A Comparative Account of Consumer Preferences Among Organised, Unorganised and E-Commerce Modes

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In the past, when transport facilities were meagre or insufficient, people used to buy from shops on highways, roadsides and crowded village centres.

Though this posed difficulties for the consumers, the unorganised sector could provide employment to various individuals and shopkeepers.

Further, essential products needed to be purchased from different shops such as provision shops, clothing, utensils, household items, accessories, etc., with each shop specifically catering to the needs of the particular products for the consumers.

This made the consumers plan to purchase on different days and at different times, as these shops were scattered across different towns and centres.

With less sophisticated road infrastructure in rural India and low income from agriculture and other activities, shopping apparently creates difficulties.

In contrast, the supermalls, departmental stores, hypermalls and retail chain stores that can be considered part of the organised sector have been in vogue for the past 3 decades.

The availability of a wide variety of products in one place has attracted consumers to purchase essentials at supermalls.

Further, the other advantages of supermalls (organised sector) are:-

(i) Arrangement of products in a classified manner in the racks makes consumers concentrate on their preferred products to be purchased.

(ii) Such availability in one place:-

a) Reduces the time
b) Travel expenditure
c) Logistics
d) Display of a wider choice of the same product sold by different companies with different brands allows choosing the best one based on past experience; hearsay (word of mouth) spreads the company name and the ingredients incorporated, displayed in the stickers pasted on the products, whether ISO certified or not.

(iii) Product varieties and wide range of products
(v) Discounts, Offers, free gifts and Coupons to regular customers

The internet revolution and digital access have introduced new opportunities for selling and buying through e-commerce. Amazon, which has pioneered online shopping, along with Alibaba, Flipkart and other companies through e-commerce facilities, has changed the paradigm of consumer behaviour. Consumers can get the products of their needs, choices and requirements at their doorstep through e-commerce mode and online shopping.

Many products, which otherwise are not available in supermarkets or are difficult to trace in supermalls and supermarkets, can be easily located in the apps provided by the online shopping portals such as Amazon and Flipkart etc.

Since online shopping does not involve any establishment expenses that are common to the supermalls such as rentals, current bills, water charges and necessity to employ a large number of personnel for sales and other work.

Online companies sell the products comparatively at a lower price, with only expenses incurred are transport charges for delivery of the products and the salary of the delivery boys.

However, the articles or products purchased and supplied may often be of poor quality. Although suppliers offer the option to take back, exchange, or return damaged products, it creates unnecessary delays in getting the right product. Further, once purchased, it would be difficult to co-ordinate repairs with the service centres for products purchased through online shopping or e-commerce.

Whereas, the supermalls have room to develop rapport with the customers to arrange for faults to be rectified through the service centres.

The other aspect, in some quarters, is impersonators who disguise themselves as delivery boys; hence, precautions should be taken.

E-commerce also poses the risk of cybercrime if the correct website is not properly addressed and the details entered there are exposed; cybercriminals can then carry out the transaction and siphon off the funds.

Of the three modes of purchase mentioned above, the traditional marketing, which involves individual shopkeepers, street vendors, petty shops, and kirana shops. Small shops have become casualties as more and more people are resorting to either organised retailing or e-commerce.

The advantages of the un-organised sector or retailing are that they bring products that are fresh from the agricultural lands, which are devoid of any preservatives and also available at lower prices.

But still, people prefer the other two modes of purchase due to a lack of time and expectations of a wider choice of products and brands.

Many in the unorganised sector are shifting to other jobs due to the low income generated by this form of unorganised retailing.