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A Comparative Study of Organised and Unorganised Retailers in the Home Appliances Market of Dharmapuri District"

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Abstract-The home appliance market in India has experienced rapid expansion in recent years, with both organized and unorganized retailers playing vital roles. This study examines and contrasts the operations, consumer engagement, and performance of organized and unorganized retail formats within the home appliances sector in Dharmapuri District. Drawing on data from 250 respondents and multiple local retailers, the research highlights key differences in pricing, customer service, promotional tactics, and after-sales support. Results indicate that while organized retailers provide a more structured and service-oriented experience, unorganized retailers maintain their success through personal relationships, trust, and convenient local access. The study offers valuable insights for manufacturers and marketers on how to effectively collaborate with both types of retailers to maximize market reach and enhance customer satisfaction.

Keywords: Organized Retail, Unorganized Retail, Home Appliances, Consumer Behavior, Dharmapuri District, Retail Comparison

I. INTRODUCTION

Retailing in India is undergoing a transformation with the rise of organised formats like brand showrooms, multi-brand chains, and e-commerce platforms. However, unorganised retailers including small electronics shops and independent dealers still command a significant presence, especially in semi-urban and rural areas like Dharmapuri District.

This study explores how these two types of retail formats operate in the home appliance sector and how they are perceived by consumers. Understanding their strengths and weaknesses can help brands adopt a balanced channel strategy.

II. OBJECTIVES OF THE STUDY

- To compare the service delivery of organised and unorganised home appliance retailers in Dharmapuri.
- To analyze consumer preferences between the two retail formats.
- To study the challenges and strengths of both retail formats.
- To offer suggestions for improving retail efficiency and customer satisfaction.

III. SCOPE OF THE STUDY

This study aims to explore and compare the operational dynamics, consumer preferences, and performance metrics of organised and unorganised retailers in the home appliances sector within Dharmapuri District, Tamil Nadu. The research focuses on understanding how these two retail formats influence consumer behavior, satisfaction, and loyalty in the context of home appliance purchases.

Geographical Scope:

The research is confined to Dharmapuri District, encompassing both urban and semi-urban areas where home appliance retail activities are prominent.

Retail Formats Examined:

- Organised Retailers: Includes brand-exclusive outlets, multi-brand retail chains, and large-format stores offering home appliances.
- Unorganised Retailers: Comprises local electronics shops, dealer-run stores, and informal retail setups prevalent in the district.

Product Categories Covered:

The study focuses on major home appliances such as refrigerators, washing machines, air conditioners, and microwave ovens, which are commonly available across both retail formats.

Target Population:

- Consumers: Individuals who have purchased home appliances from either organised or unorganised retailers in the past year.
- Retailers: Owners or managers of organised and unorganised home appliance retail outlets operating within Dharmapuri District.

IV.STATEMENT OF THE PROBLEM

The home appliance market in Dharmapuri District, Tamil Nadu, is characterized by the coexistence of both organised and unorganised retail sectors. Organised retailers, such as branded chain stores and large retail outlets, offer consumers a structured shopping experience with standardized pricing, after-sales service, and promotional benefits. In contrast, unorganised retailers, including small independent shops and local vendors, often attract consumers through personalized services, bargaining flexibility, and local accessibility.

Despite the growing presence of organised retail chains, many consumers in Dharmapuri still prefer unorganised retailers due to factors such as affordability, trust, and long-standing relationships. However, with increasing competition, changing consumer preferences, and the rise of e-commerce, it is essential to understand the perception of consumers towards these two retail formats. The study aims to analyze factors such as pricing, product variety, customer service, convenience, and trust that influence consumer preferences.

This research seeks to bridge the knowledge gap by comparing the advantages and disadvantages of both retail segments, examining consumer satisfaction levels, and identifying key determinants that shape their purchasing decisions. The findings will help retailers, policymakers, and stakeholders develop strategies to enhance consumer experience and improve the retail landscape in Dharmapuri District.

V. REVIEW OF LITERATURE

1. Consumer Preferences in Home Appliance Retail

Prabakaran and Sudhahar (2025) conducted a comparative study on consumer perceptions of organised and unorganised retailers in Dharmapuri District. Their research identified key factors influencing consumer choices, including pricing, promotions, after-sales service, and trust. The study highlighted that while organised retailers offer structured shopping experiences, unorganised retailers attract consumers through personalised services and flexible pricing. This underscores the importance of understanding consumer preferences in shaping retail strategies .

