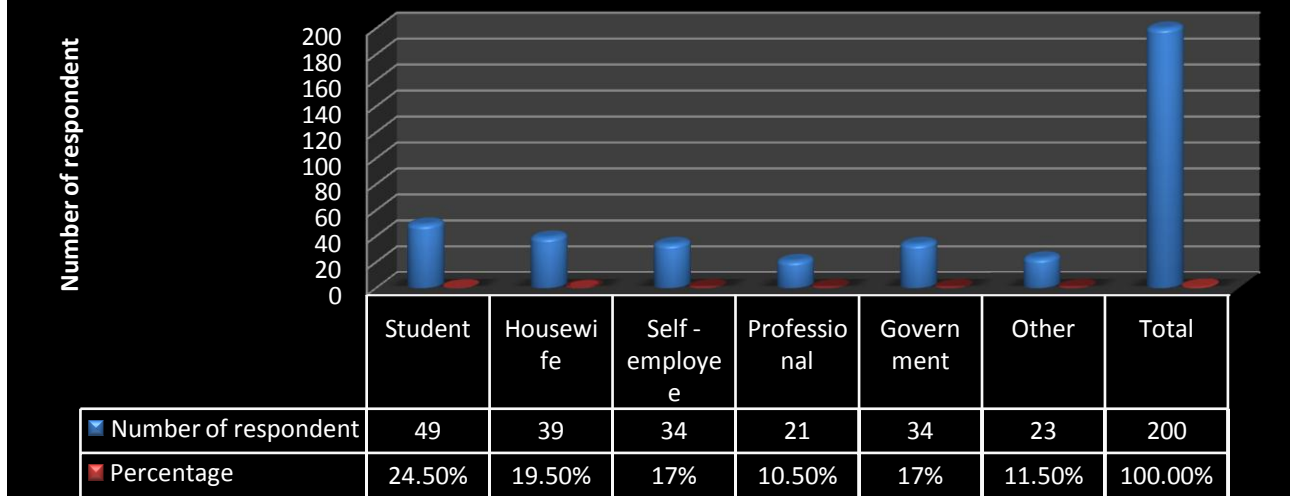


In this figure it is clearly seen the singles take a high spotlight with 40.00% shopping from street, above 53% are married consumers, 8% are the others like widow, widower, divorced etc. who's source of income is limited like to buy from unorganized sector.



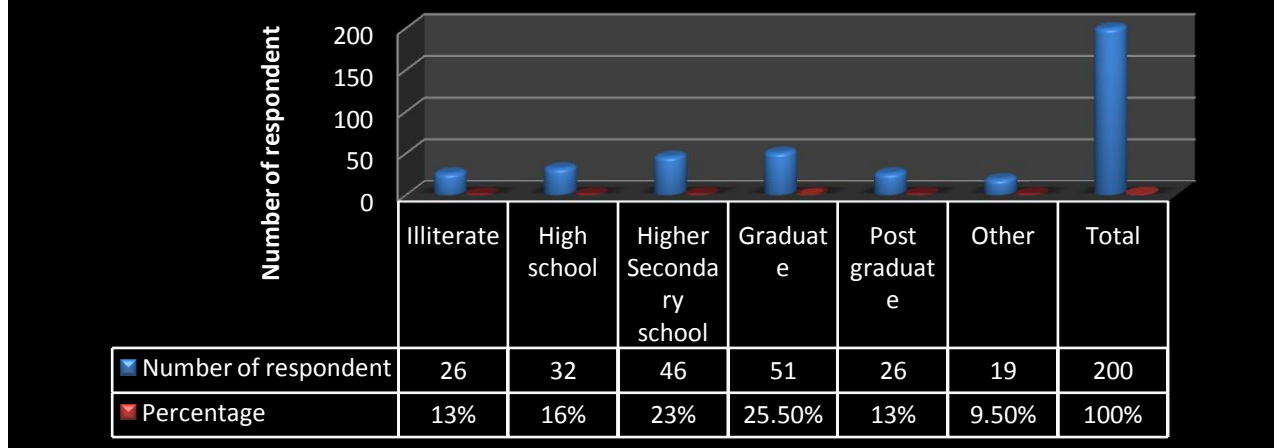
The figure show the consumers belongs to the different religioncategories who like to use product from unorganized sector like 52.50% are the Hindu consumer as there are higher in population in the Raipur city, the second most consumers of unorganized sector is Muslim as they buy their festival belongs etc., the Sikh are the third top consumer buyers with 11% and Christian are 9.50% and other religionlike: Jains, Buddhist, consumers are at 5%, they all buy product as per their culture requirements and needed.

