European Economic Letters
ISSN 2323-5233
Vol 13, Issue 5 (2023)
http://eelet.org.uk

Impact of Consumer Perception of Unorganized Retailing on the Purchase of Branded FMCG Products

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Abstract
The study examines the intricate relationship between consumer perception, unorganized retailing, and the purchase of branded fast-moving consumer goods (FMCG). Additionally, it investigates how to enhance consumers' attitudes towards unorganized retail outlets concerning their acquisition of branded FMCG products. The study utilizes a quantitative method approach. To test the hypothesis, data from 200 respondents in the Delhi-National Capital Region (NCR) were collected through a structured questionnaire. The results show that consumer perception has a positive impact on the purchase of branded FMCG products. The finding shows that unorganized retailing had a significant role in consumer perception. Moreover, the research reveals a notable connection between the challenges consumers encounter while buying from unorganized retail stores and their perception of these outlets. The study contributes valuable insights for academia and industry, especially within India's unorganized FMCG retail sector. This research underscores the evolving dynamics of consumer behaviour in the face of changing demographic patterns, economic growth, and the rise of organized retailing. In conclusion, the study elucidates the intricate interplay between consumer perception, unorganized retailing, and the acquisition of branded FMCG products in the evolving landscape of retail markets.

Keywords: Consumer Perception, Unorganized Retailing, Branded FMCG Products, Purchase Behaviour, Kirana Stores

1. Introduction

In India, organized retail models are becoming more prevalent. Increased competition and the entry of foreign merchants into the organized retailing sector create new shop forms, but they also raise concerns about the future of traditional small retail (Kirana) establishments. **(Sengupta, 2008; Goswami & Mishra, 2009; Gopalakrishnan and Sreenivasa, 2009; Ramkrishnan, 2010)**. Small retail establishments make up these "Kirana" stores, which account for a sizable portion of the Indian retail market. According to reports, India's retail business is expanding. The data from A. T. Kearney and KPMG, which classified India as the second-fastest-growing retail sector around the world, is clear evidence of this. The Indian retail market is predicted to be worth USD 800 billion, with organized retail growing by 20% in 2018. As a result, just 9% of the Indian retail sector is organized, with the remaining 91% being an unorganized retail market. **(Balkrishan, 2019).** In most developing countries, including India, the bulk of retailers are still small, unorganized businesses. The term "unorganized retailing" refers to the traditional formats, which are mostly owned and operated, have reasonably priced buildings, and take up only a small amount of actual land. These establishments are frequently referred to as neighbourhood **Kirana stores** (**Dugar & Chamola 2021**). However, over the last ten years, scholars' interest in India's organized retailing tendencies has grown. First, India has a sizable consumer market that is expanding due to a changing lifestyle and rising income levels. **(Sathish and Raju, 2010)**; second, there has been a trend toward investment

in India's retail sector on the part of multinational corporations. (**Halepete *et al.*, 2008; Ramkrishnan, 2010**). Third, the retail industry in India is expanding at a rate of between 25 and 40 per cent every year. (**Sathish and Raju, 2010**). Customers are fleeing unorganized retail for several reasons, including their discontent with the pricing policies of unorganized retailers and the poor quality of the products that they sell. (**Kumar et al. 2008**). Consumers shop at organized merchants for competitive pricing and a wide selection of products and at speciality stores for one-of-a-kind things that they cannot locate anywhere else (**Brennan & Lundsten 2000).** Therefore, traditional small stores are facing stiff competition from organized retailers **(Goswami, 2008)**. The entry of global retailers is likely to have an impact on sales of small retailers that operate on small margins. Consumers' preference for organized retail can lead to severe economic problems as kiranas and small stores employ a large section of society **(Gopalakrishnan and Sreenivasa, 2009)**. Small, unorganized retail stores, on the other hand, find success in their particular environment. Even huge portions of the retail industry that are not organized have not reported feeling threatened by the expansion of organized retailing. The unorganized market provides customers with access to a diverse selection of fast-moving consumer goods. The unorganized retail businesses have taken benefit of their geographical location and regional significance to expand into sparsely populated areas where national brands are scarce. They have an edge due to the low cost of their infrastructure. They reorganized and reinvented themselves by providing consumers with self-service formats and additional services, such as payment with credit and home delivery. To maintain their market position, unorganized retailers have sought to attract customers through the provision of new service dimensions and the creation of distinctive purchasing experiences. For instance, customers prefer kiranas for a variety of reasons, including their accessible location, delivery to their homes, personal relationships with the merchant, provision of credit, and acceptance of instalment payments. **Srivastava, (2012)** in his study showed that the overall customers‟ perception across urban and suburban was not varied. The customers were ready to pay higher prices for branded goods across the urban and suburban areas. They gave priority to purchasing groceries from nearby shops while for purchasing apparel they liked to travel some distance. **Nair & Nair, (2013)** in their study revealed that the consumer perception of service quality in retail was influenced by various natures among various customers and some of the general factors like personal interaction, and physical aspects on which customer perception remained constant and common.

