CHAPTER - 2

LITERATURE REVIEW AND RESEARCH METHODOLOGY
LITERATURE REVIEW

2.1 INTRODUCTION

Retailing is an upcoming area in the field of management research. Though retailing is a concept which is existing during the existence of the mankind, but the concept of unorganized retailing turning to organized one is not that older a concept. Indian retailing has gone through a drastic change late nineties after liberalization. The advent of retailing as a more organized form has given way to a lot of research avenues and off course the human behavior at the pivotal of this. It is the main area which is on focus for every researcher. Consumer has been the most important factor for any retailing activity. In other words, retailing is always consumer centric and studying the consumer behavior is of utmost importance for the retailers, marketers and the researchers.

Retailing has offered the researchers with a lot of key areas to study right from the behavioral aspects of the customer including consumer expectations, perception, personality, attitude, lifestyle, preferences, patronage behavior, shopping motives, shopping experience and entertainment aspect of shopping to the retailers functional attributes like retail store attributes, store formats, merchandise management, assortments, variety, vendor management, display and visual merchandising, ambience and atmospherics, service quality, store layout and location, store image, branding and promotion, private labels, retail market strategies, store operations, information technology in retailing, SCM, CRM, and a lot more areas pertaining to the retail research.

Another aspect of modern retailing that has aroused the interest of the researchers is the growing concept of the malls as shopping destinations. Recent changes in the Foreign Direct Investment (FDI) guidelines for retailing in India have also led way to the research prospects. Also, cabinet’s recent decision on allowing 51% FDI in multi-brand retailing and further rollback has also paved way for the researchers to generate their views on the same.

There have been substantial studies conducted on various aspects of retail over previous few years on some of these areas pertaining to different geographies and demographics. The researcher has undergone extensive study on the literature already available and tried to generate an idea of the research prospects and various aspects over which a research can be conducted in retail sector.
The studies that the researcher felt relevant for the further research have been listed below with the findings as under:  

Table 2.1 : Literature Review

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<thead>
<tr>
<th>S.No</th>
<th>Author(s), (Year)</th>
<th>Title</th>
<th>Findings</th>
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<tr>
<td>2</td>
<td>Sharma A. and Stafford T.F. (2000)</td>
<td>The Effect of Retail Atmospherics on Customers’ Perceptions of Salespeople and Customer Persuasion: An Empirical Investigation</td>
<td>This study suggests the positive impact of atmospherics on the customer’s perceptions of salespeople, as well as the salesperson’s role as an atmospheric cue.</td>
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<td>5</td>
<td>Ganesh J. &amp; Reynolds K. E. &amp; Luckett M. (2007)</td>
<td>Retail patronage behavior and shopper typologies: a replication and extension using a multi-format,</td>
<td>Their findings on both the motivation-based and attribute based cluster analysis revealed five common shopper types across all retail formats. Shoppers</td>
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<td></td>
<td>Name</td>
<td>Approach/Methodology</td>
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shopping malls: A study in Ghaziabad and Noida.

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<th>Consumers Preference of Retail Store Attributes: A Case Study of Mangalore</th>
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<td>12</td>
<td>Kamath, G.B (2009)</td>
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<td>13</td>
<td>Das G. and Kumar R. V. (2009)</td>
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<td>15</td>
<td>Mittal K.C., Arora M. and Prashar A. (2010)</td>
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<td>16</td>
<td>Sainy R. (2010)</td>
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<p>|   | A study of the effect of service quality on customer loyalty and | The study revealed a positive impact of service quality on customer loyalty and |</p>
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<td>15/9/2012</td>
<td>NILESH ARORA</td>
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customer loyalty in retail outlets. also showed that demographic variables as age, gender and income have a positive effect on customer loyalty.

Key Retail Store Attributes determining Consumers’ perceptions: an Empirical study of Consumers of Retail stores Located in Ahmedabad.  
The research inferred that usual shopping place and demographic variables have no significant or considerable association with customer perception.

An empirical study on Indian Retail Shopping Behavior.  
The study found that Retail consumer shopping behaviour and customer service can predict store satisfaction.

