

## To study consumer preference @ different market with the special reference to Pune region.

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### Abstract

The retail industry is one of the fastest growing sectors in India, having the world's second largest place in Consumer market. In market potential India Ranks 5<sup>th</sup> after United States, China, Brazil and Canada whereas India's net Retail Sales are quite significant among emerging and developed nations, the country ranks 3<sup>rd</sup> after China and Brazil. It comprises organized and unorganized sectors which is one of the fastest growing industries in India. Indian Retail Industry is growing from US\$330 billion in 2007 to US\$640 billion by 2015. New FDI norms had tempted all the major World Retailers towards Indian Market. With the advent of so many indigenous and renowned foreign players, Indian consumers are getting very enriching experiences. Market is flooded with different variety of products as well as customers are enjoying so many discounts at different places at the same time some of them still prefer shopping from unorganized market. This changing scenario of Retail Sector attracts the attention of scholars. From this paper Researchers have found the consumer preferences in different market with special reference to Pune region, Maharashtra. The paper reveals the preference of new era Consumer. The Research Methodology used was simple random sampling method with for the sample size of 126 odd people from. Pune region, Maharashtra.

**Keywords: - Consumer, Organised & Un-Organised Retail Sector**

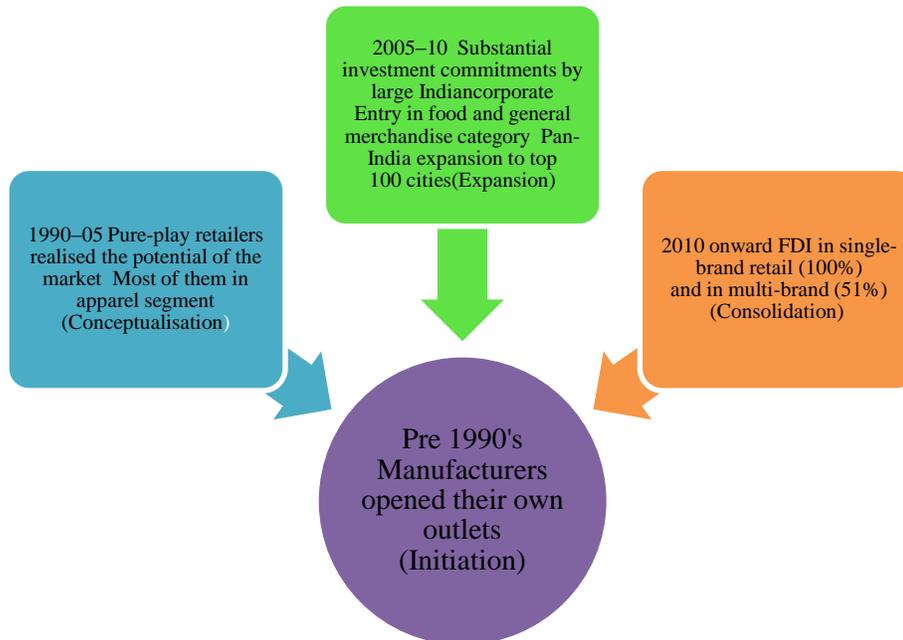
### Introduction:

The retail industry in India is highly fragmented and unorganized. Earlier on retailing in India was mostly done through family-owned small stores with limited merchandise, popularly known as kirana or mom-and-pop stores. In those times, food and grocery were shopped from clusters of open kiosks and stalls called mandis. There were also occasional fairs and festivals where people went to shop. In the twentieth century, infusion of western concepts brought about changes in the structure of retailing. The government set up the public distribution system (PDS) outlets to sell subsidized food and started the Khadi Gram Udyog to sell clothes made of cotton fabric. These days also witnessed the growth of high streets like Linking Road and Fashion Street emerged in

#### What is retailing?

Retailing is a distribution channel function, where one organization buys products from supplying firms or manufactures products themselves, and then sells these directly to consumers.

Mumbai. Some manufacturers like Bombay Dyeing started forward integrating to sell their own merchandise. Shopping Centre's or complex came into existence, which was a primitive form of today's malls.