Figure: A -5 (Occupation)



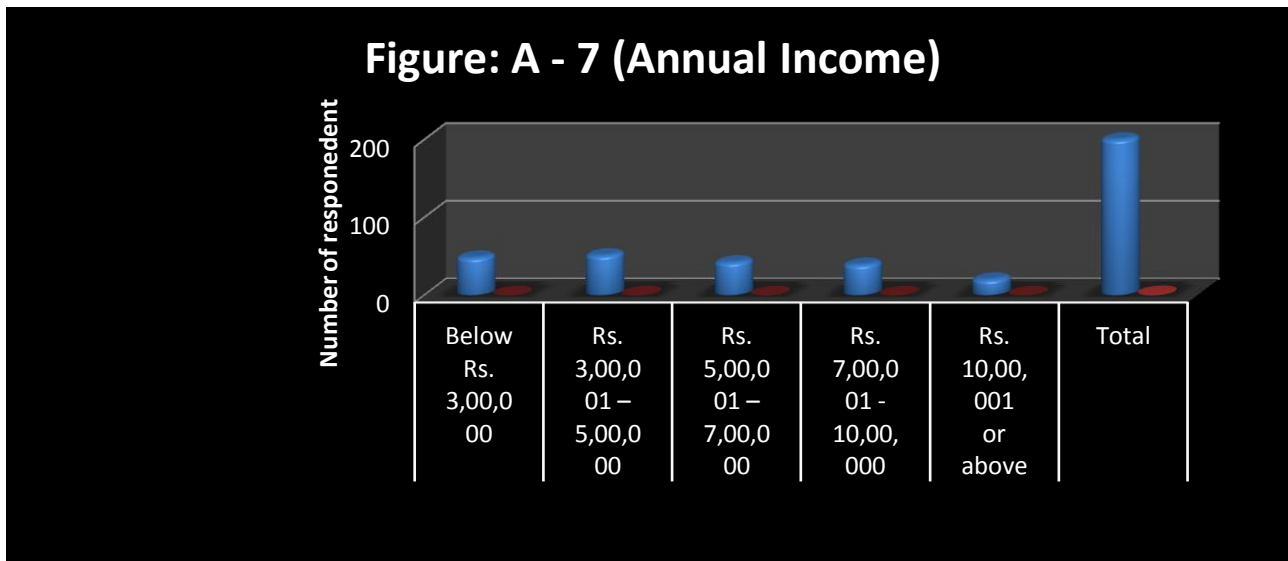
The above figure is of occupation which is the very important part of the income tree of the consumer. The first is the students with 24.50% who mostly are dependent on parents or are mostly hostellers have very less money to buy from organized sector so they look for the cheaper product which they can easily afford, 19.50% are the housewife who have to manage the money balance of the house so they mostly look for the product which can be easily fit in their house income, the other is 17% the self – employees who have to manage their requirements according to their capacity, on 10.50% are the professional consumer who buy their professional products from the organized and other from unorganized sector, 17% are government employee consumers at 11.50% others who look for the unorganized sector.

Figure: A - 6 (Educational Qualification)



The 15% are illiterate, 16% high school, 23% higher secondary are consumers mostly buy from unorganized sector as they mostly belong to the LIG (Low Income Group) group, they are the consumers who cannot afford the organized sector, 25.50% are Graduate and 13% are the post graduate consumers who actually are MIG (Middle Income Group) group consumer who buy from both from organized and unorganized sector as they can afford both but in the balancing way, the 9.50% are the other consumer who

buy a little part of their product from the street as their believe in the high quality products so their go with the organized sector.

