A COMPARATIVE STUDY OF CUSTOMER PERCEPTION TOWARDS ORGANISED AND UNORGANISED FOOD RETAILING IN MADHYA PRADESH

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Abstract: *Retailing in India came with evolutionary pattern form unorganised retail store to organised retail store. The global retail industry has been growing at a brisk pace the last few decades. At present sales from the different modern retail centre is higher than unorganised retail store, sales from the organised retail store is more than 45% higher than sales from unorganised retail store. In global context the growth of organised retail store varies depending upon different socio- economical factor. In developed countries like U.S.A , organised retail is the approx 70% of total retail sales, while in some developing countries unorganised retail also have captured a huge portion of total sales while due to changing preference of customer, rising income and changing life style organised retailing also spread in developing countries. particularly, food and grocery retailing, the largest portion of the market is witnessing the shift with sudden growth of organised retail stores. Most of the researcher studying about impact of expanding retail of food and grocery on consumers and intermediaries, due to intervention in food and grocery segment by organised retail street hawkers and neighbourhood store will be losses their livelihood while at present they covered more than 90% of this segment. According to ICRIER report which unorganised store situated near organised retail store will face tough competition as well as they loss their volume of business and profit. Organised retail store provide quality product and reasonable rate to customers so customers also focuses on organised retail store. Therefore this study was undertaken to comparative study the customer perception towards organised and unorganised retail store. This study attempt to establish potential of Madhya Pradesh for the growth of retailing with the focus on consumer perception and behaviour. With the help of this study we also study of impact of organised food retailing on unorganised retailing with respect to purchase behaviour and customer perception. In this study we getting the feedback from the different customers from organised as well as unorganised retail store by questionnaire and collect the data related to different factor which affect the purchasing decision of customers.*

Key words: *Organised retail, unorganised retail, customer perception, consumer behavior.*

1. INTRODUCTION:

Present time in retailing shown tremendous growth in the size and market dominance of the large organised players, with giant store size, increased retail concentration and wide variety of products. This has intensified the level of competition in retail business; many small retailers adapt their business into organised retailing. Increase income level, high living standard, urbanisation change in preference these factor attract more giant player of retailer for India. The global retail industry has been growing at a brisk pace the last few decades. At present sales from the different modern retail centre is higher than unorganised retail store, sales from the organised retail store is more than 45% higher than sales from unorganised retail store. In global context the growth of organised retail store varies depending upon different socio- economical factor. In developed countries like U.S.A , organised retail is the approx 70% of total retail sales, while in some developing countries unorganised retail also have captured a huge portion of total sales while due to changing preference of customer, rising income and changing life style organised retailing also spread in developing countries. Modern retail format such as discount store, Hyper market , Super store, convenience store are popular in developed countries whereas in developing countries these retail format just trying to attract the market. In developing countries like India customer focus on relation with shopkeeper or mom and pop store rather than other factor they feel that on that store they will get better price deal as well as services. Unorganised retail store faces competition from organised retail store due to financial instability or lack of presentation unorganised retail store will disappear in future.

Percentage of Organized Trade in various countries

Country	Organised trade %
India	15
China	23
Poland	24
Indonesia	30
Russia	33

Brazil	35
Thailand	40
Malaysia	55
USA	85

With the changing life style, increasing income level and changing demographic features the Indian retail store is witnessing a tremendous growth. The total organised retail sales in India are expected to grow more than 20% in 2020. Strong underlying economic growth, population expansion, the increasing wealth of individuals and the rapid construction of organized retail infrastructure are key factors behind the forecast growth.

As well as higher income group, the younger professional there will be opportunities in India. Credit facilities in organised retail store as well as use of electronic or plastic money also attract the customer. The rising incomes and changing lifestyles have stimulated the development and modernization of retailing in India.

As per AT Kerney’s annual growth retail Development Index (GRDI), 2010 India is ranked third in the list of most attractive market for retail investment. India has more than million retail store, nearly 8 million sell food and related products. At present higher profitability large number of customer attract most of the unorganised retails to migrate from unorganised to organised retail store. Traditional store such as neighbourhood store and push cart vendors are popular in food and beverage segment in small town.

Food and grocery constitutes the bulk of Indian retailing and its share is about 60% of total retail sales, while organised retail only covered 5% of the food and grocery in India till 2012. It is estimated by different researcher that organised retail will expand its market share to 65%. Nilgiris, established in 1905 as a dairy farm near Ootacamund in South India could perhaps be the first organised supermarket in India. Though Spencers has been part of Indian retail landscape since 1863, it began selling groceries only in 1920. Safal, stablished in 1988 by the National Dairy Development Board (NDDB), was the first Organised retailing venture for fruit and vegetables in North India mainly Delhi. Establishment and expansion of the “Food World” outlets by the RPG Group starting with the first outlet in Chennai in 1996 led to enhanced corporate interest in food retailing. RPG (Spencers), Reliance (Fresh), ITC (Choupal Fresh), Aditya Birla (More). Heritage (fresh@), Pantaloon Retail Food Bazaar), Bharti (Easy day), Express Retail (Big Apple), are some of the major corporate houses currently active in food retailing in India. Much of the expansion in food and grocery retailing in India is currently concentrated in the southern states, in and around Chennai, Hyderabad and Bangalore (Rasheed Sulaiman V N.J. Kalaivani, Jatinder Handoo, 2010)

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At present scenario organised food and grocery store only established in urban areas n different super stores or mall because of at town or rural areas customers want fresh fruits at their doors. While India‘s top 20 cities account for just 10 per cent of the country‘s population, they earn more than 30 per cent of the country‘s income and spend 21 per cent of the country‘s total income. From the point of view of India‘s marketing firms, the top 20 cities and their growth are clearly of paramount importance.

The different potential cities are projected to contribute about 68% in organised food and grocery retail sales. Organised retailers expected 68 towns apart from metro cities will be retail hub till 2020. The retailers are now selectively focuses on small cities of India like Chandigarh, Ludhiana, Jaipur, Lucknow, Kochi, Nagpur, Indore, Nasik, Bhubaneswar, Visakhapatnam, Bhopal, Coimbatore, Mangalore, Mysore, Jabalpur etc. While in Madhya Pradesh main Projected Cities are Indore, Bhopal, Jabalpur, Ujjain, Gwalior, Katni, satna etc. In my this research i will focus on this cities of Madhya Pradesh these cities rated as the highest potential for retail growth by the organised retail companies.