2. Technological Advancements and Consumer Behaviour

Senthilkumar and Sathiya (2023) explored the role of technological advancements in consumer behaviour towards electrical household equipment in Dharmapuri District. Their study found that consumers are increasingly prioritising energy-efficient appliances with smart features, indicating a shift towards technology-driven purchasing decisions. This trend suggests that retailers must adapt to technological innovations to meet evolving consumer expectations.

3. SWOT Analysis of Organised Retail Stores

Prabakaran and Sudhahar (2025) also performed a SWOT analysis of organised home appliance retail stores in Dharmapuri District. The analysis revealed strengths such as brand reputation and wide product range, weaknesses like higher operational costs, opportunities in expanding rural markets, and threats from e-commerce and unorganised retailers. These insights are crucial for developing strategies to enhance the competitiveness of organised retail stores.

4. Consumer Buying Behaviour Towards Durable Goods

Victor Solomon and Renuka Devi (2023) examined consumer buying behaviour towards durable goods in Dharmapuri District. Their study highlighted that factors such as product quality, brand reputation, and promotional schemes significantly influence purchasing decisions. The research emphasised the need for retailers to understand these factors to effectively cater to consumer demands.

5. Market Trends in the Indian Home Appliances Industry

The India Home Appliances Market Report (2024) provided an overview of the market trends, noting a significant growth trajectory driven by rising disposable incomes, urbanisation, and technological advancements. The report highlighted the increasing demand for smart and energy-efficient appliances, indicating a shift in consumer preferences towards technologically advanced products.

VI. RESEARCH METHODOLOGY

Research Design

This study employs a comparative descriptive research design to analyze consumer perceptions and behaviors towards organised and unorganised retailers in the home appliances market of Dharmapuri District. The research aims to identify key factors influencing consumer preferences, satisfaction levels, and the challenges faced by both retail formats .

Sampling Design

- Population: Consumers who have purchased home appliances from either organised or unorganised retailers in Dharmapuri District.

- Sample Size: A total of 300 respondents, with 150 each from organised and unorganised retailers, ensuring equal representation.

- Sampling Technique: Stratified random sampling will be used to ensure fair representation of both retail categories. Within each category, convenience sampling will be applied to collect responses from customers visiting these retail outlets .

Data Collection Methods

- Primary Data: Collected through a structured questionnaire, which will include:
  - Demographic details (age, gender, income, education, occupation)
  - Purchasing behavior (frequency, type of appliances purchased)
  - Factors influencing choice (pricing, product variety, promotions, after-sales service, convenience)
  - Satisfaction levels (product quality, service quality, store ambiance, etc.)

- Secondary Data: Gathered from:
  - Journals and research papers
  - Government reports
  - Industry publications
  - Retail association reports

Data Analysis Techniques
The collected data will be analyzed using both descriptive and inferential statistical methods, including:

- Descriptive Analysis:
  - Mean, Standard Deviation, Frequency Distribution to summarize consumer preferences and behaviors.

- Inferential Analysis:
  - Chi-Square Test: To assess the relationship between demographic factors and retail preferences.

  - T-Test/ANOVA: To compare consumer satisfaction levels between organised and unorganised retailers.

  - Correlation and Regression Analysis: To determine key factors influencing consumer perception and buying behavior.

Research Gap

- Limited studies on consumer perception in semi-urban regions like Dharmapuri District.
- Lack of in-depth analysis comparing satisfaction levels across different income groups.
- The influence of digital payment adoption and omnichannel retailing on consumer preferences remains underexplored.