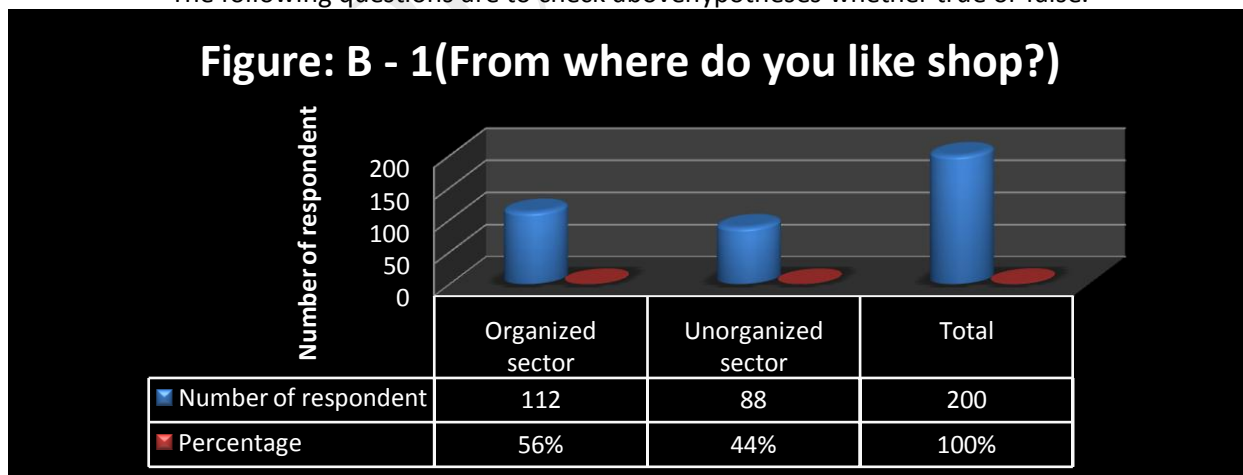


Income is deciding factor for any consumer because consumers have to balance their expenses as we can see the figure A - 7 about 48% consumer belongs to the low income group of below Rs. 3,00,000 because of which they go mostly with the unorganized sector, 25.50% consumer are income Rs. 3,00,001 – 5,00,000 group and Rs. 5,00,001 – 7,00,000 are of medium income go with both the sector but the income group above Rs. 10,00,001 can easily effort the organized sector but still they buy some of their belongs from the unorganized sector.

Section – B

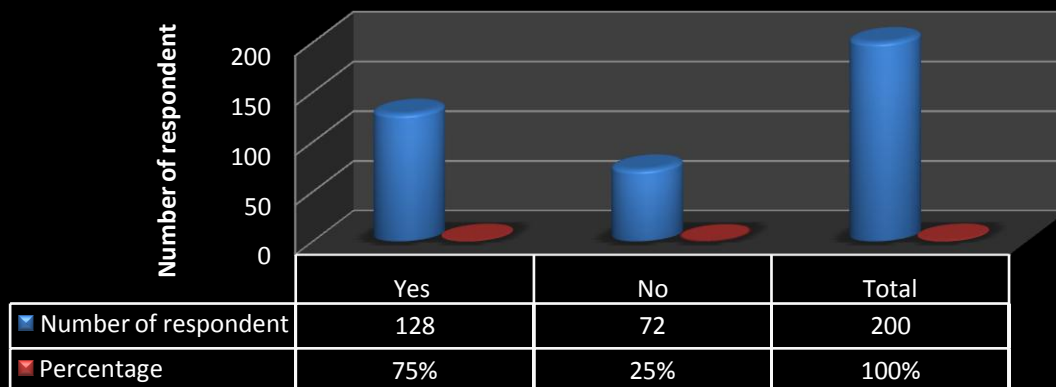
H 1to analysis changing trends in consumer behaviour of unorganized sector in previous years

The following questions are to check abovehypotheses whether true or false.