Though several papers discuss consumer perception of organized retail, no paper highlights the impact of consumer perception on the purchase of FMCG-branded products in the context of unorganized retail. To address the gap, this study attempts to explore a simple but profound question, do these customers purchasing FMCG branded products decisions get affected by their perception of unorganized retailing? Therefore, finding out how consumers feel about using unorganized retail outlets to buy name-brand FMCG products was the driving force behind this study. Hence, we formulate the following research objectives.

i. To identify the impact of consumer perception on purchasing branded FMCG products.
ii. To identify the impact of unorganized retailing on consumer perception.
iii. To examine the problems that consumer faces while buying from unorganized retail stores (Kiranapreneur stores).

To accomplish these objectives, the primary technique of data collecting is utilized in conjunction with the quantitative data approach. A random selection procedure was used, and a questionnaire was used to collect information from 200 people in the Delhi-National Capital Region (NCR). To arrive at these findings, software was used such as SPSS and methods like the regression analysis method, the coefficient, and correlation. The result confirms that consumer perception has a positive impact on the purchase of FMCG-branded products in unorganized retail. The paper is organized as follows. Section 2 highlights the previous literature. Section 3 presents the research, methodology, sampling, data. Section 4 provides results, followed by discussion of the result, and then Section 5 concludes with contributions and limitations of this work presented followed by Section 6, with limitations and direction for future research.

2. Literature review

The current study's literature review looks at works by a variety of authors to identify areas of study need and existing challenges. To accomplish this, this section has been divided into three sections, namely:

i. Consumer Perception of Branded FMCG Products
ii. Consumer Perception of Organized and Unorganized (Kirana shop) Retailing
iii. Problems Faced by Unorganized Retailers

2.1 Consumer Perception of Branded FMCG Products

Consumer perception describes how consumers are aware of, perceive, and feel about a company, its brand, as well as its goods and services. A customer’s perception of a product starts from the moment they hear about it or see it for the first time. This process is repeated until the client starts to acquire an opinion about the service. **Dwivedi and McDonald (2018)** studied how brand marketing communications affect the credibility of fast-moving consumer goods companies. The term “Fast-Moving Consumer Goods” (FMCG) refers to low-priced, easily accessible products that are sold in large quantities (**Abraham 2019**). Products that are not meant to last a long time in a home include things like canned and packaged foods, drinks, toiletries, sweets, cosmetics, and dry goods. Products that are low-priced, readily available, and

do not necessitate extensive deliberation or savings to buy are examples of what are known as "fast-moving consumer goods (FMCG)" (**Dibie & Kalu 2019**). **Kumar, N. A., and Joseph, J. (2014)** determined the relative importance of several aspects. This research found that consumers in rural areas placed a higher value on the 'quality' of the FMCG-personal care products they purchased than on the normative influences or social attractiveness of brands through celebrity endorsements in the media. According to research conducted by **Jeevananda, S. (2011)**, both customers and retail shop managers agree that product quality and name recognition are the most important factors in influencing consumer purchases.
"Fast-moving consumer goods (FMCG)" have a short shelf life due to strong demand or quick product decay. "Meat, fruits, vegetables, dairy products, and baked" items are all examples of FCMs that spoil quickly. Products with high turnover include alcoholic beverages, personal care items, canned and packaged foods, carbonated beverages, and household cleaning supplies (**Vibhuti & Pandey 2014**). FMCG firms place a premium on building reputable brands, and as such, they invest substantial resources into doing so. Brands are discussed as "physical expressions" of luxury, and distinctive product characteristics are discussed as the source of consumers' impressions of a brand's luxuriousness **(Turunen, 2017).** Differentiation based on functional features is challenging in this competitive industry yet branding still leads to customer loyalty and increased revenue **(Loureiro, et al., 2020).**