2. INDIAN RETAIL INDUSTRY OVERVIEW:

Indian retail industry plays an important role for the economic growth of our country. Indian retail sector or industry is one of the sunrise sectors with huge growth potential. Retailing is the largest private industry in India. In year 2001 the amount of FDI in India came to $42.3 billion, in next year 2002 it figure to $54.1 billion this figures stood at $75.4 in year 2003 and $113 billion in year 2004 which clearly denotes that the flow of foreign direct investment has grown at a very fast pace. According to the investment Commission of India, the retail sector is expected to grow almost three times its current levels to $660 billion by 2015.

The word “Retail” comes from a French word “retailer” which means “to cut a piece off” or “to break bulk.”
Retailing is one of the pillars of the economy in India and account for 35% of GDP. Retail is the world’s leading industry with worldwide retail sales of almost USD 8 trillion. Retailing is also one of the main contributors to the Gross Domestic Product (GDP) of most countries and also one of the biggest employers In India, however, the retail

sector has seen a high level of fragmentation with a large Share held by unorganized players. As the corporate- the piramals, the Tatas, the Rahejas, ITC, S.Kumar's, RPG Enterprises, and mega retailers as shopper's stop, Wal-Mart, and pantaloons race to revolutionize the retailing sector, retail as an industry in India is coming alive.

Retailing is mainly divided into two parts namely organised and unorganised retailing. Unorganised retail refers to the traditional formats of low cost retailing for example the local kirana shops, owner manned general stores, convenience store, pavement vendor etc. Organised retailing on the other hand mainly refers to the trading activities undertaken by licensed retailer, that is, those who are registered for sales tax and income taxes etc. these includes the corporate backed hyper markets and retail chain, and also the privately owned large retail business.

India has a large number of retail enterprises. With close to 12 million retail outlets India has one of the highest retail densities in the world. In terms of structure, the industry is fragmented and predominantly consists of independent, owner-managed shops. The retail businesses include a variety of traditional retail formats, such as "kirana" stores which stock basic household necessities (including food products), street markets-regular markets held at fixed centres retailing food and general merchandise items, street vendors-mobile retailers essentially selling perishable food items-fruits, vegetables etc and small non specialized retailers.

India has been labelled the 'last Shangri-la' or the 'final frontier' in the global expansion of supermarket retailing. China and India are fascinating third-wave cases that will influence the development of food markets in developing regions in the 21st century. India has emerged as the most attractive destination for mass merchants and food retailers.

Food retailing comprises of a large segment of retail sector, accounting for about 63 percent of total retail sales. With an estimated 15 million retail outlets in the country, the retail sector contributes about 10 percent of GDP and employs 6-7 percent of the labour force in India second only to agriculture (Bajpai and Dasgupta, 2004), necessary for all state government to exploit the opportunities of changing scenario in food retailing sector in order to increase prosperity and standard of living of people. Shopping for food and grocery products has witnessed a revolution in Indian retail market with the conspicuous changes in the consumer buying behaviour driven by strong *income growth, changing life styles and favourable demographic patterns.* Most of the food and grocery products reach the consumers through Neighbourhood kirana stores and convenience stores which are unorganized. But the very fast changing trends in consumption patterns, food and eating habits etc. of consumers have contributed immensely to the growth and development of **'Western'** format typologies such as super markets, convenience stores, discount stores and hyper markets.

The key drivers of India's growth include a booming domestic market by increasing consumption and a surge in investment, supported by certain inherent fundamental strengths such as favourable demographics. The rapid expansion of supermarket retailing, with its impact on farmer communities, represents a contentious part of India's recent economic development. In 2005, A.T. Kearney, an international consulting firm, named India as having the most attractive growth opportunities worldwide for supermarket investors.'

Indian food and grocery retailing has witnessed a rapid transformation in many areas of the business by setting scalable and profitable retail formats across categories. Indian retail industry is one of the sunrise sectors with huge growth potential. According to the Investment Commission of India, the retail sector is expected to grow almost three times its current levels to $660 billion by 2015. However, in spite of the recent developments in retailing and its immense contribution to the economy, retailing continues to be the least evolved industries and the growth of organised retailing in India has been much slower as compared to rest of the world.

All Indian households have traditionally enjoyed the convenience of calling up the corner grocery "kirana" store, which is all too familiar with their brand preferences, offers credit, and applies flexible conditions for product returns and exchange. Now a days the scenario is changing as the mall based shopping formats are gaining popularity in most cities as the price-sensitive Indian shopper has reached out to stores such as Big Bazaar mainly for the steep discounts and bulk prices. Retail chains such as Reliance Fresh and more have reportedly closed down operations in some of their locations, because after the initial novelty faded off, most shoppers preferred the convenience and access offered by the local kirana store.

India's demographic scenario is likely to change favourably, and therefore, will most certainly drive retail sales growth, especially in the organised retail segment. Even though organised retailer shave a far lesser reach in India than in other developed countries, the first-mover advantage of some retail players will contribute to the sector's growth. When farmers enter supermarket channels, they tend to earn from 20 to 50% more in net terms as the supermarket prices for fresh fruits and vegetables is lower than traditional retailers. The food industry is a major user of agricultural products and commodities. As disposable income increase in developing countries, the food industry will have to meet new and different needs from its more affluent consumers.

Food and grocery segment compromises 65% of the Indian retail market, while only 20% of this segment is in the organised sector and witnessed a year on year growth of 35% in 2018 as against 2.8% growth of total retail food and growth retail market. Organised retail sector has huge opportunities in Indian food retailers. While at present 85% of total sales covered by smaller kiranas but they are unable to compete with the organised retailers which provide different types of services and comfortable purchasing environment to customer. In most of part of countries unorganised food retailers loss their market shares due to changing purchasing behaviour of customers. Best price and reliance fresh are the first choice of customers for food and grocery items in metro cities.

The Prime Minister's Office (PMO) of India has already 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).

