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Consumer views on organised vs unorganised fruits &vegetables markets in Nagpur

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Abstract
This research paper explores consumer perceptions of organised versus unorganised fruits and vegetables retail markets in Nagpur district, using both quantitative and qualitative data collected from 100 respondents. It examines socio-economic profiles, purchasing behaviours, and key decision-making factors such as quality, pricing, freshness, convenience, and service. Findings indicate that while organised markets appeal to younger, educated, and higher-income consumers due to superior quality and services like online payments and home delivery, unorganised markets remain popular for their affordability, flexibility, and personal relationships. Organised market consumers reported higher spending per visit, whereas unorganised markets saw more frequent purchases. The study concludes with strategic implications for improving retail experiences in both formats and suggests a hybrid model to support inclusive growth in the city's retail sector.

Keywords: Organised market, unorganised market, purchasing behaviour, Nagpur, online payment, affordability, retail market

Introduction
Retailing plays a pivotal role in connecting producers with consumers by facilitating the distribution of goods and services for final consumption. Over time, this sector has evolved from informal marketplaces and street vendors to modern, organised retail formats like supermarkets and online platforms. In India, the retail sector is broadly divided into organised and unorganised segments. While unorganised retail-comprising local kirana shops, hawkers, and weekly markets-remains deeply embedded in everyday consumer life, organised retail is gaining ground in urban centres by offering structured operations, enhanced hygiene, transparent pricing, and better customer service.

The fruits and vegetables (F&V) segment presents unique challenges and opportunities within the retail landscape due to the perishable nature, seasonality, and price sensitivity of these products. Traditionally, unorganised sellers such as roadside vendors and local mandis have dominated this space by offering consumers fresh produce, familiarity, and price negotiation. However, with urbanisation and increasing awareness of health, hygiene, and convenience, organised retail is entering the F&V sector through supermarkets and digital platforms that promise better quality control, packaging, and consistent availability. This shift is particularly visible in cities like Nagpur, where both formats coexist and compete for consumer preference.

Given these developments, it becomes essential to explore how consumers perceive and compare these two retail systems. This study focuses on understanding the socio-economic profiles of consumers, their purchasing behaviours, and the factors influencing their decisions when buying fruits and vegetables. By analysing consumer preferences in Nagpur district, the research seeks to generate insights that can help both retailers and policymakers improve service delivery, product offerings, and customer satisfaction in an evolving retail environment.

Methodology
The study was carried out in Nagpur city, Maharashtra, where the concept of organised fruit and vegetable retailing is still in its early stages. As the organised market continues to develop, understanding consumer perception becomes essential for both existing and new

retailers to align their offerings with customer expectations and improve service delivery in this emerging retail format.

The research was conducted for the financial year 2024-25. This period was selected to capture recent trends in consumer behaviour and purchasing patterns, reflecting the evolving preferences in the urban and semi-urban markets of Nagpur. This timeframe provides current and relevant insights into how consumers interact with different Retail Formats for their fruit and vegetable needs.

Primary data was collected using a pre-structured questionnaire, targeting customers who purchase fruits and vegetables from both organised and unorganised markets. Respondents were chosen from various localities within Nagpur city to ensure diversity in demographics and shopping experiences. This helped in capturing a broad spectrum of consumer behaviour across different retail environments. A total of 100 respondents participated in the study, with an equal split-50 buyers each from organised and unorganised markets. This balanced sampling approach enabled a comparative analysis of consumer attitudes, experiences, and preferences between the two market types.

The analysis was carried out using simple tabular methods. Socio-economic variables such as age, gender, income, occupation, education, and family size were examined. In addition, consumer buying behaviour was analysed through factors like frequency of purchase, payment mode, basket size (in rupees and kilograms), monthly expenditure, and reasons for market preference. Suggestions for improvement were also recorded to provide actionable insights for retailers in both segments.

Results and Discussion

The results of the present paper are presented as below. The results are arranged as per the objective taken.