A Study of Select Discount Store Retail in Hyderabad for the purpose of identifying factors in regards to Shopping Motives, Store Attributes, Shopping Outcomes and Perceived Shopping Cost.  
The outcome of their study revealed diversion motive, socialization motive and utilitarian motive.

Shopping Malls in India: Factors Affecting Indian Customers' Perceptions.  
The research revealed six important factors namely value for money, customer delight, information security, credibility, store charisma, and productive excellence.

Retail purchase behavior in food and grocery in Punjab: A study of retail strategy.  
The research revealed that purchase patterns of grocery remains same across geographies to large extent and proximity and price are more important than other factors.

22. Chen, Ching-  
Developing an optimal  
The study revealed that customers’
<table>
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<th>Page</th>
<th>Author(s) and Year</th>
<th>Study Title</th>
<th>Summary</th>
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<tbody>
<tr>
<td>23</td>
<td>Thenmozhi R. Dhanpal D. and Sathyapriya P. (2011)</td>
<td>Retail service quality: A customer perception study.</td>
<td>The research revealed that perception of retail service quality varies across different cities. Various factors influence the perception of retail service quality and it varies significantly according to the evolution of organized retail firms.</td>
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<td>24</td>
<td>Bhardwaj S., Sharma R. and Agarwal J. (2011)</td>
<td>Perception of Consumers towards Shopping Mall- A Case Study with reference to Aligarh and Mathura City</td>
<td>Shopping malls are perceived to be a choice because of the eating joints and recreation centers in the malls. Perception towards the malls is influenced significantly by the referrals and the customer service factor.</td>
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<td>25</td>
<td>Ramanathan V. and Hari K. (2011)</td>
<td>A study on consumer perception about Organized Vs Unorganized Retailers at Kanchipuram, Tamil Nadu.</td>
<td>The buyers perceive a difference among services offered by organized and unorganized retailers. The study shows that there is no significant relationship in the customer demographics and the choice of the type of retailer.</td>
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<td>26</td>
<td>Swaroop K. and Jain S. (2011)</td>
<td>Perception about shopping malls in India: Evidences from factor analysis.</td>
<td>Findings from the study suggest that consumer today has high focus on getting value for money along with comfort and recreational activities as a part and parcel of Indian consumers.</td>
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<td>27</td>
<td>Gurusamy, M. and</td>
<td>A Study On Changing Consumer Preferences</td>
<td>The study shows that customers are very much anxious towards organized</td>
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<td>Prabha, N (2011)</td>
<td>towards Organized Retailing From Unorganized Retailing</td>
<td>retailing and they expect variety and quality as the primary factors to shop in the organized formats.</td>
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<td>Verma H. and Madan P.(2011)</td>
<td>Factor analyzing the store attributes to identify key components of store image.</td>
<td>Store’s Product and Operational Quality is the most important factor determining overall Image of the store.</td>
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<td>Jain S. (2011)</td>
<td>A critical study of consumer preferences towards organized retail in Jaipur.</td>
<td>The study revealed that demographic variables like age, education, occupation; family size and income levels have significant influence on the preference of types of food and grocery retail outlets.</td>
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<tr>
<td>Tripathi A.P.</td>
<td>Emerging Trends in Modern Retail Formats &amp; Customer Shopping Behavior in Indian Scenario: A Meta Analysis &amp; Review</td>
<td>The study reveals that the consumer buying behavior is influenced by the consumer class he or she belongs to. Also, the study founded that customers looked into Price-Value equation before deciding on a shopping visit.</td>
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<tr>
<td>Thiruvenkadham T. and Panchanatham, N. (2011)</td>
<td>Impact of Personality on Retail Patronage Behaviour of Shoppers.</td>
<td>Personality types A and B affect the retail patronage behavior of shoppers. Type “A” shoppers’ patronage was higher than Type “B” shoppers.</td>
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2.2 Review of Literature

This has become a sound platform that leads to a sound conceptual base for both practitioners and investigators.