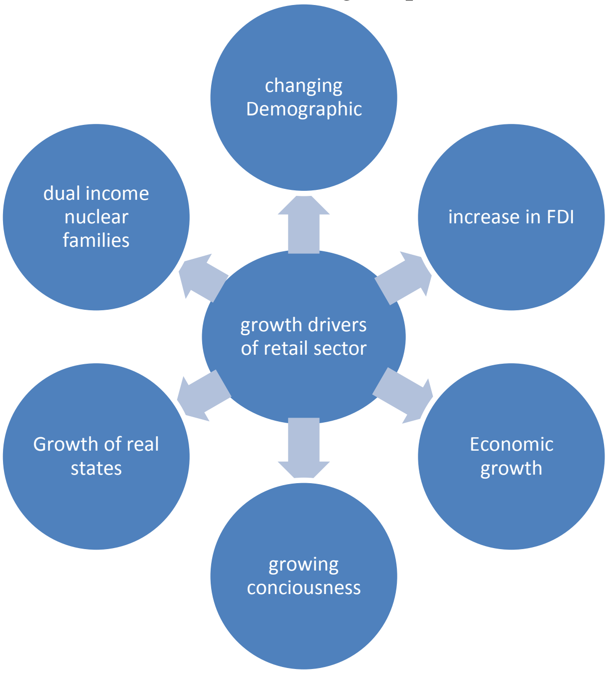
It is important to analyze the buying behaviour of the people with respect to an organized retail outlet in order to study the Impact of the organized retailing on unorganised sector of Madhya Pradesh. It also facilitated the investigator in analyzing the factors influencing the respondent's preference of a retail outlet. In this regard four hypotheses are given below and this forms the second set of hypothesis for the study.

3. NEED FOR STUDY:

Indian retail industry plays an important role for the economic growth of our country. Indian retail sector or industry is one of the sunrise sectors with huge growth potential. Retailing is the largest private industry in India. In year 2001 the amount of FDI in India came to $42.3 billion, in next year 2002 it figure to $54.1 billion this figures stood at $75.4 in year 2003 and $113 billion in year 2004 which clearly denotes that the flow of foreign direct investment has grown at a very fast pace. According to the investment Commission of India, the retail sector is expected to grow almost three times its current levels to $660 billion by 2015.

Higher disposable incomes, easy availability of credit and high exposure to media and brands has considerably increased the average propensity to consume over the years are witnessing a remarkable growth of organised retail in India. Many giant organised retailers are entered in Indian market and developing their retail chain with wide product line. These organised retailers provide all types of product under one roof with reasonable price and loving atmosphere. In past organic retailers only focus on metropolitan cities while due to changing economical demographical condition in tier III organised retailers also focus on small town for opening their new retail chain for capturing largest market share. The untapped cities are the substantial opportunities for organised retail sector. In Madhya Pradesh in many cities organised retail in nascent stage. The traditional markets of Satna, Sagar Gwalior are still dominated by unorganised retailers and organised retailers just entered in the incursion in the beginning of millennium.

Organised retailers entered Madhya Pradesh in early 1998 and today there are more than 100 retail outlets in Madhya Pradesh. Despite the tremendous potentials such as low property value, growing income levels, changing socio-economic profile and large percentage of young population, which promotes organized retailing the growth of organized retailers in Visakhapatnam has been modest during the period 2008-2013.



This study attempt to establish potential of Madhya Pradesh for the growth of retailing with the focus on consumer perception and behaviour. With the help of this study we also study of impact of organised food retailing on unorganised retailing with respect to purchase behaviour and customer perception. In this study we getting the feedback from the different customers from organised as well as unorganised retail store by questionnaire and collect the data related to different factor which affect the purchasing decision of customers.

4. SCOPE OF THE STUDY:

When giant international retailers entered into the Indian retail market then all retail market divided into two categories traditional which is known as unorganised retail and organised retail.

Customer preference for selection of food and grocery stores is mainly depends on price, quality product, availability of different items in grades, service provided by retailers and different promotional scheme for customers .

5. OBJECTIVES OF THE STUDY:

The main objective of this study is to analyze the impact of growth of organized retailers on unorganized retailers in the food and grocery segment in Bhopal. With this overall objective the sub objectives of the study are as follows.

- To analyze the present retail scenario with respect to the share of unorganized retailers.
- To analyze the factors affecting the buying behaviour of consumers with respect to food and grocery in retail business.
- To analyse the perception of unorganized retailer on the entry of organized players based on performance of last two years.
- To study the reasons for consumers patronizing unorganized retailer despite the existence of new organized formats.
- To analyse the various factors influencing the preference of a retail outlet by a customer.
- To identify the potential for the organised retailers in AP and suggest few strategies to un-organised retailers to compete with organised retailers.

6. LITERATURE REVIEW:

It was found in literature review that the most research work in retail industry is done without focussing on any specific sub sector and some of the research papers have been published on the distribution chain system. Most of the papers focus on food marketing and food retailing in UK and other countries because in those countries food retailing covers huge share of total sales of retailing, while in India in the recent past most of the retailers focused in metropolitan, cosmopolitan cities and urban areas where middle income groups cover highest part of population, but middle income group families prefer shopping mall for garments, electronics etc, but for food they prefer their local kirana stores because these retailers know their preferences as well as customers think that they will get fresh food products in these stores. This means that the retailers have great opportunities in food retail sector but to grab this opportunity retailers should improve their services according to customer's preferences, which are ignored by authors and retailers.

Paper I: - Roy M. (2012) discussed in International Journal of Humanities and Applied Sciences (research paper) titled "Agricultural Marketing: New Challenges" This paper focuses new challenges in agricultural marketing in the emerging environment, find out new challenges in agricultural retail marketing through an empirical study. The study is based on micro level survey covering 30 villages in three contiguous districts (Burdwan, Birbhum and Bankura) of West Bengal a leading agricultural state of India covering 3005 farmers in 2010-11. This study reveals that marketing system is not efficient to assure farmer of a fair price for the products and to have better returns. Due to lack of proper storage facilities and transport facilities about 64.5% of farmers are distress sellers and fall under malpractices of middle men. In agricultural marketing in West Bengal intermediaries reduces the returns of farmers. Demand and supply of farm products in agricultural sector are inelastic. Storage Infrastructure is not proper in agricultural marketing Lack of adequate storage facilities cause heavy losses to farmers in terms of wastage as well as selling price. Agricultural goods cannot be preserved for long like industrial goods. Storage for a long time deteriorates quality and also results in loss in quantity. If transport facilities are not adequate to integrate the village market to distant markets producers have to suffer.

Paper II: - Chen Kevin and Andrew W. Shepherd (2010), "Changes in food retailing in Asia" This paper investigate the issue of modern food systems organisation and effects on fruit and vegetables farmers and traditional marketing system in Asia. A combination of methodological and analytical approaches was followed. Initial work was carried out as a literature review. Complementary the review, field work was undertaken by the senior author in four Asian countries, namely China, Japan, Malaysia, and Thailand. They represent different stages of economic development in Asia and much of discussion on the supply chain in these countries is likely to relevant to others. Fresh fruits and vegetables were chosen because of their importance for small farmers and because they are typically produced under less coordinated system.

