



A STUDY ON RURAL AND URBAN REGION OF ONLINE TRADING RETAIL SECTOR WITH SPECIAL REFERENCE TO TAMILNADU

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ABSTRACT

Retail sector is growing in India year by year; India's strong growth fundamentals along with increased urbanisation and consumerism are the key drivers and they have opened up immense scope for retail expansion. Generally Indian rural retail stores are in the form of haats, bazaar and either melas or jatra. Undeniably, the urban market such as metropolitan cities, tier II, III cities offers great opportunities to organized retailers but they are anticipated to saturate in the near future due to entry of e-commerce and online service provider. Hence, most big retail companies are envisaging entering in untapped rural retail market. Corporate backed hypermarkets, retail chains, privately owned large retail businesses are

some of the examples of organized retailing and it occupies just 6-8% share in rural and urban retailing

Key words: Rural marketing, consumer behaviour, retail.

INTRODUCTION

This paper investigate the modern retails developments and growth of online retailing formats .India is fifth largest market in the world and ranks fourth among the surveyed 30 countries in terms of global retail development. Day by day changing lifestyle, increasing dominance of western culture, rising population and rising income of rural and urban population is influencing the retail sector with growing literacy level and quality

consciousness. The retail Indian industries has been emerged as most dynamic and fast paced industries due to the entry of several key players into the India's retail market. The Indian retail industry is segregated into two sectors: organized and unorganized retailing. Organized retailing consist of those kind of trading activities which are undertaken by retailers who are registered for income tax, sales tax etc. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

Consumer Durable- India will be fifth largest consumer durable market in the world by 2025. The consumer electronics market is expected to increase to US\$ 400 billion by 2020. The production is expected to reach US\$ 104 billion by 2016. The rising demand from rural and semi-urban areas is projected to increase at a CAGR of 25 per cent to US\$ 6.4 billion by FY15, with rural and semi-urban markets are contributing majorly to consumer durables sales. In rural markets,

durables like refrigerators and all other consumer electronic goods are likely to reach growing demand in the coming years as the government planning to invest significantly in rural electrification.

The concept of retail as entertainment came to India with the advent of malls. Mall fever that is commonly referred has touched every facet of Indian society. Shopping Mall refers to a set of homogenous and heterogeneous shops adjoining a pedestrian, or an exclusive pedestrian street, that make it easygoing for shopper to walk from store to store without interference from vehicular traffic. The development of malls is now visible not only in the major metros but also in the other parts of the country. There is also emergence of hyper markets, speciality stores and super markets which is providing customer 3V's- Value, Variety and Volume. Thus, the Indian Retail Evolution can be classified in four phases:

- Initiation - Pre 1990s
- Conceptualization - 1990 – 2005
- Retail Expansion - 2005 through 2010
- Consolidation and Growth - 2010 onwards

Objectives:

1. To analysis the trend of online trades in retail sector in India.
2. To offer suitable suggestion to the policy makers in respect of online trading in retail sector.

It is expected that the proposed study may disclose new highlights in respect of online trading particularly in retail sector. It is also possible to explore the challenges and point out the opportunities involved in the online trading to all the parties concerned viz., traders, middlemen, consumers and the Government. And the proposed research may open new ways to explore in the sector in future

METHODOLOGY OF THE STUDY

The principal method used was Personal Interviewing of the respondents. In-Home interviews were conducted by us at various locations in Tamil nadu. The users include the old and the young population.

Sample Size: In this study, primary data is collected from the people who belong to Tamil nadu. There are 120 respondents were selected for this study. Convenient

sampling method is used in the present study.

COLLECTION OF DATA

Both primary and secondary data have been collected for the research work

PRIMARY DATA

A well – structured questionnaire schedule was prepared for the purpose of collection of data. The questionnaire related towards the major satisfaction factors considered by the consumer while impact of online trading on retail sector

SECONDARY DATA

Secondary Data was collected from the journals, magazines, research reports and from the companies' websites. He also visited the dealer premises and had a discussion with the dealers, manager and consumer care executive regarding consumer preferences and satisfaction over the online trading on retail sector. Their ideas are taken into consideration for drafting final questionnaire.