Sirohi N., Mclaughlin E.W. and Wittnik D. R. (1998) in their study tried to understand the store loyalty intentions of current customers for a multi-store grocery retailer. They have studied three store loyalty intentions, measured by intent to continue shopping, intent to increase purchases and intent to recommend the store depend on service quality and merchandise quality perception. They have also tried to identify the effect of shoppers’ perceived value for money for the focal store. The results of the study revealed that service quality is by far the most critical determinant of merchandise quality perception. Perceived value for money depends on perceived relative price and sales promotion perceptions and to a lesser extent on service quality and merchandise quality perceptions.

According to Sharma Arun and Stafford T.F. (2000) store ambience and design positively affect customers’ persuasion as well as customers’ positive perceptions of sales people. Additionally they suggested that in “prestige ambience” stores, a reduction in the number of retail sales people does not significantly affect customers, buying intentions. In contrast, in “discount ambience” stores an increase in number of retail sales people dramatically enhances customers’ buying intentions. They have empirically demonstrated that (1) salesperson credibility is affected by a set of store atmospheric cues, such as prestige or discount ambiance, (2) these ambiance cues can lead to increased persuasion, (3) when customers received inconsistent ambiance and salesperson availability cues, persuasion also was enhanced, and (4) “availability of salespeople” had a differential impact on different types of stores. Thus, this study effectively proves the positive impact of atmospherics on the customer’s perceptions of salespeople, as well as the salesperson’s role as an atmospheric cue.
Banerjee A. and Divakar S. (2001) in their paper tried to discover simple guidelines formed by consumers over a period of time to make decisions regarding whether to buy or not to buy goods based on the changes in market prices of goods. According to them, these simple guidelines are threshold prices, which trigger different kinds of purchase behaviour (decision to forego purchase till future periods, decision to increase consumption, decision to stockpile for the future). They tried to highlight the need for retailers to be sensitive to the issue of consumer's multi-period purchase planning process, which may significantly impact the effectiveness of promotion schemes. The research revealed that there exists a price threshold that triggers stockpiling behavior of the retail customer.

Sinha P.K, Banerjee A and Uniyal D.P. (2002) in their study tried to understand store choice behavior of shoppers in the context of the changing retailing environment. They have tried to identify major drivers behind choice of stores for various shopping needs as exhibited by a typical Indian consumer. Their study revealed that convenience and merchandise are the primary reasons behind choosing a store. Proximity of the store, store ambience and service being other reasons. Grocery stores are chosen more on the basis of their proximity and long-term association with merchandise. Stores dealing in apparels, books, and music are chosen based purely on ambience. Consumer durable stores are chosen clearly based on merchandise and personal referrals available with ambience slightly affecting choice.

Ganesh J. & Reynolds K. E. & Luckett M. (2007) have tried to study the Retail patronage behavior and shopper typologies using a multi-format, multi-method approach. Their findings on both the motivation-based and attribute based cluster analysis revealed five common shopper types across all retail formats. Based on their retail patronage behavior these shoppers are termed as ‘Apathetic shoppers’ (the most reluctant shoppers), Enthusiastic shoppers (shopping enjoyment), ‘Destination shoppers’ (brand seekers), Basic shoppers (need satisfying), and the ‘Bargain seekers (price oriented). Consumers do perceive competing retail formats differently, but the points of difference, and hence the perceptions of the retail formats, have changed and will continue to change.
Gupta C.P. Agarwal R. and Sinha M. (2008) in their study tried to identify the consumer’s perception about the variety of products and services available at organized retailing. Also, they tried to find out the impact of organized retailing on the consumer’s buying behavior. The study revealed that consumers are highly appreciating the availability of the variety of products/services at the organized retailers” and organized retailing has changed the consumers’ buying patterns also. Consumers have started accepting modern RETAILING and shopping malls for their shopping as compared to kirana stores. They even don’t mind traveling 10-14 kms for their shopping. Good customer service and convenience of parking and other facilities are also preferred by the customers.