The field research involved interviews with both public & private sector personnel and institutions, and draw on relevant scientific and industrial expertise interviewees were drawn from all levels of the domestic and international agri food chain. This paper attempts to provide a better understanding of the causes of and challenges associated with the development of agri food supply chain in Asia. In aims to provide policy recommendations for policymakers, public sector and civil society organisations to help them deal with the new challenges in particular to help small farmers adjust to the procurment arrangements of supermarkets and traditional marketing systems to adjust to the growth of supermarket.

Paper III:- Dr. Namita* (2011), *Haryana State Agricultural marketing board- (HSAMB) its problems and prospect, PhD from Maharashi Dayanand University examined in this study Dr. Namita mainly focused on examining different problems of HSAMB and study of different trends of incomes and expenditures of HSAMB. In this thesis she mainly used tabular analysis, quantitative analysis and growth trends. To arrive at the necessary results of the study, two stages sampling viz. at the board level and mandi level has been done. Haryana State Agricultural Marketing Board, data was collected from different nine mandis of Haryana district. Sampling size was 135 farmers and 90 Commission agent and 9 officers of HSAMB. In conclusion they concluded that HSAMB officers are of IAS rank and do not have any knowledge related to agricultural field. HSAMB should take immediate actions in urgent matters such as License fee should be mandatory for all the functionaries and the rules may be tightened on this account. Proper supervision by the enforcement should be made and the rules and regulation laid down and amended from time to time be implemented religiously. Loop holes in various rules and regulations, wherever possible may be plugged and made clear so that nobody can take the advantage out of it.

Paper IV:-In the working paper titled ***"India's market opportunities for imported fresh and processed foods"*** Report Prepared by ***Madras Consultancy Group Chennai (2009)***, The objective of this report is to provide an understanding of India's horticulture and food processing sectors and outline a market entry strategy for Western Australian exporters.
The study focuses on the different aspects associated with the growth and prospects of the imported foods market in India and it reviews:

- An overview of the Indian horticulture and food processing sector
- Current status and trends in India's imported food sector with focus on products that are highly imported
- Import of food products and countries of origin
- Overview of the food retail sector in India
- Distribution structure, logistics and infrastructure development
- Pricing structure and tariffs
- Regulatory and policy framework in India.

The research methodology comprised primary research and was supported by in-depth secondary and internet research. Primary research comprised personal interviews with some of the leading importers, distributors, food chains, institutions and government departments. The field research was conducted by MCG's well established team of consultants and researchers in six cities, viz. Bangalore, Chennai, Hyderabad, Mumbai, New Delhi and Pune. According to finding of this study the main key growth drivers of agri food retailing in India are urbanisation, retail revolution, exposure to global culture, growth of speciality stores. Market shares of food retailing may increase due to the help of government support and changing scenario of Indian market and changing purchasing behaviour of consumers.

Paper V:- According to report prepared by TATA strategic management group titled "Food retailing in India: challenges and trends" (2012)**:** Food retailing or F&G retail in India could grow to Rs. 1750 Billions (at current prices) by 2015 representing ~11% of overall F&G sales. Diversity of taste and preference, penchant for fresh/homemade and value consciousness, real estate availability & cost, manpower availability are main key challenges for food retailers, and with the innovation in retail format and change in product mix, and technological up gradation they can face these challenges.

Paper VI:- Dorsey Sarah and Boland Michael (2009) discussed in the research paper titled ***"The Impact of Integration Strategies on Food Business Firm Value"*** The objective of this study is to analyze whether a discount or premium exists for coordination strategies in food processing, wholesale grocery, retail supermarkets, and restaurants. Significant premiums are found for food processor and restaurant vertical integration or diversification strategies. Significant discounts are found for food wholesaler and retail supermarket integration or diversification strategies. Food processors are found to be integrating toward retail supermarkets during this time period. The data used in this study are taken from Standard and Poor's Composted database and include data from 416 food business firms totalling 4,079 observations for 1983–2005. In conclusion author discussed about the role of contracting between producers and processors is increasing in agriculture. It is evident from this research that processors are also seeking to integrate further towards retail supermarkets. The managerial implications from this study include the fact that larger firms, as measured by asset size, have premiums which may be due to lower fixed costs due to economies of scale, lower variable costs due to economies of size, or better negotiating ability. Diversification outside of the food economy does not lead to premiums while integration within the food economy does lead to premiums in certain situations. Managers who seek to diversify should analyze this strategy carefully. Future research might seek to incorporate this form of vertical coordination into a framework for empirical research.

Paper VII:- Singla Naresh (2011) discussed in research paper ***"Linking small farmers to emerging agricultural marketing system in India: the case study of a fresh food retail chain in Punjab"*** mainly focused on operations of a fresh food retail chain named 'Easy Day' and its interface with farmers in Punjab. The study has revealed that fresh food retail chain primarily works with small intensive vegetable cultivators. The primary data was collected from RC in the Sirhind town in Punjab, and contacted farmers supplying vegetables to the RC. A sample of 100 farmers, 50 each supplying to the RC and to the traditional market (non-RC) was taken from the Malerkotla tehsil in Sangrur district of Punjab for two major crops, viz. cauliflower and okra (25 farmers for each vegetable) as these were the major crops being procured by the RC in terms of volumes and number of supplying farmers. This study has revealed that Bharti retail chain has been working largely with less-resourceful small vegetable cultivators who have higher productivity in vegetables and higher GCA under vegetables as compared to the non-RC farmers. The retail chain has been found to pay a slightly higher price for A and B grade produce. The RC has instituted quality consciousness, and package of practices for certain vegetables with the help of value chain partnership with Bayer Crop Science.

Paper VII: - Katchova L. Ani* (2011)** discussed in his paper ***"The effectiveness of local food marketing strategies of food cooperatives" about identifying the emerging business practices in local sourcing as a differentiation and member recruitment strategy for food cooperatives. Study analysis identifies several clusters of strategies used for local food procurement, based on the extent to which the co-op is involved in procurement activities upstream (at the farm), mid-stream (at the distribution center) or downstream (at the food cooperative). The results also show that when compared to other grocers, food co-ops have clear advantages in working with local producers and oftentimes play a key role in the producers' business viability. Data are collected from three case studies with leading food cooperatives and a national survey of the general managers of food cooperatives. Data are obtained from a national survey of the general managers for food consumer cooperatives.