The authenticity of a brand can be developed either directly or indirectly. **Kumar, N. A., & Joseph, J. (2014)** determined the extent to which various factors influenced rural and semi-urban customers' decisions to buy "fast-moving consumer goods (FMCG)" soaps and detergents. The study found that people in rural areas cared more about the 'quality' of the FMCG-personal care products they purchased than they did about the normative effects or social attractiveness of the commodities themselves, as shown by celebrity endorsements in the mass media. By building stronger relationships with customers, companies gain a competitive edge. Even how a company wishes its image to be in the eyes of its target audience is also dependent on how its customers feel about it **(Pelet et al., 2020).** Research conducted by **Srivastava, K., & Sharma, N. K. (2013)** examined how customers' perceptions of quality, incongruence, involvement, and risk influenced their reaction to a brand expansion, accounting for both "fast-moving consumer goods (FMCG)" and "durable goods (DG)" and "services." The effects of variables proved to be vastly varied amongst the three distinct kinds of goods. In contrast to fast-moving consumer goods and consumer durables, the influence of perceived quality was larger in the service sector. However, when comparing FMCG brand extensions to evaluations of durables and services, perceived risk and involvement played a more significant role. Research conducted **by Jeevananda, S. (2011)** at Bangalore's retail chain stores examined the degree to which the perceptions of store managers and customers align to boost brand equity concerning products of fast-moving consumer goods. The study supports that, consumers & store managers agreed that product branding and quality have the greatest influence on sales.

2.1.1 Changes in Consumer Perception of Branded FMCG Products (Pre and Post covid)

Due to both the proliferation of smartphones and the increasing sophistication of internet users, online shopping has exploded in popularity. Traditional businesses like fast-moving consumer goods (FMCG) manufacturers are racing to take advantage of the new possibilities in the market that have arisen as a result of technological advancements. People's attitudes and behaviours about online buying have shifted after COVID-19. The changes in the organization from the conventional model (from middlemen to customer) to a newer form of model (organization to customer directly), as a result of the lockdown during the pandemic, which included stringent social segregation policies as well as travel restrictions that made the unavailability of products at stores. Other factors, such as the shutdown of supermarkets and shopping centres, are also responsible for the transition to the newer model **(Gupta et al., 2021)**. The new model is also called the hyperlocal distribution model **(Guru, 2023)**.

There are two categories of hyperlocal models. Platform model and the inventory model, which are differentiated in Indian retail. In the case of inventory-based business, businesses receive orders, and goods are retained in their warehouse and shipped according to the requirements. However, in the case of the platform model, there is a distinct competitive edge because local retailers from nearby areas take orders and distribute groceries via a mobile application or online order. Due to the high cost of warehouse and supply chain setup, the inventory model ends up being more expensive than the platform approach. The strategy in the hyperlocal model does not spend much on the storage of the products.

Customers' growing unwillingness to brave the streets and purchase basics has driven the nation towards e-commerce, as have the government's tight laws. Many people now choose to buy anything from essentials to name-brand luxury items via online marketplaces rather than visiting physical stores. Indeed, food hoarding was given a significant boost by the March 2020 declaration of the **COVID-19** emergency. This was shown in the rise of online grocery shopping as people sought to avoid running into empty shelves and comply with the norms, especially those pertaining to social distance. Following COVID, it was found that the perceptions of consumers on perceived risk, trustworthiness, and ease of use substantially influence their decision to make an online grocery purchase. Important government actions such as demonetization and the GST, encouraged digital payments. **(Muhammad Affan, 2022).**

2.2 Consumer Perception of Organized and Unorganized (Kirana shop) Retailing

To *"retail"* anything means to sell it to individuals for their own, non-commercial usage. Any commercial establishment which generates the bulk of its revenue from retail sales is categorized as a retailer. Retailing encompasses all businesses that sell directly to customers, from those who produce goods to those who sell them to consumers. It makes no difference how the products are marketed or sold (**Venkatesh & Sindhu 2019**). Retailers offer a variety of services to their consumers, including being placed in handy areas, tailoring their product selections to specific purchasing chores, and stocking products in quantities that are in line with individual needs (**Varley & Rafiq 2014**).

The phrase "unorganized retailing" is used to describe the most common place forms of low-priced retailing, such as Kirana, independently owned supermarkets, corner stores, and street vendors (**Jain 2012**). The combination of Kirana **+ Entrepreneur (Kiranapreneur)** indicates the entrepreneurial spirit and business acumen required to run a successful Kirana store in a highly competitive market. **Kiranapreneur** is an entrepreneur who owns and operates a small unorganized retail store, commonly known as a kirana store, in India. These stores are typically family-run businesses that sell daily essentials such as groceries, snacks, and personal care items, often located in residential areas and catering to the local community.