Percentage analysis:

The frequency distribution (Descriptive/Percentage analysis) of the variables were

calculated with the help of simple percentage, by writing the formula

$$fd = f/n * 100$$

Where, fd denotes frequency distribution, f denotes the number of respondents, and n denotes the total number of sample population.

PERIOD OF STUDY

The study has been conducted during six month period from January to June – 2017

REVIEW OF LITERATURE

Malliswari (2007)25: in her study about “Emerging trends and strategies in Indian retailing” indicates that the demanding ascertain Indian consumer is now sowing the seeds for an exciting retail transformation that he already started bringing in larger interest from international brands /formats. With the advent of these players, the race is on to please the Indian customer and it’s time for the Indian customer sit back and enjoys the hospitality of being treated like a King.

Gopu and Girija (2012)35: revealed that organized retailing in India is surely on the edge for a take off and will provide many opportunities both for existing players as

well as new entrants. Major spending on food and increasing usage of out of home food consumption represent a significant opportunity for food retailers and food service companies. To be successful, retail management must be well informed about the extent to which shop’s activities contribute towards the overall as well as different dimensions of service quality and attributes. This requires continual measurement and identification of areas that acts as cues for consumer expectation and satisfaction.

Raji Reddy and Osman Bin Salam (2012)51 in their study stated that the convenience and personalized service offered by the unorganized sector holds its future in good stead for the future. Organized retail of late has seen a tremendous boom and is attracting more people to the malls. Interestingly, marketer pressures from India’s burgeoning consumer class and their growing demand have already started to spur agricultural reform and increased investment in India’s “farm to retail” field by the private sector. It seems that India’s growing consumer market might be taking on a life its own.

The urban population’s contribution in India’s GDP shot up from 29 per cent in 1951 to 60 per cent in 2001 and increased

to 70 per cent in 2011, as migration to cities and towns grows rapidly in anticipation of higher income opportunities provided by these epicentres. Moreover, the continuous development in urban areas has invariably attracted substantial inflows of capital both from domestic and foreign investments have led to the transition of urban areas. As the Indian organised retail is mainly concentrated in the urban areas, its growth (urban areas) is imperative for the organised retail in the country.

Changing face of rural customer In a market where life has revolved around deep rooted community values, joint families, and social customs and taboos, marketers realize that the traditional routes of market entry and brand building employed in urban India are often not feasible. In recent times, rural India has witnessed a wave of change. The educated Rural (males in the 15-34 age group) is moving out to work in nearby towns and cities, and sending money home to his family. This has created an indirect increase in disposable incomes and a surge in demand for consumer goods. The rural youth are slowly evolving as “opinion leaders” in influencing brand and product decisions in a market that was swayed by village elders for the centuries. Focused

brand-building initiatives—like participation at community events such as —Melas, —Haats, street theatre, van campaigns, and puppet shows generate positive word-of-mouth and influence buying decisions.

SIGNIFICANT

Therefore, this study is very important because it offers a scale to measure the impact of retail service quality on customer loyalty.

By assessing service quality perception of customer, a retailer can identify priority areas therefore, enabling the retailer to concentrate on the most obvious changes that need to be made, to arouse favourable behavioural intentions of the customers

India’s E-commerce market is growing at 20 to 30% CAGR and... Flipkart offers a range of goods online, including books, music, consumer electronics, etc. Several factors are driving the growth of India’s online retail market, including internet penetration, the convenience of purchasing products online, etc. Senior management at Flipkart believes that consumer behaviour is changing and in a few years, “Everyone will be buying everything online, just like they buy only their tickets online today.”

As the market evolves, so will the consumer.

DATA ANALYSIS AND INTERPRATION

Table 1

Classification Of The Respondents Based On Gender

Particulars	No. of respondents	Percentage
Male	62	52
Female	58	48
Total	120	100

Sources: primary data

Interpretation:

The table shows that 52% of the respondents belongs to male categories and 48% of the respondents belongs to female categories.