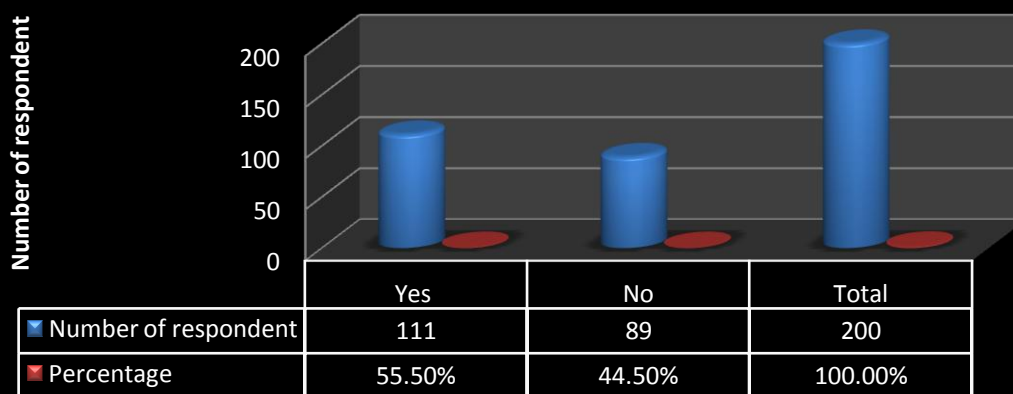
In the figure B – 1, 56% of Consumer regular with the organized sector and 44% go with the unorganized sector, means consumer although like to shop from unorganized sector but still the organized sector fulfil their requirements, the unorganized sector go with the many product but not all the product, which change the consumer behaviour and also generate the organized sector demand in market.

Figure: B - 2 (Do you get the entire household and other needed product from unorganized sector?)



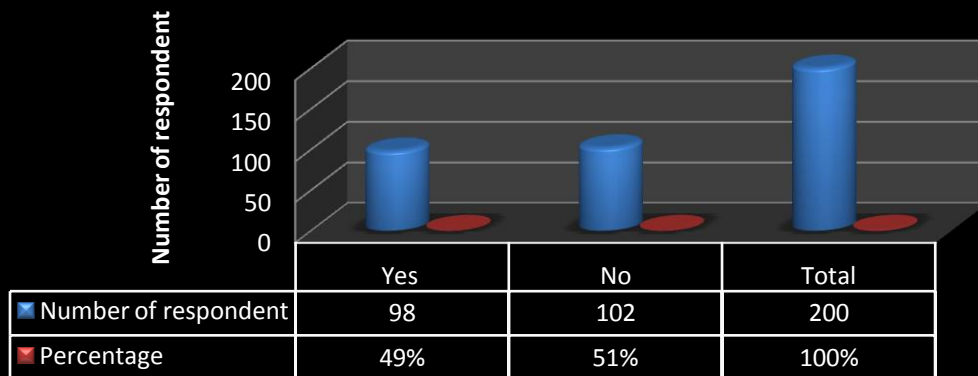
The 75% said yes that they get the most of the products from unorganized sector like: clothes and foot wears, vegetable and fruits, kitchen belongs, furniture’s, etc., but 25% consumers said No because in some reasons the consumer also go with the organized sector like for Jewellery’s, petroleum, books etc., for example the consumer can buy mobile cover or other mobile accessories from unorganized sector but consumer have to buy mobile from the organized sector.

Figure: B - 3 (Do you change your shopping behaviour due to your previous experiences?)



55.50% consumers say yes that they change their shopping behaviour because of their past experiences but 44.50% said no that they do not change their behaviour due to their past experiences as they do not wants to give second chance of shopping.

Figure: B - 4 (Do you agree that unorganized sector product is 'low cost, low quality'?)

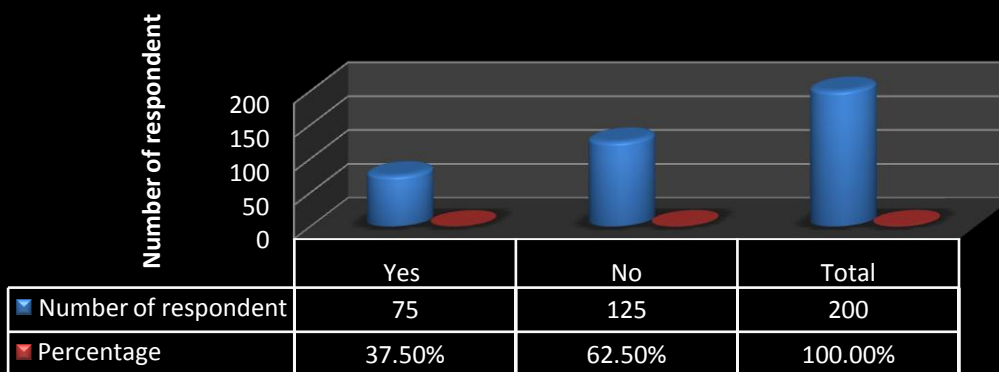


49% consumer agree to the statement that they believe that unorganized sector sell low quality at low cost but 51% consumer say no means they believes that the unorganized sector sell good quality product.