Small company owners who operate on a smaller scale and offer non-branded goods make up the unorganized retail sector. They have a set place where they offer things in divided quantities. Some merchants might be on the move within a constrained geographic area (**Chawla et al., 2019**). Unorganized Indian shops would rather not employ technology. Instead, they use staff as their salespeople and assistants. Nonetheless, they hold great promise for effective trade and inventory management. The Indian retail sector is largely unstructured, although there are small shops that can bring one what one needs within minutes. These local businesses survive with minimal internet access, subpar products, and a tight supply network. Low-price retail models are also used by street vendors of produce and groceries as well as by local cloth merchants.

The article by **Kumar, A., and Khan, F. (2020)** described the function of both informal and formal retail in India. The potential for retail was outlined in depth. It is hypothesized in the research that small merchants will be forced to close their stores and seek other forms of employment as a result of FDI. **Venkatesh, N., and Sindhu, S. (2019)** investigated customer views on organized and disorganized retail. Hypermarkets, supermarkets, department stores, specialist chain shops, and shopping malls are all examples of organized retail. Whereas "unorganized retail" or traditional retail in India is dominated by a vast network of small businesses, such as Kirana shops, general stores run by their owners, pharmacies, shoe stores, clothing boutiques, paan and beedi shops, hand-cart hawkers, sidewalk sellers, etc. **Burlakanti, K., & Srinivas, R. V. (2013)** examined consumer attitudes about both chain stores and independent vendors in the retail industry. Through their research, the authors hope to shed light on consumers' mental states, which will prove useful to both traditional and e-commerce enterprises, which can adjust their marketing and sales approaches to better attract and keep customers. The elements that make people favour organized retailing over unstructured ones are outlined by **Talreja, M., and Jain, D. (2013)**. When it comes to buying food, **Goswami, P., & Mishra, M. S. (2009)** figured out if Indian consumers are inclined to switch from the traditional Kirana stores to the huge, organized retailers. Then discovered that Kiranas fared well in terms of location but poorly in terms of cleanliness, offers, quality, and helpful, trustworthy salesmen. When it comes to structured retailers, the opposite is true.

2.3 Problems Faced by Unorganized Retailers

Kesavan, D. et al. (2019) evaluated the difficulties encountered by retailers due to poorly arranged stores. It turns out that retail is a major factor in the difficulties that people face. According to **Juvairiya (2018),** there are many issues that unorganized retailers in rural areas face. The result demonstrates that significant differences exist among merchants on concerns such as shoplifting, bad debts, rivalry from organized retailers, and difficulty acquiring funding. As a result of the widespread entry of organized merchants, **Purushothaman, V. M. (2018)** examined the difficulties experienced by unorganized retail entrepreneurs in Kerala. The study showed that unorganized retailers in Kerala have a hard time staying in business due to the prevalence of organized retailers in the area, so it's likely that many of them will go out of business in the near future. Meanwhile, **Nayan, R., & Aggarwal, S. P. (2021)** outlined the problems that consumers face, including pricey goods, stale goods, poor customer service, careless product handling, a narrow selection, and low quantities. Therefore, in business-to-business platforms in India, small and unorganized retailers are joining several apps, such as Unilever's Shikhar app, which allows retailers to place orders whenever they want without having to wait for a salesperson to visit the store. According to the HUL report 2023, the app recommends ordering at any time, a simple credit application process, dependable service, and analytics-based recommendations for the best time of product delivery. These benefits encourage shops to sign up for the Shikhar app **(HUL report 2023)**. This will alter how future unorganized retail will function. That would make it simpler for small businesses to provide consumers with additional discounts and deals, which will change how customers interact with unorganized retailers.

European Economic Letters
ISSN 2323-5233
Vol 13, Issue 5 (2023)
http://eelet.org.uk

3. Research Methodology & Data

The primary objective of this study is to enhance understanding of customers' perceptions regarding unorganized retailing concerning their purchases of branded Fast-Moving Consumer Goods (FMCG) products. A sample of 200 participants was randomly selected from the Delhi-National Capital Region (NCR), and data was collected through a structured questionnaire. The research employed advanced statistical techniques, including regression analysis, coefficients and correlation utilizing the SPSS software to draw meaningful conclusions from the gathered data.

