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A Study Of Competativeness Of Organised Retail Sector In Tamil Nadu With Reference To Online /E Retail Stores

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Abstract- The retail sector in India has undergone significant transformation over the last decade, with organized retail and e-retail channels emerging as major players in consumer markets. Tamil Nadu, being one of the most industrialized states, exhibits a dynamic retail environment. This study aims to examine the competitiveness of the organized retail sector in Tamil Nadu with special reference to online/e-retail stores. By analyzing consumer preferences, pricing strategies, service quality, and technological adoption, the study highlights key factors driving competition and offers insights for retail managers and policymakers The organized retail sector has witnessed significant transformation over the past decade, largely driven by the growth of online and e-retail stores. With technological advancements and increasing internet penetration, consumer shopping behavior has shifted from traditional brick-and-mortar stores to digital platforms. This shift has intensified competition among organized retailers to attract and retain customers through better services, pricing strategies, and innovative offerings. This shift has created a highly competitive environment where retailers must adopt innovative strategies to attract and retain customers.

Keywords: Organized retail, E-retail, Competitiveness, Consumer behavior.

I. INTRODUCTION

The retail industry plays a vital role in the economy by facilitating the distribution of goods and services to end consumers. In Tamil Nadu, organized retail stores and online retail platforms have grown rapidly due to urbanization, increased disposable income, and technological advancements. With the surge of e-commerce giants and mobile-based shopping apps, traditional organized retail faces intense competition. Understanding the competitive dynamics in this sector is crucial for business sustainability and growth.

Organized retail refers to structured retail formats such as supermarkets, hypermarkets, and branded stores that follow standardized procedures in product sourcing, pricing, and service. Online or e-retail stores, on the other hand, offer the convenience of shopping through digital platforms, often providing a wider product variety, competitive pricing, and home delivery services.

The competition between organized retail and online/e-retail stores in Tamil Nadu is intensifying, as consumers increasingly seek convenience, quality, and cost-effectiveness. Understanding the competitive dynamics in this sector is crucial for business managers and policymakers to develop strategies that enhance consumer satisfaction and ensure sustainable growth.

II. STUDY INTRODUCTION

Tamil Nadu's retail landscape pits organised chains against e-retail giants and local kiranas. E-commerce grows and COD preferences, challenging physical stores' margins through discounts and home delivery. This mirrors research by assessing purchase application of competitiveness awareness.

III. RESEARCH METHODOLOGY

Descriptive approach uses primary data (100 respondents, Convenience sampling Nov 2025-Mar 2026) and secondary sources. Objectives: measure factor noticing, knowledge levels, price-quality perceptions, and priority rankings.

IV. OBJECTIVES OF THE STUDY

- To analyze consumer preferences between organized retail outlets and online/e-retail platforms in Tamil Nadu.
- To identify key factors influencing competitiveness such as pricing, convenience, product variety, and customer service.
- To evaluate the impact of online/e-retail growth on the performance and sustainability of organized retail stores.
- To study consumer satisfaction levels with delivery, return policies, and shopping experiences across both formats.
- To suggest strategies for organized retailers to enhance competitiveness and adapt to changing consumer behavior.

Interpretation

Table :1 Age Wise Composition

Age Group	Respondents	Percentage
Below 20	18	18%
20-30	45	45%
30+	37	37%
Total	100	100%

Interpretation

The majority of respondents belong to the 20–30 age group, forming the largest segment of the study. Respondents aged above 30 also represent a significant portion. A smaller percentage falls below 20 years. This indicates that young adults dominate the sample. The findings mainly reflect the views of a digitally active age group.

Table :2 Gender Wise Composition

Gender	Respondents	Percentage
Male	42	42%
Female	58	58%
Total	100	100%

Interpretation

Female respondents slightly out number male respondents in the study. Both genders are adequately represented in the sample. This ensures balanced opinions regarding shopping preferences. Gender diversity strengthens the reliability of the findings. It supports comparative analysis across demographics.

Table:3 Qualification Wise Composition

Occupation	No. of Respondents	Percentage (%)
Student	68	76%
Business	10	6%
Others	22	18%

Total	100	100%

Interpretation

Most respondents are students, forming the majority of the sample. A smaller proportion belongs to business and other occupations. This indicates that educated youth dominate the survey. Students are generally more adaptable to online shopping trends. Hence, responses may reflect modern retail behavior.