### Evolution of Retail in India:

Pioneers of the Organized Indian retail formats like Shoppers Stop, Pantaloons Retail India Ltd (PRIL), Spencer Retail ventured into the organized retail sector have grown many folds after liberalization

With the opening up of foreign direct investment in single-brand retail and cash-and-carry formats, a new chapter unfolded in the retail space. Many single-brand retailers like Louis Vuitton and Tommy Hilfiger took advantage of this opportunity. The cash-and-carry format has proved to be an entry route for global multichannel retailing giants like Metro, Wal-Mart and Tesco.

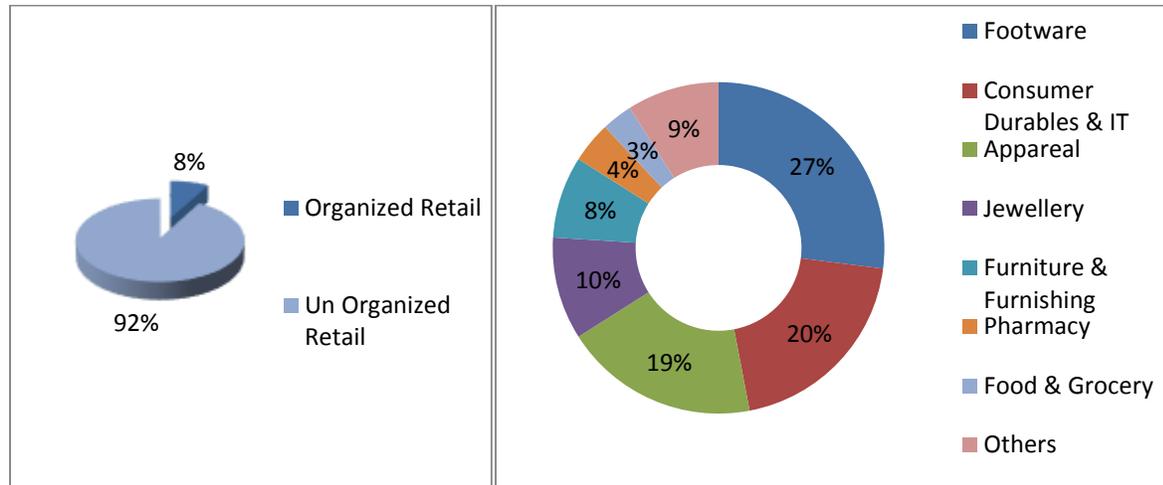
Currently India having only 8% of organized retail sector and remaining 92% is captured by unorganized, which may grow much faster than traditional or unorganized retail sector. It is expected to gain a large share in the growing retail market in India. Various estimates states that the share of organized retail will increases as 20% by 2020.

The Indian retail industry has presently emerged as one of the most dynamic and fast paced industries as several players have started to enter the market. It accounts for over 10 per cent of the country's gross domestic product (GDP) and around eight per cent of the employment in India. The country is today the fifth largest global destination in the world for retail.

Several corporates have planned to exploit the opportunities in the Indian retail space, such as Reliance Industries Ltd (RIL), which has lined up capital expenditure of Rs 1.8 trillion (US\$ 29.41 billion) for the next three years for its petrochemicals, telecom and retail ventures. With the growth in the retail industry, the corresponding demand for real estate is also being created. Further, with the online medium of retail gaining more and more acceptance, there is a tremendous growth opportunity for retail companies, both domestic and international.



## **CLASSIFICATION OF MARKET**



### Contribution of organized retail @ different places

#### Market size

In 2013, the Indian retail sector was estimated at US\$ 520 billion and was among the largest employers in the country. By 2018, the Indian retail sector is likely to grow at a compound annual growth rate (CAGR) of 13 per cent to reach US\$ 950 billion. Food and grocery is the largest category within the retail sector with 60 per cent share followed by the apparel and mobile segment.

India has about one million online retailers - small and large - which sell their products through various e-commerce portals. Presently, these online retailers have started to use the medium of online mobile apps to increase their reach to the customers. Several e-commerce firms - Myntra, Flip kart, Jabong, etc., have launched their own mobile apps. flip kart plans to use their US\$ 1 billion funds raised to acquire companies in mobile applications.