Based on the above brief critical analysis of the review of literature, the primary argument of the study is to find out the gap. As a result, the primary study of the topic is built on attempting to address emerging facts concerning consumer perceptions of unorganized retailing on the purchasing of branded FMCG products. Based on the above statement of the research problem, these are the following research questions:

i. How does consumer perception influence the purchasing behaviour of branded FMCG products?
ii. How does the presence of unorganized retailing affect consumer perception of FMCG products?
iii. What are the common challenges and difficulties faced by consumers when purchasing from unorganized retail stores (Kiranapreneur stores)?

3.1 Hypothesis Formulation

i. Hypotheses related to Consumer Perception and Purchase of Branded FMCG Products:

H0: There is no significant impact of consumer perception on purchasing branded FMCG products.
H1: There is a significant impact of consumer perception on purchasing branded FMCG products.

ii. Hypotheses related to Unorganized Retailing and Consumer Perception:

H0: There is no significant impact of unorganized retailing on consumer perception.
H2: There is a significant impact of unorganized retailing on consumer perception.

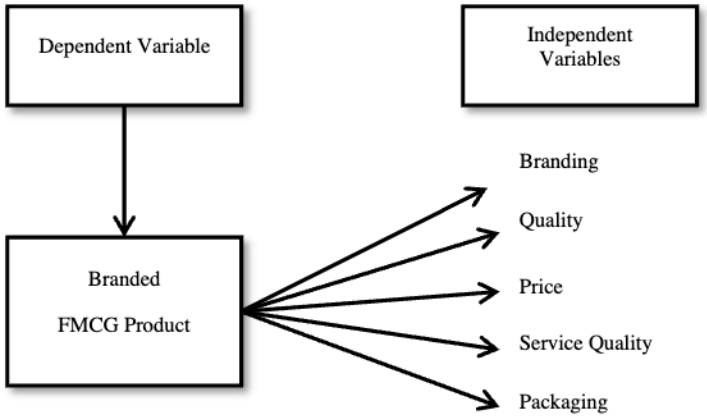
iii. Hypotheses related to Problems Faced by Consumers & Buying from Unorganized Retail Stores:

H0: There is no significant impact of the problems faced by consumers on buying from unorganized retail stores.
H3: There is a significant impact of the problems faced by consumers on buying from unorganized retail stores.

These hypotheses serve as the foundation for testing and analyzing the data collected in the study, allowing for a structured examination of the complex relationship between consumer perception, unorganized retailing, and the purchase behaviour of branded FMCG products.

3.2 Conceptual Framework of Research

The conceptual framework for this study is structured around the relationship between consumer perception and the purchase of branded Fast-Moving Consumer Goods (FMCG) products. The dependent variable in this context is the purchase of branded FMCG products, while the independent variables include branding, quality, price, service quality, and packaging. The study aims to investigate the impact of these independent variables on consumer perception and, subsequently, their influence on the purchase of branded FMCG products.



1: Conceptual Framework

3.3 Research design

A mixed research approach, utilizing both primary data gathering methods and a quantitative data methodology is used in the study. The study entails determining customer perception (i.e., opinions, feelings, and beliefs of customers toward the organization brand) regarding unorganized retailing on the purchase of branded FMCG products.

European Economic Letters
ISSN 2323-5233
Vol 13, Issue 5 (2023)
http://eelet.org.uk

3.4 Sampling

The present study is based on primary data collection. To obtain primary data, a structured questionnaire was distributed at random to residents of the Delhi-National Capital Region (NCR). 450 questionnaires were distributed at random, of which 309 were received, representing a 68.6% response rate. Of these 309 responses, 200 were chosen, as the other responses were omitted due to insufficient data in both the demographic data section as well as the scale items.

3.5 *Statistical Tools and Techniques*

As previously declared, primary sources are used to collect data. The data-gathering strategy was used concurrently to achieve the current study results. The results were generated and assessed using statistical methodologies and processes. SPSS and Excel are used as research tools. In addition, as indicated in Table 1, descriptive statistics with regression and correlation analysis are used to evaluate the hypothesis.

Correlation: Correlation is a statistical word that quantifies the strength of a link between two variables by describing how closely they are connected.