Paper I:- Ch. J.S. Prasad and A.R. Aryasri in VISION-the journal of business perspective, Vol.12, No.4, October-December2008 titled "A study of customer relationship marketing practices in organized retailing in food and grocery sector in India: An empirical analysis" This study seek to investigate the influence of relationship marketing cornerstones viz., Customer Satisfaction, Trust, Commitment, Communication on relationship strength which further explore the affect on attitudinal outcomes like relationship quality and behavioral outcomes such as customer loyalty. The study further examines an influence of the relationship quality on customer loyalty.
This study is an empirical enquiry into the relationship quality and customer loyalty this study is purely based on primary data and necessary secondary data to reinforce the model. A total of 150 retail customer in Hyderabad actively participated in this survey. For the data collection purpose the mail intercept technique was used on the shoppers who were leaving from the supermarkets, hypermarket and large shopping mall in Ameerpet and Kulkatpally areas in Hyderabad. Data was collected at 12 different retail formats comprising of supermarket, hypermarket, and large shopping mall using a Structured- non disguised questionnaire with the questions in a prearranged order.
This empirical study investigated the impact of relational marketing cornerstones namely trust, commitment, communication and customer satisfaction on relationship quality and loyalty in food and grocery retail outlets. Retailers should get close enough to the customers as customer is considered part of an organisation in order to be able to sense and serve their needs satisfactorily.

Paper II: - Report presented by NABARD titled "organised food retailing in India" in January 2011 the scope of this study consisted of investigating the current size and status of agri-food retailing, its expected growth in next ten years, estimating the current and future infrastructure requirement, sourcing and supply chain details of organised food retailers, their risk profiles as well as their credit demand and supply.
About 300 farmers were covered under the study with majority of farmers being covered near Bangalore.
They are main finding given in this study organised food retailing is mainly focuses on urban centric companies must focuses on rural areas, that agri food retailing sector provides quality products under one roof with convenience shopping experience with discount, but for growth in agri food retailing retailers should focuses on some issues as provides facilities for farmers because retailers get their foods & vegetables from farmers, should improve supply chain or distribution management, storage facilities so they can save food & vegetables from wastages.

Paper III:- Prasad Krishna Y Rama (2011) discussed in his PhD titled "A Study of consumers' retail format choice and patronage behaviour in food & grocery retailing" This study aimed to explore and examine the predictability of major constructs (i.e shopper attributes, store attributes, information sources and situational factors) on retail format choice behaviour in food and grocery retailing from the proposed model based on the identification of research gaps. This thesis also intended to examine the repatronage intensions with chosen store formats. The hypothesised relationships among the major constructs were examined using Factor Analysis, Multiple Regression, ANNOVA, Chi-square statistic. The overall results of this study have shown that Indian food and grocery consumers have cross shopping behaviour in nature. No single retail format seems to be prime in meeting consumer needs/wants The findings of this study reveal that shopper attributes such as monthly household income, distance travelled to store, age, occupation, family size, gender, education and psychographic attributes such as lifestyle factors, shopping orientations and temporal aspects such as purchase frequency, time spent for shopping have significant effect on store format choice decisions. The determinant store attributes such as location, merchandise, customer service, price- promotions, ambience/atmospheric and store facilities he significant effect on store format choice decisions. Temporal aspects and situational factors (i.e. task definition and perceived risk) are also emerged as the significant predictors for retail format choice decisions in food and grocery retailing. The study has revealed various path breaking findings which auger well for the voluminous growth and even development of retail formats in food & grocery retailing in India. The study has elaborately discussed and considered various academic and managerial implications for food and grocery retail industry.

Shopping for food and grocery products has witnessed a revolution in Indian retail market with the conspicuous changes in the consumer buying behaviour driven by strong income growth, changing life styles and favourable demographic patterns. Most of the food and grocery products reach the consumers through Neighbourhood kirana stores which are unorganized. But the very fast changing trends in consumption patterns, food and eating habits of consumers have contributed immensely to the growth and development of 'Western' format typologies such as super markets, convenience stores, discount stores and hyper markets.

Paper IV:-In another paper written by **Narwal Praveen** ***(2012)*** published in ***International journal of research in management*** which titled ***"strategic modelling for agri food business in India"*** discussed about designing an alternative strategic model that can resolve the current issues in the retail industry in India. In this paper he mainly used Chi-Square test, T test and Likert Scale. The sampling and data collection exercise was directed towards collecting suitable inputs from the cold storage owners and vegetable vendors. From the different data collected and sorted; the observed factors for the Confirmatory Factor Analysis are selected and carefully related to either of two latent variables. Author has concluded that fresh produce market has got an immense influence on the socioeconomic and even political conditions. The existing unorganised model of fresh produce business is not effective. Approximately 30% of the fruit and vegetable grown every year is going waste. All the stakeholders have to join hands to improve the existing model and to take produce from farmer to consumers.

Paper V:-Singh Rakesh (2009) Banaras University, explained *in journal of service research volume 8* who discussed the problems and prospects of food retailing in the research paper entitled ***"Problems and prospects of food retailing in the state of Uttar Pradesh":*** In this paper he has tried to highlight some issues related to agri-food retailing and suggested a framework to provide an enabling environment in order to attract private investment in agricultural sector. In this paper authors adopted analytical, descriptive methodology and mainly used the secondary data which is collected from government report data, books, journals, newspapers and online database. However interpretation of data, problems, solutions and suggestions are mainly based on analytical basis for healthy growth of retail sector in India. Author concluded that Uttar Pradesh is the largest producer of various agricultural products. In the present era of globalization agriculture is facing some new challenges which relates to linking farmers to modern supply chains, lack of technical knowledge to meet stringent quality and food safety standards, export competitiveness due to sanitary phyto-sanitary measures. Apart from these new challenges small and fragmented holding is also a major constraint of agriculture growth in Uttar Pradesh.

Paper VI: - ***M G.P. (2010)*** discussed in ***Agricultural Economics research*** review his paper "***Value chain & retailing of fresh vegetables & fruits: Andhra Pradesh"***, about the growth and performance of modern retailing and its impact on traditional retailers. In this study, both secondary and primary data were collected from traditional as well as modern retailers from four districts of Andhra Pradesh surrounding the Hyderabad district. These were Ranga Reddy, Medak, Nalgonda and Mahabubnagar districts. The data was collected from about 400 respondents for the year 2009-10. Author concluded that in Andhra Pradesh, the retail sector was largely traditional, but stores were emerging in modern format. The emergence of modern retail chains have created new food value chains which helped in reduction of price and production risks and thereby have increased returns from farming. The demand for quality, safety and other specific requirements may exclude small scale farmers. But, for consumers there is an improvement in product quality and convenience. In Andhra Pradesh, there is a need to build institutions and mechanisms to increase small scale farmers' participation in the modern food value chain. Vendors play an important role in the modern value chain by reducing the information gap with training and channelization of modern retailers and farmers.