Table 1: Socio-Economic and Demographic Profile of Frozen Food Consumers

Variable	Categories	% share of Organised Consumers (n=50)	% share of Unorganised Consumers (n=50)
Age	Up to 30	38.00	16.00
	31-50	44.00	48.00
	Above 50	18.00	36.00
Gender	Male	38.00	42.00
	Female	62.00	58.00
Education	Graduate	0.00	54.00
	Post Graduate	42.00	36.00
	Professional Qualification	18.00	10.00
Occupation	Housewife	10.00	20.00
	Government and Private employees	42.00	26.00
	Business Owner	14.00	22.00
	Worker / daily wage earner/labourer/farmer	0.00	6.00
	Student	26.00	10.00
	Retired	8.00	16.00
Annual household Income	Up to Rs. 2,00,000L	4.00	14.00
	Rs. 2,00,001L to Rs. 4,00,000L	16.00	28.00
	Rs. 4,00,001L to Rs. 6,00,000L	26.00	22.00
	Rs. 6,00,001L to Rs. 8,00,000L	20.00	20.00
	Rs >8,00,000L	34.00	16.00
Family Type	Nuclear	66.00	62.00
	Joint	34.00	38.00
Family Members	Up to 3	24.00	20.00
	4-6	74.00	72.00
	More than 6	2.00	8.00

The analysis of socio-economic characteristics of consumers in organised and unorganised fruit and vegetable markets in Nagpur reveals distinct demographic and behavioural patterns. Female consumers dominate in both market types, indicating their leading role in household purchasing. Age-wise, the unorganised market is frequented more by middle-aged and older individuals, whereas younger consumers show a strong preference for organised retail formats, likely drawn by modern amenities. Family size and type data suggest that nuclear families with 4-6 members form the bulk of shoppers across both markets, aligning with common urban household structures. Occupational trends indicate that the unorganised market caters to a more diverse set of income earners, including housewives, retirees, and labourers, while organised markets are preferred by salaried professionals and students, reflecting a more urban, educated customer base. Income distribution further shows that unorganised markets attract lower and lower-middle-income groups due to affordability, while organised markets are dominated by higher-income households. Educationally, both markets serve graduate and postgraduate consumers, but the organised sector sees a greater share of postgraduates and professionally qualified individuals, indicating that higher education levels correlate with a preference for structured retail experiences. These findings highlight that organised markets are more appealing to younger, wealthier, and more educated consumers, while unorganised markets continue to serve a broader and more traditional customer base.

Table 2: To analyse the purchased behaviours of fruits and vegetables of organised v/s Unorganised market.

Category	Subcategory	% share of Organised Consumers (n=50)	% share of Unorganised consumers(n=50)
Frequency of Purchase	Daily	04.00	10.00
	2 times a week	52.00	54.00
	weekly	44.00	36.00
Monthly Expenditure	Less than 1000	6.00	14.00
	1000 - 3000	26.00	64.00
	3001- 5000	68.00	22.00
Weekly Basket (kg)	Up to 4 kg	8.00	2.00
	4.01 - 7 kg	26.00	24.00
	7.01 - 10 kg	48.00	44.00
	above 10 kg	18.00	30.00
Payment Mode	Cash	18.00	76.00
	Credit	82.00	24.00

The analysis of purchasing behaviour between organised and unorganised fruit and vegetable markets reveals notable differences across several dimensions. In terms of purchase frequency, the majority of consumers in both markets shop two times a week (organised: 52%, unorganised: 54%), followed by weekly purchases (organised: 44%, unorganised: 36%). Daily purchases are more common in unorganised markets (10%) compared to organised ones (4%). When looking at monthly expenditure, a larger share of organised market consumers spend between ₹3001-5000 (68%), whereas in unorganised markets, most consumers spend ₹1000- 3000 (64%). Regarding weekly quantity purchased, both market types show similar preferences for 7.01-10 kg baskets (organised: 48%, unorganised: 44%), although more consumers in unorganised markets purchase over 10 kg (30%) compared to organised ones (18%). Finally, payment preferences differ significantly-while only 18% of consumers in organised markets use cash (compared to 76% in unorganised), the vast majority prefer credit or digital methods in organised setups (82%), highlighting the modern infrastructure and convenience offered by organised retailers.