H 2 Consumer behaviours are base of success of unorganized sector.

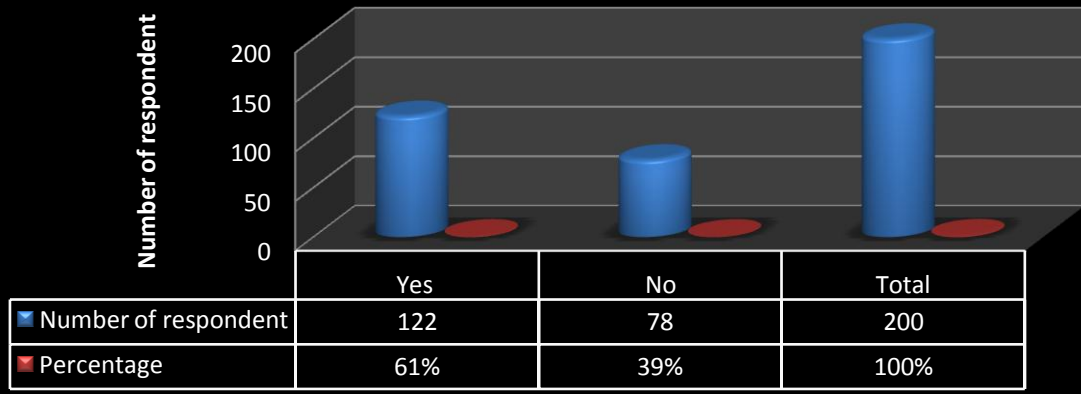
To check the above hypotheses the following information has been collected.

Figure: A - 5 (Do you believe the bases of success of unorganized sector are due to increase in modern consumer demands?)



The 37.50% consumer said yes that unorganized sector means fulfilling the demand of modern consumer of unorganized sector. 62.50% consumer said no that modern consumer demands are cannot fulfilled by the unorganized sector.

Figure: B - 6 (Do you agree that unorganized sector is now – a – days is bigger and in organized form?)

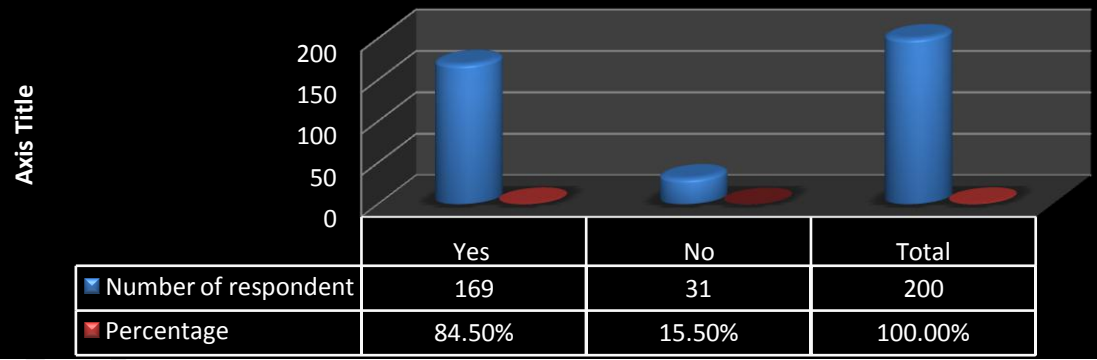


61% consumer said yes that they are agree that unorganized sector is becoming bigger and bigger and also forwarding step to grow and organize more and more but 39% consumer donot believe that unorganized is becoming bigger and in organized form.