Paper VII: - S. Pannerselvam **(2011),** ***International Journal of Research in IT, Management and Engineering***, discussed in his research paper titled ***"Food retail & retail supply chain in India"***, discussed about importance of supply chain in food retailing. According to him in the first phase of retail revolution, the focus of food retailers had been largely on capturing the consumers' attention and providing them with a new shopping experience. The

increasing scale of organised retail distribution network and increasing competition are forcing the players to focus on restructuring the whole supply chain to improve productivity and provide a better deal to customers.
Indian market and customers are mainly influenced by their socio economic environment and psychological behaviour so retailers should be aware of these factors,

However, no holistic study has been reported in the Indian context probing that which parameters shoppers' consider important when they decide which retail format they want to shop in and from which parameters they derive maximum utility.
Although many research has been done in several dimensions including retail format and monetary and Non monetary values, but there is a lack of comprehensive study which explores and examines the influence of store attributes on retail format choice and patronage behaviour in the context of Indian food retailing which is beneficial for retailers to decide & formulate their marketing strategies.

In India, organized retailers are trying out a variety of formats, ranging from supermarkets, discount stores to organise. Gaining and sustaining a strategic competitive advantage in retailing requires knowledge of the store attributes that consumers value and use to discriminate between stores and why those attributes are important. Hence, there is a growing need to evaluate the true drivers of shopping behaviour in the Indian context. The trademark of Indian food and grocery retailing, the Neighbourhood kirana stores with high level personalized service, is making consumers reluctant to depart from traditional ways of shopping. The innovations brought by retailers and marketers in the practice of retailing have been providing new paradigms in the way shoppers have been disposed towards their act of shopping.

7. STATEMENT OF THE PROBLEM:

Strong income growth, changing life style, and favourable demographic patterns are most important factors which are responsible for revolution in Indian retail market with the change in the consumers buying behaviour. Most of the part or portion of food products reaches to the consumer by traditional unorganised retailing system, but with changing environment and fast changing trends in consumption and purchasing patterns, and adoption of western culture in eating habits have immensely contributed to the growth of super markets and organised retail. At present most of Indian customers prefer ***Spencer's, Reliance Retail's Reliance Fresh (RF), Aditya Birla Retail Limited (ABRL) More, Namdhari Seeds Pvt. Limited (NSPL)'s Namdahri Fresh, and ITC's Choupal Fresh*** for purchasing food and grocery products.

Unorganised retailing has achieved a notable success in retail markets in India. Saving of time, money and efforts are main factors for the selection of retail format in food retailing and retail stores. But still organised retailing is dilemma for many customers, they cannot decide that when and from where should they purchase? Most of the customers confuse with organised and unorganised food retailing they cannot decide which is suitable for them. In the same manner organised retailers doesn't know exactly what they want?

Unorganised retailing has achieved a notable success in retail markets in India. There are different dimension on which growth and development of any retailers is depends attitude of customers towards commodity, nature of commodity and marketing situation, and sales promotion scheme are some dimension n which affect the growth of any retail group. Change in Foreign Direct Investment rule is a golden chance for organised retailers to increase their market share from Indian retail market.

8. RESEARCH METHODOLOGY:

The data for this research paper has been taken from primary data collected by a survey of customer perception between November 2016 and April 2017for the doctoral thesis being prepared by the author, for submission to the Vikram University Ujjain Madhya Pradesh.

This section of survey puts emphasis on the procedure that will be followed by me during the research study. This facilities a reader to understand the research work easily and clearly. The methodologies that will use in the research study as follows.

- ✓ Research Design
- ✓ Sampling
- ✓ Data Collection

8.1 RESEARCH DESIGN:

The Research design is the basic framework which provides the guidelines for the rest of the research process after the problem identification and setting objectives. It is the blue print according to which research is going to be conducted. It provides information on the proposed research instrument, sample unit, sample size, sampling procedure and contact method.

8.2 SAMPLING:

Representative sample represents the characteristics of the population instead of taking every elements of population.

The basic task of the researcher is to decide on the sampling unit to be chosen which a crucial judgement. The following questions are to be answered first before choosing the sample units.

- ✓ Sample size
- ✓ Method of sampling

8.3 SAMPLE SIZE:

The total sample size is 100.

8.4 SAMPLING METHOD:

Convenience Sampling:

Sometimes it is called **grab or opportunity** sampling, this is the method of choosing items arbitrarily and in an unstructured manner from the frame. Though almost impossible to treat rigorously, it is the method most commonly employed in many practical situations.

8.5 DATA COLLECTION:

The information collects through e mail as well as personal interview. This methods use during survey will be tabulated and plotted through graphs to represents the findings in a better way. The analysis will be done by calculating the percentage for each questionnaire out of 100. Then the resulted was plotted through graphs i.e. pie charts will prepare.

8.6 DATA SOURCES:

The first step in data collection process is to look for the secondary data. These were the data that were developed for some purpose other than for helping to solve the problem at hand. My secondary data were collected from the different articles magazines, books, internet data .The data that are still needed after the search is completed will have to be developed specifically for the research project are known as primary data .An important source of primary data is e mail questionnaire and telephonic interview. My primary data will collect through a market survey with structured questionnaire.

8.7 RESEARCH INSTRUMENTS:

Primary Data through:-

- E mail or personal interview
- Questionnaire (100 nos.)

Secondary data through:-

- Internet
- Television
- Newspapers
- Magazines
- Journals

The questionnaire*s* will prepare keeping in mind the objectives. There are open-end questions to know the customers views, preferences and opinion about their buying habits, consumption patterns, I used the structured questionnaire throughout the survey.

Research Design	Descriptive Research
Sampling Design	
Sampling Frame	Consumer who purchase from both organised and unorganised retailers.
Sampling Unit	Consumer from different age, group, gender, occupation, income level and educational backgrounds.
Sampling Size	100 customer
Sampling Methods	Convenience Sampling
Data Collection Methods	
Primary Data	Survey Methods
Secondary data	Data were collected from respondents and journals and from previous study related to the retailing sector.
Type of Schedule	Structure Questionnaire with suitable scaling.