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum(x_i - \bar{x})^2 \sum(y_i - \bar{y})^2}}$$

Regression: The regression statistical approach may be used to build a correlation between two variables and investigate the reciprocal impact they have on each other. The equation creates a relationship between two variables. The use of this method for predicting future trends and occurrences is a common practice.

$$Y_i = f(X_i, \beta) + e_i$$

Table 1: Statistical Techniques used for Hypothesis and their Description

Sr. No.	Hypothesis	Statistical Technique	Data Required	Data Method Collection
H1.	There is a significant impact on consumer perception of purchasing branded FMCG products.	Regression	Respondents feedback	primary
H2.	There is a significant impact of unorganized retailing on consumer perception.	Regression	Respondents feedback	primary
H3.	There is a significant impact of the problems faced by consumers on buying from unorganized retail stores.	Correlation	Respondents feedback	primary

The study will satisfy the objectives/hypothesis based on the aforementioned issue identified in the literature review.

4. Results & Discussion

Data obtained from a sample of 200 were entered into SPSS, and statistical tests were conducted to examine the study's hypothesis, correlation analysis, and regression analysis. The subsequent section presents a comprehensive analysis of the test outcomes obtained from the collected data. Table 2 presents the demographic characteristics of the study sample. Table 2 shows the Demographic Characteristics of the respondents in the context of their Gender, Age group, Education, Occupation, Location, Monthly Income, and Marital Status of respondents. According to Table 2, out of 200 respondents, 42.50% are male and 57.50% are females, out of which 9.5% are Under 18 Years, 25.0% are from 18-24 Years, 34.0% are from 25-34 Years, 16.0% are from 35-44 Years, 10.0% are from 45-54 Years and 5.5% are 55 Years and Above. The maximum number of respondents have completed a bachelor's degree i.e., 34.5%. The further table shows the maximum number of respondents' monthly income varies from 20,000-39,999 i.e., 18.5%, these respondents belong to the 3-residence areas i.e., Rural, Sun-urban, and Urban, out of which most of them are from urban areas i.e., 50.0%. The table also shows that the maximum number of respondents are Married i.e., 54.5%.

4.1 Demographic Profile of the Respondents

Table 2: Demographic Profile of the Respondents

S No.	Demographic Characteristics	Category	N	%
1	Gender	Male	85	42.5%
		Female	115	57.5%
2	Age	Under 18 Years	19	9.5%
		18-24 Years	50	25.0%
		25-34 Years	68	34.0%
		35-44 Years	32	16.0%
		45-54 Years	20	10.0%

		55 Years and Above	11	5.5%
3	**Educational Level**	High school Education	24	12.0%
		Intermediate Education	51	25.5%
		Bachelor's degree	69	34.5%
		Postgraduate degree	37	18.5%
		Others	19	9.5%
4	**Occupation**	Student	38	19.0%
		Unemployed	15	7.5%
		Employed	51	25.5%
		Self-employed	56	28.0%
		Homemaker	28	14.0%
		Retired	12	6.0%
5	**Income Level (Monthly)**	Nil	56	28.0%
		Less than 20,000	25	12.5%
		20,000-39,999	37	18.5%
		40,000-59,999	36	18.0%
		60,000-79,999	32	16.0%
		80,000 and More	14	7.0%
6	**Residence Area**	Rural	30	15.0%
		Sub-Urban	70	35.0%
		Urban	100	50.0%
7	**Marital Status**	Single	78	39.0%
		Married	109	54.5%
		Others	13	6.5%

Table 3 shows that the hypothesis investigates whether Consumer Perception influences Purchasing Branded FMCG products. The dependent Consumer Perception was regressed on the predictive variable Purchasing Branded FMCG products, to assess H1. $F = 4.609$, $p < 0.05$, indicating that Consumer Perception plays a significant impact on Purchasing Branded FMCG products, ($b = .151$, $p < .005$). Thus, Branded FMCG products have a positive impact on consumer perception. Thus, the first hypothesis is supported. Furthermore, the R2 =.023 indicates that the model accounts for 2.3% of the variation in Purchasing Branded FMCG products.

Table 3: Regression Analysis

Hypothesis	Regression Weights	Beta Coefficient	R2	F	t-value	p-value	Hypotheses Supported
H1	Consumer Perception -> Purchasing Branded FMCG products	.151	.023	4.609	2.147	.033	**Supported**

Table 4 states that the hypothesis investigates whether Unorganized Retailing influences the Purchasing of Branded FMCG products. The dependent Unorganized Retailing was regressed on the predictive variable Purchasing Branded FMCG products, to assess H1. $F = 4.159$, $p < 0.05$, indicating that Unorganized Retailing plays a significant impact on Purchasing Branded FMCG products, ($b = .143$, $p < .005$). Thus, Branded FMCG products have a positive impact on unorganized retailing. These findings support the second hypothesis. Furthermore, the R2 =.021 indicates that the model accounts for 2.1% of the variation in Purchasing Branded FMCG products.