Table 3: The factor influencing consumer purchase decision of fruits and vegetables from Unoragnised market. (n=50)

Sr. No.	Particulars	Yes	Excellent (5)	Satisfactory (4)	Good (3)	Average (2)	Bad (1)
1	Prices	35	8	19	22	1	0
2	Freshness	47	30	13	7	0	0
3	Hygiene	38	2	23	21	4	0
4	Quality	50	12	26	11	1	0
5	convenience(closer Location)	48	7	30	13	0	0
6	Discounts and offers	47	1	1	8	25	15
7	Customer Services	40	11	18	18	3	0

The table presents consumer perceptions of various aspects of organised fruit and vegetable markets based on a rating scale from Excellent (5) to Bad (1). Freshness (94%) and quality (100%) received overwhelmingly positive feedback, with the majority rating them as Excellent, Good, or Satisfactory. Convenience in terms of location was also highly appreciated, with 96% of consumers expressing satisfaction. Hygiene was considered satisfactory or better by 90%, though only a small percentage rated it Excellent (4%). Pricing was viewed more moderately-only 8 rated it as Excellent, while most consumers considered it Good or Satisfactory. Notably, discounts and offers were the least satisfying factor, with a significant number rating this aspect as Average (25) or Bad (15), suggesting that organised markets may lack competitive promotional strategies. Customer service was generally well-received, with most ratings falling in the Excellent to Good range. Overall, consumers valued quality, freshness, and convenience most, while pricing and promotional offers appeared to be areas for improvement.

Table 4: The factor influencing consumer purchase decision of fruits and vegetables from Oragnised market. (n=50)

Sr. No.	Particulars	Yes	Excellent (5)	Satisfactory (4)	Good (3)	Average (2)	Bad (1)
1	Prices	41	19	30	1	19	0
2	Freshness	48	2	29	19	0	0
3	Hygiene	45	44	5	1	0	0
4	Quality	40	50	24	16	2	1
5	convenience(closer Location)	42	23	26	1	0	0
6	Discounts and offers	36	9	28	10	3	0
7	Customer Services	44	5	32	13	0	0

The table highlights consumer perceptions of various attributes in unorganised fruit and vegetable markets. Freshness and hygiene received strong positive responses, with 48 and 45 respondents respectively affirming satisfaction, and a majority rating hygiene as Excellent (44). Quality was also well-regarded, with 50 consumers rating it Excellent, although a few rated it Average (2) or Bad (1). Convenience of location was appreciated by most, with 42 saying yes and 49 respondents rating it as Excellent or Satisfactory. Customer service showed positive feedback as well, with 44 affirming satisfaction and the majority rating it Satisfactory or Good. In contrast, pricing drew mixed reactions-though 41 consumers responded positively, ratings were scattered across Excellent (19), Satisfactory (30), and even Average (19), suggesting varied pricing perceptions. Discounts and offers remained a weaker area, with relatively fewer Excellent ratings (9) and some Average (10) and Satisfactory (28) responses. Overall, unorganised markets are favoured for hygiene, freshness, and proximity, while pricingan offer shows room for improvements.

Conclusion

The study highlights clear demographic and behavioural differences between consumers of organised and unorganised fruit and vegetable markets in Nagpur. Organised market consumers are generally younger, more educated, and from higher income groups, while unorganised markets cater to a broader spectrum including older individuals, housewives, and low- to middle-income earners. Both market types are primarily visited by nuclear families with 4-6 members, and females play a central role in household food purchases. Organised markets attract students and professionals, while unorganised markets serve a more traditional and diverse occupational base.

In terms of purchasing behaviour and influencing factors, organised market consumers prefer digital payments and tend to spend more monthly, while unorganised market buyers use cash and buy larger volumes more frequently. Consumers in both markets value freshness, quality, and location convenience. However, discounts and offers received lower satisfaction ratings, particularly in organised markets. While organised retail appeals to modern, higher-income customers with structured services, unorganised markets remain popular for their accessibility, freshness, and customer service, despite pricing inconsistencies and limited promotional benefits.

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