Rigopoulou Irini D. et al (2008) in their shopping orientation segmentation approach tried to segment customers in a “live” and exploitable manner. This study was undertaken to generate additional knowledge on shopping orientation, each segment identified is proposed to differ in terms of the relative importance placed on specific store-choice criteria in the retail environment. The study reveals that both Product/Price and Servicescape/Personnel related criteria are critical to store-choice. These criteria, together with satisfaction, can be seen as a conceptual platform based on which retail customers can be effectively segmented. According to them, the customers fall into two distinct segments, namely the “fastidious” and the “easy-going” customers. “Fastidious” are the customers who rate the importance of certain store-choice criteria at lower level and in parallel, they are declaring a lower level of satisfaction. Where as “easy-going” customers, the opposite is the case that is they rate the particular store-choice criteria higher in importance and they seem to be more satisfied in terms of all satisfaction-related factors.

Sinha R.K. (2009) in his study investigated the shoppers’ preferences for organized and unorganized retail formats. Such preferences were investigated along with perception of functional benefits offered by the two formats of retailing along with demographic and personal factors. His study resulted in useful insights about better prediction of shoppers' behavior. Shoppers purchase from more than one outlet in spite of some preferred store or store format. This indicates that consumers' perception of outlets and preference do not result in patronizing of retail outlets. Thus, this research revealed that perception of
functional benefits; demographic factors and personal factors have no impact on the overall patronage behavior of shoppers, towards different formats of grocery retailing. The study says situational factors like any kind of sales promotion, availability of products, opinions of relatives or it can be verity seeking tendency and similar factors which may play a decisive role for the shoppers while shopping.

Ghosh et al (2009) in their research attempted to address issues related to store attributes and their relevance in the store selection process. Eleven variables (store attributes) have been identified in this article based on theory and judgment. Factor analysis has yielded three factors: Convenience & Merchandise Mix, Store Atmospherics and Services as the main factors which form the basis for customer to evaluate a retail store. Convenience is sought in terms of distance of an outlet from residence or workplace and floor of an outlet for ease of movement within the outlet. Exposure to multiple options to choose from makes customers more demanding while selecting an outlet. They seek variety of products at competitive prices. Customers look for hassle-free shopping in an environment that is conducive. Well-lit stores with the right temperature and right kind of music may also reduce stress. Customers look for fast and efficient billing systems, visual merchandizing, and informative signage within the store and prompt staff. Thus, the study reveals that the above three attributes prove to be the most important in evaluating a retail store.

Johnson J. & Raveendran P.T. (2009) has studied the demographic profile of the shoppers of organized retailers. They have tried to identify the relevant decision variables that influence the consumers’ patronage behavior towards an existing organized retail store and segment them on the basis of these factors. The research on the basis of a 13 factor model analysis revealed that the shoppers of organized retailer in Kerala could be segmented into three- “Grocery shoppers” as they are more inclined towards grocery shopping than anything else and are interested in seeking new products probably when going for purchase of groceries. Second are “Purposeful shoppers” as they are more planned in their shopping. They are price conscious, bargain seekers, perhaps socialized with other shoppers and employees of retail stores to know more about better price and products. The
third are “Fun shoppers” as they are least bothered about price and time but are the ones who take shopping as fun, they are more relaxed.

Yadav R. (2009) in his study has tried to identify the customers’ attitude and perception towards emerging retail formats, such as shopping malls. It also seeks to ascertain the key variables (determinants) that affect attitude and perception formation towards the shopping malls and investigates important demographic and social variables among mall visitors. The study revealed that customer attitude towards shopping malls is strongly influenced by the absence or presence of certain elements, like location, infrastructure, and amenities, ambience, merchandising and pricing, entertainment value and personal value. The study proved that the presence of optimum level of these elements has led to higher customer satisfaction with the malls and in turn a positive attitude and perception towards the malls. The study also revealed that customer preferred to purchase apparels the most whereas the least preference was given to electronic gadgets for purchasing from the shopping mall. It also reveals that increase in average family income not only increases the frequency of visit to the malls but also positively influences the time spent by the customer in the mall.