Chart 1

Classification Of The Respondents Based On Census

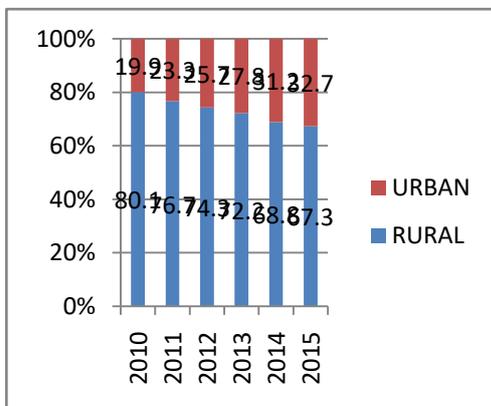


Table 2

Classification Of The Respondents Based On consumer purchase the category

Particulars	No. of respondents	Percentage
Rural consumer	52	43
Young consumer	48	40
Middle consumer	20	17
Total	120	100

Sources: primary data

Interpretation:

The table shows that 43% of the respondents are rural consumer ,40% of the respondents are Young consumer 17% of the respondents are Middle consumer.

Table 3

**Classification Of The Respondents
Based On Share of Retail Segments in
Total Retail Sector**

Particulars	No. of respondents	Percentage
Clothing & Textiles	29	25
Food & Grocery	25	21
Consumer Durables	19	16
Footwear	15	13
Furniture & Fittings	10	8
Catering Services	5	4
Jewellery & Watches	3	2
Books, Music & Gifts	5	4
Mobiles & Telecom	4	3
Others	5	4
Total	120	100

Sources: primary data

Interpretation:

The above table shows that the 25% of the respondents are Clothing & Textiles , 21% of the respondents are Food & Grocery , 16% of the respondents are Consumer Durables ,13% of the respondents are Footwear and 8% of the respondents are Furniture & Fittings

Table 4

**Classification Of The Respondents
Based On share of Rural & Urban in
Retail Sector**

Particulars	Rural	urban
Food	60	40
Clothing & Footwear	58	42
Misc. Consumer Goods	55	45
Consumer Durables	56	44
Consumer Services	50	50
Entertainment	35	65

Sources: primary data

Interpretation:

The above table shows that the maximum of 60% of respondents are food product in rural 58% of the respondents are Clothing & Footwear purchase in online and the majority of the consumer purchase in urban regions.

FINDINGS

- The majority of (52%) of the respondents are male
- The majority of (80.1%) of the respondents are urban population in the year of 2010.

- The majority of (43%) of the respondents are rural consumer .
- The majority of (25%) of the respondents are Clothing & Textiles
- The majority of (60%) of the respondents are rural retailer and (65%) of the respondents are Entertainment

SUGGESTION

- The retail outlets can invest in supply chain, buy directly from the sources and eliminate middlemen and can attempt to obtain volumes in buying by aggregating the requirements of various stores
- Retailers should help customers to explore the store. For this shopping should be made more adventurous by continuously upgrading the product portfolio, by changing the layout and by providing the touch and feel experience.
- The sales person has major role to attract and retain customers. Stores must take pain to make sure that sales person are educated, experiences, helping nature, has a neat and clean outlook and is cheerful knowledgeable.

Conclusion: An attempt has been made to understand the marketing issues underlying marketing of retail products in rural areas and what are the opportunities for retailers to entering rural areas in a big scale. Various issues which need to be addressed to make rural retail services a success in rural areas in the country have been brought out and so is the importance of use of existing institutional infrastructure. Thus for success in rural retail marketer have to be innovative in both product which they offer and the ways in which they tackle the challenges posed by rural markets. And maximum foreign companies retail shops are more operating in India, domestic retail shops are only few. And domestic Retail industries are facing so many problems like Dearth of skilled manpower, numerous clearances required to set up a retail outlet, lack of basic infrastructure like roads, power, water, lack of efficient supply chain management, lack of sufficient retail space etc., so government has take some major steps to remove these bottlenecks of Indian retail industry and it has to promote the domestic retail industry and it has to take some measures to organize retail sector in India.

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