Table:4 Monthly Income Wise Composition

Monthly Income (Rs.)	**No. of Respondents**	**Percentage (%)**
20,000 – 30,000	49	52.90%
30,000 – 40,000	16	12%
40,000 – 50,000	20	3%
50,000 – 60,000	19	21%
Above 60,000	9	9%
Total	100	100%

Interpretation

A majority of respondents fall within the Rs. 20,000–30,000 income group. Higher income groups form a smaller share of the sample. This suggests moderate purchasing power among participants. Income level may influence price sensitivity. It plays a key role in shopping decisions.

Table:5 Shopping Frequency

Shopping Frequency	**No. of Respondents**	**Percentage**
Daily	16	14.7%
Weekly	20	20.6%
Monthly	29	29.4%
Occasionally	35	35.3%
Total	100	100%

Interpretation:

Most respondents (35.3%) shop occasionally. About 29.4% shop monthly, while only 14.7% shop daily. Most respondents shop occasionally or monthly. Weekly shopping is moderately common. Daily shopping is relatively low among participants. This shows planned purchasing behavior. Consumers do not rely on frequent store visits.

Table:6 Preference for Shopping Mode

Shopping Preference	**No. of Respondents**	**Percentage**
Online	12	11.8%
Offline	18	17.6%
Both	70	70.6%
Total	**100**	**100%**

Interpretation:

A majority (70.6%) prefer both online and offline shopping, indicating omni-channel behavior. A large majority prefer both online and offline shopping. Only a small percentage prefer exclusively online or offline. This reflects omni-channel shopping behavior. Consumers choose platforms based on convenience. Both formats coexist in the market.

Table:7 Most Used Online Shopping Platform

Online Platform	No. of Respondents	Percentage
Amazon	38	38.2%
Flipkart	32	32.4%
Others	24	23.5%
JioMart	3	2.9%
BigBasket	3	2.9%
Total	100	100%

Interpretation:
Amazon is the most preferred platform (38.2%), followed by Flipkart (32.4%). Amazon is the most preferred platform among respondents. Flipkart follows as the second most used platform. Other platforms hold smaller shares. This shows strong brand dominance in online retail. Market competition is led by major players.

Table :8 Preferred Shopping Mode

Shopping Mode	No. of Respondents	Percentage
Organised Retail Stores	24	23.5%
Online Shopping	21	20.6%
Both Equally	55	55.9%
Total	100	100%

Interpretation:
Most respondents (55.9%) prefer both modes equally. More than half prefer both retail formats equally. Organized retail alone is preferred by some respondents. Online-only preference is slightly lower. This confirms integrated shopping behavior. Consumers use multiple channels.

Table:.9 Reasons for Preferring Online Shopping

Reasons	No. of Respondents	Percentage
Convenience	38	38.2%
Lower Prices	27	26.5%
Discounts & Offers	21	20.6%
Home Delivery	14	14.7%
Total	100	100%

Interpretation:
Convenience (38.2%) is the main reason for online shopping. Convenience is the primary reason for choosing online shopping. Lower prices and discounts also influence decisions. Home delivery adds additional attraction. Time-saving plays a major role. Functional benefits drive online preference.

Table:10 Reasons for Preferring Organised Retail Stores

Reasons	No. of Respondents	Percentage
Physical Inspection	47	47.1%
Trust/Quality	32	32.4%
Immediate Purchase	15	14.7%
Personal Assistance	6	5.9%

Total	100	100%

Interpretation:
Physical inspection (47.1%) is the main reason for preferring organised retail stores. Physical inspection is the main reason for preferring organized retail. Trust and quality assurance also influence decisions. Immediate product possession is valued. Personal assistance enhances shopping experience. Tangible interaction remains important.

Table:11 Distance of Organised Retail Store from Residence

Distance from Home	No. of Respondents	Percentage (%)
Less than 1 km	38	38.2%
1–3 km	38	38.2%
3–5 km	15	14.7%
More than 5 km	9	8.8%
Total	100	100%

Interpretation:
Most respondents (76.4%) have organised retail stores within 3 km of their residence. This indicates high accessibility of physical retail outlets. Most respondents have stores within 3 km of residence. This indicates high accessibility of physical retail outlets. Only a small group travels longer distances. Location convenience supports store visits. Organized retail remains easily reachable.