9. ANALYSIS AND INTERPRETATION:

DEMOGRAPHIC CHARACTERISTICS

Variable	Frequency	Frequency	Valid Percent	Cumulative Percent
Gender	Male	46	46	46.00
	Female	54	54	100.00
Age	Less than 20 years	14	14	14.00
	20-30 Years	45	45	59.00
	30-40 Years	20	20	79.00
	40-50 years	18	18	97.00
	Above 50 years	3	3	100.00
Educational Qualification	Higher Secondary	8	8	8.00
	Vocational School	2	2	10.00
	Bachelor Degree	57	57	67.00
	Master Degree	20	20	87.00
	Doctorate Degree	8	8	95.00
	Other	5	5	100.00
Occupation	Students	10	10	10.00
	Housewife	15	15	25.00
	Professional	35	35	60.00
	Private Job	10	10	70.00
	Entrepreneur	10	10	80.00
	Government Job	15	15	95.00
	Others	05	05	100.00
Monthly Income	Less Than 10,000	08	08	08.00
	10,001-20,000	12	12	20.00
	20,001-30,000	35	35	55.00
	30,001-40,000	20	20	75.00
	40,001-50,000	20	20	95.00
	More than 50,000	05	05	100.00
Marital Status	Single	43	43	43.00
	Married	57	57	100.00
Family Size	Nuclear	36	36	36.00
	Joint	74	74	100.00

The demographic characteristics of the respondents show that majority of respondents (54%) were female. It is further revealed that most of respondents (45%) belonged to the 20-30 years, age group with 20% of respondents falling in the age group of 30-40 year. Professional comprise of maximum portion of 35%, followed by graduate with 57%. Most of the respondents were married (57%).this revealed that education level also played dominant role in the preference of retail outlets.

Null Hypothesis: there is no association between type of retail sector and customer buying the product.

Alternative Hypothesis: there is association between type of retail sector and customer buying the product.

Type of retail sector do you prefer place you buying the products			
Particular	Sector	No. of respondent	Percentage
Type of retail sector you prefer	Organised store	41	41.00
	unorganised store	59	59.00

From the table, it can be concluded that 41% of the respondents shop for food and grocery products at organised retail format and 59% of the respondents purchase from unorganised retailers. The most of customers purchase food and grocery form conventional stores and Neighbourhood store.

Null Hypothesis: there is no association between customer buying and kind of products they purchase in the store.

Alternative Hypothesis: there is association between customer buying and kind of products they purchase in the store.

Respondents' opinion of products purchased from retailers

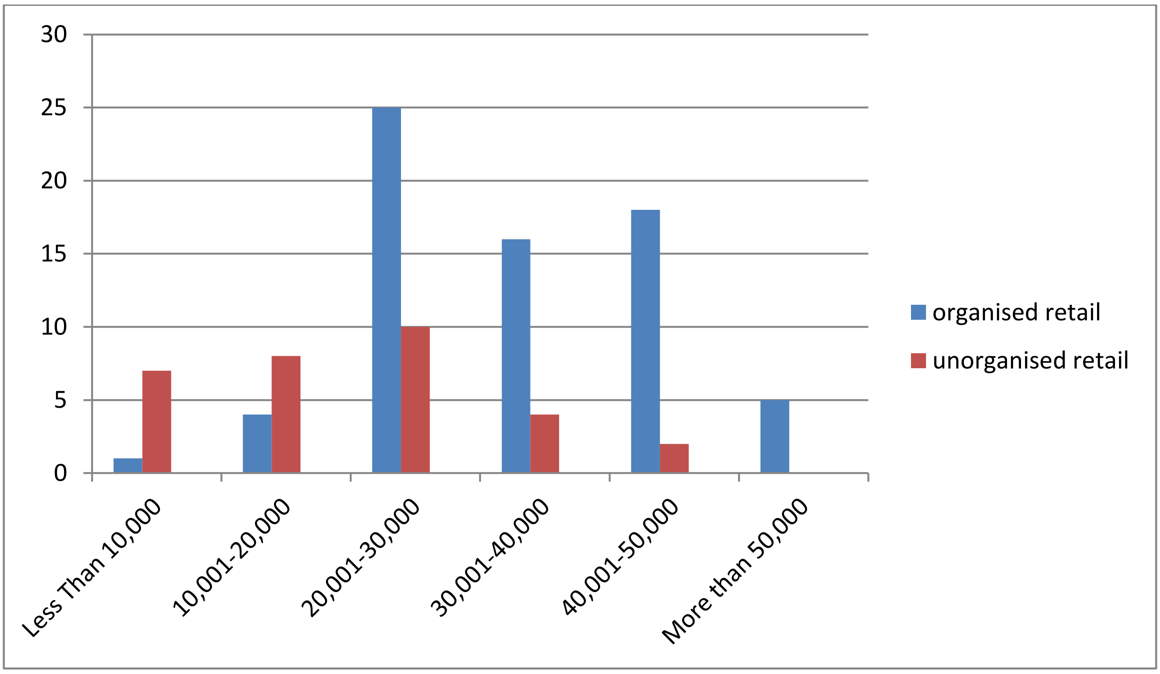
Items Purchased	From organised retail store	From unorganised retail store
Food and grocery items	36	22
Staples	31	21
Other food grains/ flours items	54	16
Other packaged foods	65	32
Fruits and Vegetables	15	62
All of the above	16	19

Interpretation:- the above study shows that there is no significant difference between the choice of retailers format across the shopping items while shopping and hence the null hypothesis is accepted. On the basis of shopping items there retailers' format is not considered by the respondents.

Null Hypothesis: there is no significant difference in the choice of retailers' format across the family income level.