H 3 Due to increase in number of producer the consumer behaviour is more effective in unorganized sector

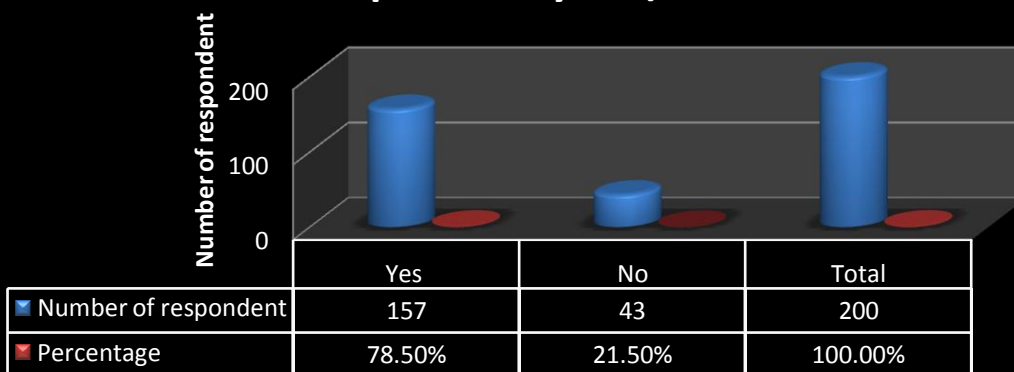
The following steps are taken to check the above hypotheses.

B - 7 Do you agree, in past few year due to increase in products variety, the producer has also increased?



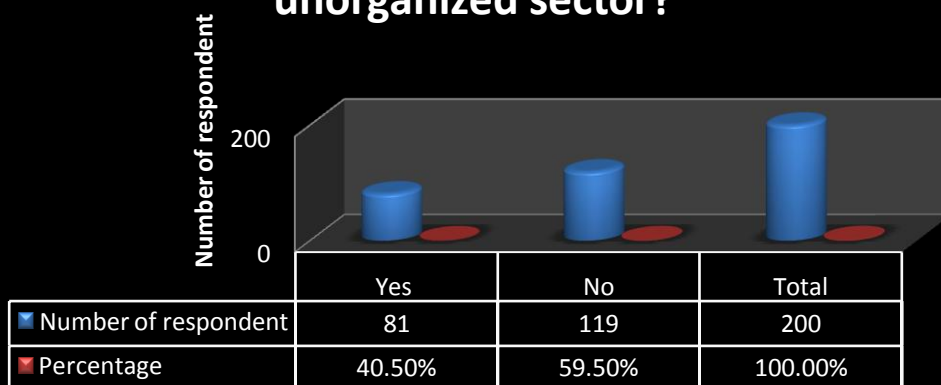
84.50% agree that due to increases in the product variety the producer also increases with the competition in the market and make difficult to study changing consumers behaviour, about 15.50% said no to that increasing product variety do not make increase in producers.

Figure: B - 8 (The consumer behaviour has become more effective in unorganized sector due to change in price level and market competition in past few year.)