Table:12 Consumer Perceptions of Product Variety (Organised Retail)

Rating	Percentage (%)	No. of Respondents
Excellent	14.7%	15
Good	52.9%	53
Average	29.4%	29
Very Poor	2.9%	3
Total	100%	100

Interpretation:
A majority (52.9%) rated product variety in organised retail stores as Good. Nearly 29.4% considered it Average, while only a small percentage rated it Very Poor. Most respondents rate product variety as good. Some consider it average. A small percentage rate it excellent. Very few express dissatisfaction. Overall perception is positive.

Table:13 Consumer Perceptions of Product Variety (Online Retail)

Rating	Percentage (%)	No. of Respondents
Excellent	2.9%	3
Good	76.5%	76
Average	17.6%	18
Very Poor	2.9%	3

Total	100%	100

Interpretation:
A large majority (76.5%) rated product variety in online retail stores as Good, indicating strong consumer satisfaction in this aspect. Online retail receives strong ratings for product variety. The majority consider it good. Fewer respondents rate it average. Very few rate it poor. Online platforms are seen as offering wider choice.

Table:14 Distribution of Ratings

Level	Percentage (%)	No. of Respondents
Very High	3.1%	3
High	43.8%	44
Moderate	39.1%	39
Low	6.3%	6
Very Low	7.8%	8
Total	100%	100

Interpretation:
Most respondents rated the factor as High (43.8%) or Moderate (39.1%), indicating generally positive perception. Most respondents rate the factor as high or moderate. Very few choose extreme ratings. This shows balanced but positive perception. The majority lean toward favorable opinion. Extreme dissatisfaction is minimal.

Table:15 Consumer Perceptions of Online Retail Store Pricing

Rating	Percentage	Count
Very High	88.2%	88
Moderate	8.8%	9
High	2.9%	3
Total	100%	100

Interpretation:
An overwhelming majority (88.2%) perceive online retail pricing as Very High, indicating strong price sensitivity among consumer A majority perceive online prices as very high. Only a small portion rate pricing as moderate. Very few consider it simply high. This indicates strong price sensitivity. Pricing remains a concern for consumers.

Table:16 Customer Satisfaction with Online Retail Delivery Speed

Level of Satisfaction	Percentage (%)	No. of Respondents
Very Satisfied	50%	50
Satisfied	44.1%	44
Neutral	2.9%	3
Dissatisfied	2.9%	3
Total	100%	100

Interpretation:
A significant majority (94.1%) are satisfied or very satisfied with online delivery speed, highlighting it as a strong competitive advantage. Most respondents are satisfied or very satisfied with delivery speed. Only a few express dissatisfaction. Neutral responses

are minimal. Delivery efficiency is a major strength. Online logistics perform well.

Table:17 Customer Satisfaction with Organised Retail Store Service

Rating	**Percentage**	**Count**
Satisfied	47.1%	47
Very Satisfied	38.2%	38
Dissatisfied	5.9%	6
Neutral	2.9%	3
Total	100%	100

Interpretation:
Most respondents (85.3%) are satisfied or very satisfied with customer service in organised retail stores. A large majority are satisfied with in-store service. Very satisfied responses are also significant. Only a small group is dissatisfied. Personal interaction enhances experience. Service quality is a key strength.

Table: 18 Customer Experience with Online Return/Refund Process

Rating	Percentage	Count
Easy	79.4%	79
Difficult	14.7%	15
Neutral	5.9%	6
Total	100%	100

Interpretation:
A strong majority (79.4%) find the return/refund process easy, reflecting efficiency in online retail systems. Most respondents find the return process easy. A smaller portion face difficulty. Neutral opinions are limited. The system appears efficient. Online policies support customer confidence.

Table :19 Store Environment & Cleanliness (Organised Retail)

Rating	**Percentage**	**Count**
Good	76.5%	77
Average	8.8%	9
Excellent	2.9%	3
Poor	2.9%	3
Very Poor	2.9%	3
Total	100%	100

Interpretation:
A majority (76.5%) rated store environment as Good, indicating satisfaction with cleanliness and ambiance. Most respondents rate the store environment as good. Few rate it excellent. Very small percentages express dissatisfaction. Cleanliness contributes to positive perception. Physical ambiance remains valuable.

Table:20 Agreement Levels

Rating	**Percentag e**	**Count**
Agree	85.3%	85
Strongly Disagree	5.9%	6
Neutral	5.9%	6
Strongly Agree	2.9%	3
Total	100%	100

Interpretation:
A dominant majority (85.3%) selected Agree, showing strong consensus among respondents. A dominant majority selected “Agree.” Very few strongly disagree or remain neutral. Extreme responses are limited. This indicates general consensus. Opinions are largely aligned.