Table 4: Regression Analysis

Hypothesis	Regression Weights	Beta Coefficient	R2	F	t-value	p-value	Hypotheses Supported
H1	Unorganized Retailing -> Purchasing Branded FMCG products	.143	.021	4.159	2.039	.043	**Supported**

Table 5 states that there is a positive and statistically significant Pearson correlation between Unorganized Retailing and Problems Faced by Consumers ($r = .152$, $p < 0.05$). Hence, H3 is supported as a result. This demonstrates that an increase in unorganized Retailing would lead to more problems faced by consumers.

Table 5: Correlation Analysis

Hypothesis	Factor			Correlations		Hypotheses Supported
		Mean	SD	Pearson Correlation (*r*)	Sig value	
H1	Unorganized Retailing	16.8950	2.99312	.152	0.032**	supported
	Problems faced by consumer	20.9350	3.14647			
**. Correlation is significant at the 0.01 level (2-tailed).						

The primary aim of the study is to determine the significant obstacles encountered in the domain of unorganized retailing within the context of the business environment. The retail market for Fast-Moving Consumer Goods (FMCG) in India is primarily defined by the presence of unorganized merchants. The unorganized retail literature has paid little attention to the effects of customer perception on branded FMCG products, particularly in an unorganized retail context. This research gap deserves close attention, as the retail market of India is more of unorganized merchants. The motivation behind the study is to gain a deeper understanding of customers' viewpoints on the use of unorganized retail shops for purchasing branded fast-moving consumer goods (FMCG). The primary purpose of the study is to examine customers' perspectives on branded fast-moving consumer goods (FMCG) items concerning their perceptions of organized and unorganized retailing, with a special emphasis on local Kirana stores. Additionally, the study aims to identify and analyze the issues faced by these Kirana shops.

Previous research conducted by Dwivedi and McDonald (2018) explored the impact of brand marketing messages on consumers' perceptions of FMCG product authenticity. Kumar and Joseph (2014) highlighted the distinct motivations of consumers in rural and semi-urban areas when purchasing FMCG products. They emphasized that consumers in rural areas prioritize product 'quality' over normative influences or brand attractiveness, such as celebrity endorsements in the media. Furthermore, research by Jeevananda (2011) underlined the significance of product quality and brand recognition in influencing consumer purchasing decisions, a sentiment shared by both customers and retail shop managers.

Kumar and Khan (2020) raised concerns about the potential displacement of local merchants due to foreign direct investment (FDI), while Burlakanti and Srinivas (2013) delved into the consumer mental state and its implications for both organized and unorganized retail shops. Juvairiya (2018) highlighted significant differences among retailers in areas such as shoplifting, bad debts, competition from organized merchants, and financing challenges. Additionally, Nayan and Aggarwal (2021) shed light on the difficulties shoppers face in unorganized retail settings, encompassing issues like low quality, lack of freshness, incorrect product handling, limited product selection, minimal transaction volumes, and inadequate parking.

However, the global COVID-19 pandemic drastically altered conventional business operations, including consumer purchasing patterns. Individuals shifted towards online platforms for purchasing FMCG necessities due to restrictions on movement. The surge in online shopping led to the popularity of platforms like Amazon, Flipkart, Zepto, and Blinkit. The government and corporations also responded by developing apps like ONDC and Shikhar, facilitating online sales through local Kirana retailers. Notably, Flipkart collaborated with the logistics start-up "Shadow Fax" to enhance online grocery delivery, aligning with a hyperlocal e-commerce strategy.

The changing consumer purchasing pattern, particularly in the retail sector, made us look at how consumer purchases have an impact on branded FMCG products in unorganized retail. Retail managers can derive valuable insights from this study to better comprehend consumer perceptions of FMCG products. It will help retail managers to understand the role of branded FMCG products in unorganized retail that have an impact on consumer perception and future purchase intentions. The study provides crucial consumer perspectives that retail managers can leverage to grasp evolving consumer demands. With the insights gained from this study, retail industry managers can enhance their supply chain management for more effective operations.

5. Conclusion & Implications

In conclusion, our study reveals a key finding: consumer perceptions are subject to change over time, influenced directly by a company's decisions and actions. Despite facing several challenges in the Fast-Moving Consumer Goods (FMCG) sector, unorganized retailing in India has secured a significant market share. In contrast to organized retailing, which includes publicly traded supermarkets, licensed retailers subject to tax regulations, corporate-backed hypermarkets, and retail chains, unorganized retailing stands out for its low entry barriers and absence of stringent physical storefront requirements.