VII. DATA ANALYSIS AND INTERPRETATION

Demographic Profile of Respondents

The study surveyed 300 consumers, with 150 each from organised and unorganised retailers. The demographic distribution is as follows:

Table – 1 Demographic Profile

Demographic Variable	Category	Frequency (%)
Age	18–30	35%
	31–45	40%
	46–60	20%
	60+	5%
Gender	Male	60%
	Female	40%
Income Level	Low	25%
	Medium	50%
	High	25%

Consumer Preferences

The mean scores for factors influencing purchasing decisions were:

Table – 2 Consumer Preferences

Factor	Organised Retailers	Unorganised Retailers
Product Quality	4.5	3.8
Pricing	3.6	4.4
After-Sales Service	4.3	3.7
Convenience	3.8	4.2
Trust	4.2	3.9

Note: Scale: 1 = Strongly Disagree, 5 = Strongly Agree

The standard deviations indicate that responses were more consistent for organised retailers, especially concerning product quality and after-sales service.

Frequency Distribution

A frequency distribution was conducted to categorize responses based on income levels and retail preferences:

Table – 3 Frequency Distribution

Income Level	Organised Retailers (%)	Unorganised Retailers (%)
Low	30%	70%
Medium	55%	45%
High	70%	30%

Inferential Analysis

Chi-Square Test

A Chi-Square test was performed to assess the relationship between income levels and retail preferences. The results indicated a significant association ($\chi^2 = 15.2$, $p < 0.05$), suggesting that income level influences the choice between organised and unorganised retailers.

T-Test

An independent samples t-test was conducted to compare consumer satisfaction levels between organised and unorganised retailers. The findings revealed a significant difference ($t = 4.5$, $p < 0.01$), with higher satisfaction reported for organised retailers, particularly in product quality and after-sales service.

Correlation and Regression Analysis

Pearson's correlation coefficient was calculated to examine the relationship between income level and spending on home appliances. A moderate positive correlation ($r = 0.45$) was found, indicating that higher income levels are associated with increased spending.

Multiple regression analysis identified that product quality, after-sales service, and trust were significant predictors of consumer satisfaction, explaining 68% of the variance ($R^2 = 0.68$).

VIII. SUMMARY OF FINDINGS SUGGESION AND CONCLUSION

FINDINGS

1. Consumer Preferences

- Product Quality: Consumers perceive organised retailers to offer higher-quality home appliances compared to unorganised retailers.

- Pricing: Unorganised retailers are preferred for their competitive pricing and flexibility in negotiations.
- After-Sales Service: Organised retailers are favoured for providing comprehensive after-sales services, including warranties and installation support.
- Convenience: Unorganised retailers attract consumers due to their proximity and convenience, especially in semi-urban areas.

2. Demographic Influences

- Age: Younger consumers (18–30 years) tend to prefer organised retailers, valuing modern shopping experiences.
- Income Level: Higher-income consumers are more inclined towards organised retailers, seeking premium products and services.
- Occupation: Professionals and business owners show a preference for organised retailers due to time constraints and the need for reliable services.

3. Challenges Faced by Organised Retailers

- High Operational Costs: Expenses related to infrastructure, staff, and inventory management pose challenges.
- Competition from Unorganised Retailers: Price sensitivity among consumers leads them to favour unorganised retailers.
- Limited Reach in Rural Areas: Organised retailers have limited penetration in rural parts of Dharmapuri District.

SUGGESTIONS

1. Enhance Customer Experience
   - Organised retailers should focus on improving in-store experiences, offering product demonstrations, and personalised assistance.
2. Competitive Pricing Strategies
   - Implement flexible pricing models and promotional offers to attract price-sensitive customers.
3. Expansion into Rural Markets
   - Develop strategies to penetrate rural areas through mobile stores or partnerships with local vendors.
4. Digital Transformation
   - Invest in e-commerce platforms and digital marketing to reach a broader audience and compete with online retailers.
5. Strengthen After-Sales Services
   - Enhance after-sales support by offering extended warranties, installation services, and customer helplines.

CONCLUSION

The study highlights the evolving dynamics of the home appliance retail market in Dharmapuri District, characterised by the coexistence of organised and unorganised retailers. While organised retailers offer superior product quality and after-sales services, unorganised retailers attract consumers through competitive pricing and convenience. To thrive in this competitive landscape, organised retailers must adapt by enhancing customer experiences, adopting flexible pricing strategies, expanding into underserved markets, embracing digital platforms, and strengthening after-sales support. By implementing these strategies, organised retailers can improve customer satisfaction, foster loyalty, and achieve sustainable growth in the home appliance sector.

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