Table:21 Product Quality (Organised vs Online)

Rating	Percentage	Count
Agree	50%	50
Disagree	32.4%	32
Strongly Disagree	8.8%	9
Neutral	5.9%	6
Strongly Agree	2.9%	3
Total	100%	100

Interpretation:
Half of the respondents believe organised retail offers better product quality, while a significant portion disagrees, showing divided opinion. Half of respondents believe organized retail offers better quality. A significant portion disagrees. Neutral opinions are limited. Perception is somewhat divided. Organized retail holds a slight advantage.

Table:22 Perceptions of Product Quality

Rating	Percentage (%)	Number of Respondents
Strongly Agree	2.9%	3
Agree	50.0%	50
Neutral	5.9%	6
Disagree	32.4%	32
Strongly Disagree	8.8%	9
Total	100%	100

Interpretation:
Consumer perception of product quality is divided, though organised retail has a slight advantage. Findings show divided consumer opinion. Many agree organized retail provides better quality. Some disagree strongly. Neutral responses are minimal. Quality perception remains competitive.

Table:23 Shopping Experience (Organised vs Online)
Rating Percentage Count

Rating	Percentage	Count
Agree	47.1%	47
Disagree	38.2%	38
Neutral	8.8%	9
Strongly Agree	2.9%	3
Strongly Disagree	2.9%	3
Total	100%	100

Interpretation:
Nearly half agree organised retail provides a better shopping experience, though opinions remain divided. Nearly half believe organized retail provides better experience. Neutral responses are moderate. Experience perception is divided. Both formats compete closely.

Table:24 Impact of Service Issues on Online Satisfaction

Rating	Percentage	Count
Agree	41.2%	41
Disagree	32.4%	32
Neutral	11.8%	12
Strongly Agree	2.9%	3
Strongly Disagree	2.9%	3
Total	100%	100

Interpretation:
A significant portion (41.2%) agree that service issues negatively affect online shopping satisfaction. Many agree service issues affect satisfaction. A considerable group disagrees. Neutral responses are present. Delivery and refund problems influence opinion. Service reliability is important.

Table:25 Perceptions of Competitiveness

Segment	Percentage	Count
Segment 1	3.9%	4
Segment 2	3.1%	3
Segment 3	3.9%	4
Segment 4	3.1%	3
Segment 5	3.1%	3
Total (Seg 1–5)	17.1%	17

Interpretation:
The responses are fragmented across segments, with no dominant perception emerging in the early portion of the data. Responses are distributed across segments. No single category dominates strongly. Perception appears fragmented. Consumers hold varied opinions. Competitiveness remains balanced.

Suggestions

- Enhance Digital Presence: Organized retailers should strengthen their online platforms and mobile apps to match the convenience offered by e-retailers.
- Hybrid Model: Introduce “click-and-collect” services where customers order online but pick up in-store, combining convenience with physical experience.
- Personalized Promotions: Use customer data to design loyalty programs, targeted discounts, and cashback offers that rival online deals.
- Price Competitiveness: Regularly benchmark against e-retailers to ensure competitive pricing, especially for fast-moving consumer goods.
- Customer Experience: Focus on in-store ambience, product demonstrations, and personalized service to differentiate from purely digital competitors.
- Technology Adoption: Invest in AI-driven recommendation systems, digital payment options, and inventory management to streamline operations.
- Sustainability Practices: Highlight eco-friendly packaging and ethical sourcing to appeal to socially conscious consumers.

V. CONCLUSION

The study reveals that online retail enjoys a strong competitive edge in Tamil Nadu, primarily due to price competitiveness (36%) and convenience (29%).Despite this, organized retail retains relevance through physical experience, trust, and product quality assurance.Consumer preference is shifting, with 70% favoring online platforms, but hybrid strategies can help organized retailers remain competitive.Promotional strategies like discounts and offers (48%) remain the most effective tool for both online and offline players.Ultimately, the future of retail in Tamil Nadu lies in integration — blending digital efficiency with physical trust and experience. Organized retail, on the other hand, maintains strength in customer service, physical inspection of products, and store environment. Trust, quality assurance, and personal interaction continue to influence consumer preference toward physical stores. While opinions on product quality and shopping experience are somewhat divided, organized retail retains a slight advantage in experiential factors.

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