According to the TCS Gen-Y 2013-14 survey, a total of 68 per cent of teenagers shop online, while 91 per cent own mobiles in smaller metros. Mobile phones and tablets were the most popular gadgets among teenagers, highlighted the survey.

#### Objective of the study

To study consumer preference at different markets with the special reference to Pune region.

#### Data and Methodology

- The study was carried out with the help of questionnaire and it aimed at the basic profile of the respondent like age, sex, family income etc.
- Further on, the respondents had to state whether they shop from the unorganized or the Organized-sector and rank their responses on a scale 1-5 (1-Highly Dissatisfied, 2-Dissatisfied, 3-Indifferent, 4- Satisfied, 5- Highly Satisfied).

- The respondents were required then to rank their responses on the following ten parameters level of prices, quality of fresh groceries, quantity and availability, variety and choice, availability of exotic fruits and vegetables, display, location, cleanliness and hygiene, home delivery and credit facility provided.

### **Sample size**

- We did the survey with the help of questionnaire and 126 responses were received from the different-different region of Pune city.

### **Limitations of the Study**

- The research is limited to the consumers in the city of Pune only.

### **Observation and Findings**

- It has been analyzed from the data that 72% of the respondents are satisfied with the product and services they get from their respective preferred market location.
- 36% of the sample has a monthly family income between ₹15000 to ₹30000.
- In the age classification, 54% and 33% of the sample were from the age bracket- 35-45 and 45 & above respectively.
- From the data it has been calculated 78% people prefer organised sector for electronic goods, and unorganised in stationery whereas there is almost 50-50 ratio between the sector in jewellery, groceries and clothing.
- People have their own reason to prefer a sector over other. 88% people prefer organised sector due to its good quality, discounts & offer, & good service about 12% of respondent prefer unorganised sector because of its location.
- It is seen that 72% of the respondent are satisfied with preferred market location.

### **Road Ahead**

Organized retail is a new phenomenon in India and the market is growing very rapidly. The middle class growing very rapidly that is important factor which contributing in the growth of Indian retail sector. Organized retail penetration is expected to increase from 7.5 per cent in 2013 to 10 per cent in 2018 at a robust CAGR of 19-20 per cent during that period. According to a report up to 2030, it is estimated that currently 21 million household converted into 91 million households who are 'middle class'. Driven by a combination of demand, supply and regulatory factors, the Indian retail sector is set to grow rapidly with a gradual shift toward organized retailing formats. Tier-II and Tier-III cities are emerging as the new 'hot spots' of consumption. Organized retailers are increasingly setting up stores in these smaller cities with increasing focus on profitable growth in the sector. E-commerce is also expected to be the next major area for retail growth in India. Along with this, achieving profitable growth and inventory management are also some major areas of focus in the times ahead for the retail companies in India.

Online retail business is also an important form at which has high potential for growth in the near future. The online retail segment in India is growing at an annual rate of 35 per cent, which would take its value from Rs2,000 Crore (US\$ 429.5 million) in 2011 to Rs 7,000Crore (US\$ 1.5 billion) by 2015. These days most of the companies want to sell their products online because it attract a mass number of customers. The foreign direct investment (FDI) inflows in single-brand retail trading during the period April 2000 - July 2014 stood at Rs 842.53 Crore (US\$ 137.70 million), as per data released by the Department of Industrial Policy and Promotion (DIPP). Liberty Shoes has planned to improve its retail presence as it plans to double the revenue to Rs 1,000 Crore (US\$ 165.38 million) within three years. Wal-Mart Stores invested Rs 623 Crore (US\$ 101.82 million) into its Indian cash-and-carry operations in June 2014 to expand its network, thereby taking its total investment in the country to nearly Rs 2,000 Crore (US\$ 326.91 million). UK-based Tesco in equal partnership with the Tata Group's Trent plans to open six to eight new stores in Maharashtra and Karnataka under three of its formats this financial year. The stores will take the total number of Tesco-Trent outlets in the country to 20.

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