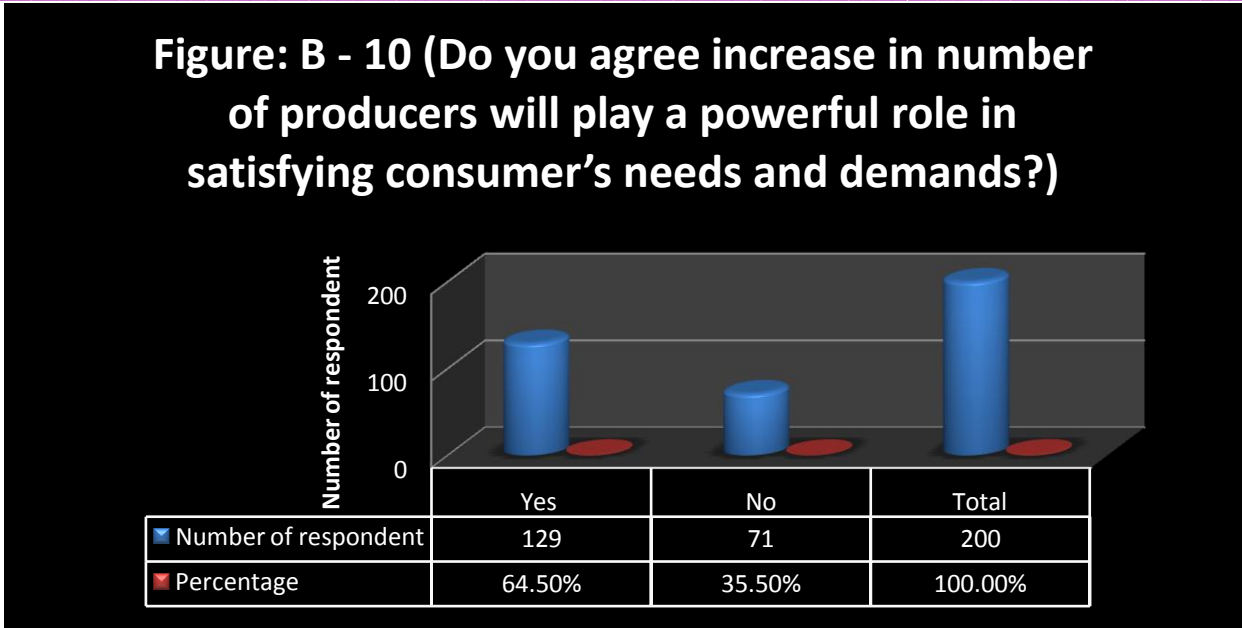


78.50% agree that consumer behaviour in unorganized sector has become more effective because of their low and reasonable price level and also due to increasing competition in the past few years whereas the 21.50% consumer do not agree, they think that consumer behaviour is more effective in organized sector.

B - 9 Do you feel in last few years the product nature of supply and credit facility has effect in unorganized sector?



In figure B – 9 the 40.50% consumer feel that in last few years the unorganized sector is effected by the product nature of supply and credit facility but 59.50% say no that product nature of supply and their credit facility has not effected to unorganized sector.



64.50% of people believe that increasing number of producer can fulfil the satisfaction level of consumer’s needs and demands but 35.50% people believe that increase product do not satisfy consumer’s needs and fulfil their demands.

10. SUGGESTION

- Although government of Raipur city is trying to organize, unorganized sector but still their ample line to convert unorganized sector into the proper organized outlet, as the seller donot wants to organized themselves.
- In previous era’s customers has only little variety and choice for buying, but in the present era their ample variety in each categories products and with the best quality.
- It is suggested seller should decrease the profit margin which leads to increase in selling of product.
- It is suggested that the unorganized sector should revise product supply system time to time.
- Unorganized sector should make Credit facility more flexible so that the consumer can step forward to take the advantage of the credit facility.
- The unorganized sector of rural area should be tried to more organized.

11. FINDING AND CONCLUSION

Although organized sector is growing to its peak, using very new technologies, by practicing new method and participating in E – marketing, achieving new high of profit but on the other hand there is some other sector who is directly approaching to the consumer heart with its low cost and winning the consumer loyalty specially of low income group (LIG) people and also achieving the high profit.

- Study revel that people get almost every other required household product in Raipur city accept some ‘Raasan’ material like, pulses, Rice, washing materials etc.
- An unorganized sector almost provide 90% of all daily use requirements in the street but for the luxury things you need to go with the organized sector only.
- Because of Organized sector is becoming more and more organized the unorganized sector is also become more organized.
- In Raipur city most of the shop aregoing with the both organized sector and unorganized sector, they have their own organized shop but yet their also go with the unorganized sector selling, because they reveal their earning is more from unorganized sector than to organized sector.

- The government of state tried to organized these unorganized sector specially retail food sector buy providing them small stall and place, but yet the sector is too big to organized them in the proper method.
- It has been found that as the manufacture give the guarantee and warranty to the unorganized seller so they provide to the consumers, but if not the unorganized seller also do not provide the guarantee and warranty

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a. Abbreviation

1. NCEUS: National Commission for Enterprises Unorganized Sector
2. GDP: Gross Domestic Product
3. LIG: Low Income Group
4. MIG: Middle Income Group
5. HIG: High Income Group
6. E – marketing: Electronic Marketing



Weekly early morning market (Chor Bazaar) from mainly start 6:00AM to 10:00AM at Moudhapara, Raipur City



Daily night market at M.G Road, Raipur City , starts from 8:00 PM to 2:00AM or more.



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