The historical context of Indian retailing showcases a landscape dominated by regional Kirana shops, necessitating residents to rely on their proximity to fulfil their needs. However, contemporary consumer opinions have shifted

substantially due to evolving demographic patterns, the rise of dual-income nuclear families, increased foreign direct investments (FDIs), economic growth, and heightened consumer awareness. Consequently, unorganized retailers must pivot their focus towards catering to the preferences and requirements of the local populace. Ensuring the quality of their products and adapting pricing strategies to meet competitive market dynamics, particularly with the emergence of organized retailing, is imperative.

Our study contributes valuable insights and recommendations to both academia and industry, addressing a notable gap in the unorganized FMCG retailing sector. Nevertheless, there are certain limitations to the study. It primarily concentrates on customer perceptions of FMCG items, with a sole focus on unorganized retailing, drawing insights from a sample of 200 customer perceptions, randomly selected for convenience. This sample may not precisely mirror the diverse retail landscape. Furthermore, the study's focus on Kirana retailers was limited in scope; a more extensive sample size would have enhanced representativeness. Given the increasing trend in purchasing branded FMCG products in the Delhi-NCR region across various demographics, future studies should explore the multifaceted factors influencing these purchases. Additionally, demographic variables can serve as control factors for forthcoming research, spanning both branded and unbranded FMCG products.

This paper provides an intricate understanding of consumer perceptions within Kiranapreneurs stores in an emerging market. It underscores that organized retailers perceive competition from the unorganized sector as their primary challenge, followed by competition within the organized retail segment, distribution channel inefficiencies, logistical complications, and retail shrinkage. Conversely, unorganized retailers consider organized retailing as their principal challenge, coupled with operational costs, logistical issues, competition from fellow Kirana retailers, and distribution channel inefficiencies. Comparing and contrasting these findings can offer valuable insights into the organized and unorganized branded FMCG sector.

The findings of this study offer several important implications for academia, the FMCG industry, and policymakers. Academically, it contributes to the existing literature by providing a nuanced understanding of consumer perceptions within Kiranapreneur stores, shedding light on the emerging market context. Moreover, it introduces a comprehensive framework to analyze the intricate relationship between consumer perception, purchase behaviour, and the dynamics of organized and unorganized retailing. In terms of the industry, especially the Fast-Moving Consumer Goods (FMCG) sector, this study advocates that maintaining product quality and aligning pricing strategies are crucial for both organized and unorganized retailers to stay competitive amidst the growing influence of organized retail. Policymakers can glean valuable insights from this research, urging them to formulate policies that foster a conducive environment for unorganized retailers, encouraging technological integration and efficient supply chain practices, thereby promoting equitable competition within the FMCG retailing sector.

6. Limitations & Future Research

Acknowledging its contributions, this study is not devoid of limitations. The sample size of 200 customer perceptions from the Delhi-National Capital Region may not fully encapsulate the diverse retail landscape of the entire nation. The study's scope, centred around consumer perceptions of FMCG items in unorganized retailing, may be considered narrow about the broader retail sector. Additionally, the geographical focus primarily on the Delhi-NCR region raises concerns about the generalizability of the findings to regions with distinct consumer behaviours and retail dynamics.

In envisioning future research trajectories, an extended and comparative analysis encompassing diverse regions of India is recommended to discern regional variations in consumer perceptions and purchasing behaviours. Incorporating demographic variables such as age, income, and education level into the analysis can provide a deeper understanding of their influence on consumer perceptions and purchasing patterns of both branded and unbranded FMCG products. Furthermore, a longitudinal study tracking consumer perception and purchasing behaviours over an extended duration is suggested, offering a dynamic perspective on how these aspects evolve and adapt to shifting economic and market conditions.

Acknowledgements

At the outset of my research paper, I want to convey my sincere appreciation to everyone who has helped me in this endeavour. I would like to express my thanks to our research supervisor for allowing us to develop this research paper on the topic of "**Impact of Consumer Perception of Unorganized Retailing on the Purchase of Branded FMCG Products**" which allowed me to do extensive research and gain a lot of knowledge. I would also want to thank my parents and other family members who have always provided me with spiritual and financial support. Last but not least, I would want to express my gratitude to all my friends who supplied me with wonderful guidance and suggestions during the execution of my research report. Cooperation and constructive feedback were advantageous for them. Lastly, I would want to thank those who have previously been acknowledged.

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