Alternative Hypothesis: there is significant difference in the choice of retailers' format across the family income level.
Chi-square test used (at 5% Level of Significance)

Income	Respondents' opinion on majority of purchase	
	Organised	Unorganised
Less Than 10,000	01	07
10,001-20,000	04	08
20,001-30,000	25	10
30,001-40,000	16	04
40,001-50,000	18	02
More than 50,000	05	00
Total	69	31

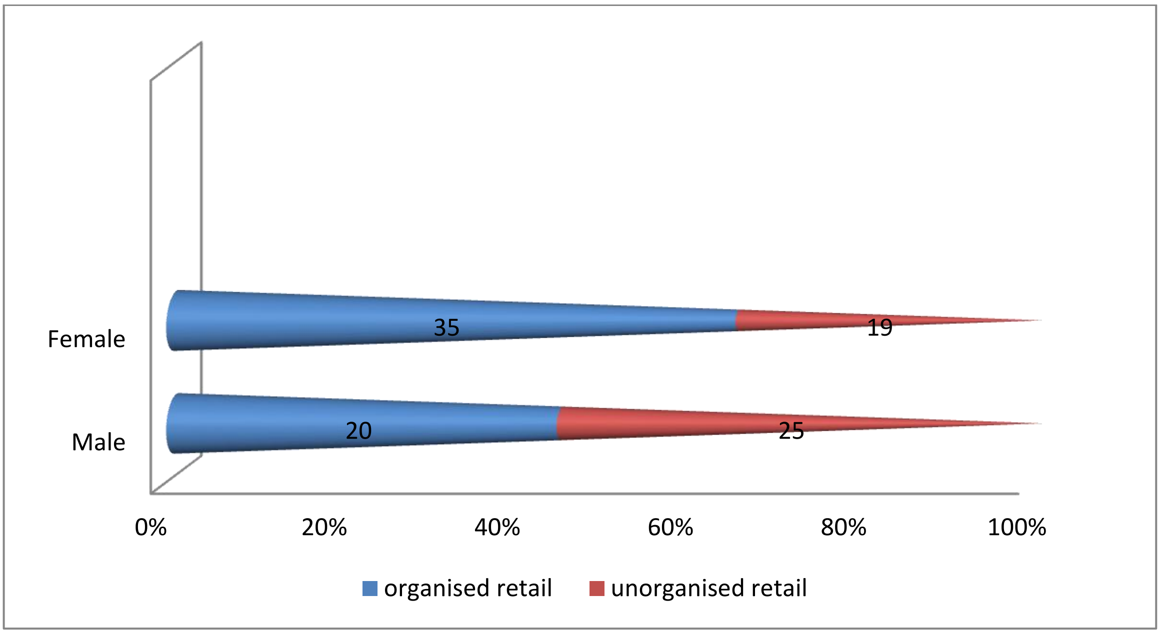


Interpretation:- the analysis provides enough evidence not to reject the null hypothesis, in the other words, there is no significant difference in the choices of retailers' format across the family income level.

Null Hypothesis: there is no significant difference in the choice of retailers' format across the respondents' gender.

Alternative Hypothesis: there is significant difference in the choice of retailers' format across the respondents' gender.

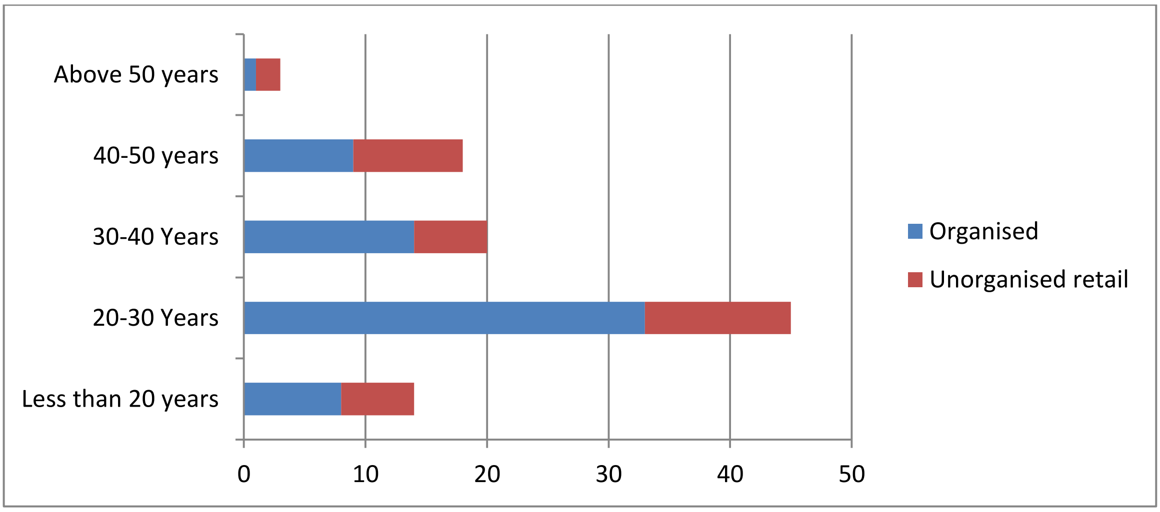
Gender	Organised Retail	Unorganised retail
Male	20	25
Female	35	19



Null Hypothesis: there is no significant difference in the choice of retailers' format across the respondents' age level.

Alternative Hypothesis: there is significant difference in the choice of retailers' format across the respondents' age level.

Age	Organised	Unorganised
Less than 20 years	8	6
20-30 Years	33	12
30-40 Years	14	06
40-50 years	9	9
Above 50 years	1	2
Total	**65**	**35**



Interpretation:- As the null hypothesis has been accepted we can conclude that there is no significant difference in the choice of retailers' format across the respondents' age level.

9. FINDING AND CONCLUSION:

In India both organised and unorganised food and grocery retailers will co-exist with their own competitive advantages. The unorganised retail store has a low cost structure, convenient location, relation with customer and customer intimacy while on the other hands organised food and grocery store long range of product with competitive prices, quality product and good purchase atmosphere. The prime objective of this study to find out the customer perception towards organised and unorganised food retail store, this study denotes that most of the customers prefer buy food items from air- conditioned organised retail store because of its quality product but due to high cost and distance of organised retail shop many customer prefer local market.

Unorganised retailers are having a comparative advantage because of credit facility to customers, bargaining and home delivery as well as intimacy with customers while organised retailers having a greater advantage of one stop shopping, store image, competitive price, and variety of products.

From this study it was observed that due to change life style, increase awareness of quality products as well as disposable income most of the customers switching to organised retail store form unorganised retail store but at present time unorganised retail also captured a high market share in India, many customer thinks that they local kirana store is the one of the most important factor for their day to day life, they cannot visit organised retail store frequently so we can say that organised retailers have huge opportunities in Indian market but they must open more outlets so that customer visit frequently. At present time some organised retailers i.e. ondoor, Best price etc also provide home delivery and online order facilities which is comfortable for customers. If organised retail does not grow, the unorganised sector will not be able to handle the surging demand. Organised retailers provide quality products and lowest cost but due to middle class mentality that the bigger and brighter sales outlet is, the more expensive it will be. Organised food store provide hygiene variety and store ambience which attract more customers.

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