Kamath G.B.(2009) in his research analyzed the consumers’ preferences of the specific attributes of retail store in Mangalore city. The most significant factor that determines the retail outlet preference is the shopping experience and ease of shopping itself. Consumer wants a hassle free shopping, Convenience in parking, clean and friendly atmosphere when he enters the store, gets whatever he wants to buy, gets a good service and quality products. The second most important factor is the entertainment and gaming facilities availability at the store. When the parents are shopping, the consumers want their kids to be engaged in some activity. The third most important factor is the discounts and the low prices. They want a value for their money. The fourth factor can be called the add-on services and facilities like smooth billing, easy and effective bagging and free home delivery. Consumers prefer a lot of comfortable shopping. The fifth factor is termed as variety available at the retail store. The consumers require ample range of different brands and products from which they can choose from. Other factors like anytime shopping,
convenient placement of products and proximity to location also play an important role in deciding a purchase from organized retail outlet.

Das G. and Kumar R. V. (2009) tried to find out the impact of retail sales promotion on consumer’s buying behaviour. The study revealed that after product satisfaction, sales promotion is the main reason for purchase of convenience goods. Sales promotion increases the basket size of the customer. They purchase somewhat more of their regular purchase due to promotion.

Molina A. et al (2009) in their paper tried to investigate the effects of consumer service on loyalty in retail establishments. They tried to find out the relationship between customer service and loyalty in retailing. Research results suggest that consumer service in retail establishments can be viewed as a threshold factor in order to maintain satisfied and loyal customers. Additionally, managers should consider that loyalty depends on waiting time, product quality and store atmosphere.

Mittal K.C. and Prashar A. (2010) tried to understand the differences in retail purchase behaviour conditioned by demographic and geographic factors and its implications on Retail Marketing. They tried to study the diversity in retail purchase behaviour and the influence of place and demographic factors on it. The study was confined to four cities of Punjab and the results revealed that purchase patterns of grocery remains same across geographies to large extent and people prefer grocery stores to be nearby. Proximity and price are more important than other factors.

Sainy R. (2010) tried to find out a relationship between retail service quality and customer loyalty for a retail outlet and to see if there is any impact of demographic variables on customer loyalty. The research revealed that service quality affects customer perception while determining patronage towards a retail outlet. The dimensions of service quality namely tangibles, reliability, assurance, empathy and responsiveness play an
important role in determining customer perception towards a retail outlet. It was also inferred from the study that there is significant difference between the dimensions of service quality and its effect on customer loyalty i.e. tangibles (quality, merchandise and convenient operating hours) has the highest effect on customer loyalty. Also, demographic variables like age, gender and income have a positive effect on customer loyalty.

Chen, Ching-Liang (2010) in their research developed the conceptual model frame, to examine the constructs of store customers’ loyalty and service quality in order to measure the impact of shopping intention. This research examines the relationship between customer loyalty and service quality to shopping tendencies. The study revealed that customers’ loyalty will have positive effect on the customer shopping preference in the International Retailer and Host Country Retailer stores. It also supports that for the IR and HCR stores, the higher the customer service quality, the better the customer satisfaction will reflect on the shopping preferences.

Karthikeyan K. (2010) in his research tried to study the relationship between retail shopping behavior, customer service and retail store satisfaction. The study found that Retail consumer shopping behaviour and customer service can predict store satisfaction. Consumers expect that particular retail store they visit must have a pleasant atmosphere, customer hospitality and service must bring satisfaction to them when they are shopping. Shoppers give due importance to convenience and customer service and that ultimately is converted to their satisfaction.

Chakraborty S. (2010) identified the driving shopping motives of Indian discount store shoppers. Other three dimensions of the study were store attributes, shopping outcomes and perceived shopping cost. The outcome of their study revealed diversion motive, socialization motive and utilitarian motive. Also, store attributes and perceived shopping cost affects the buying motives of the shoppers of discount retail store.
Devgan D. and Kaur M. (2010) in their research have identified key factors which affect the Indian consumers’ perception about shopping malls. The research revealed six important factors namely value for money, customer delight, information security, credibility, store charisma, and productive excellence which a customer considers for buying from a shopping mall. Customers wish to buy from that shopping mall only which is more reliable from these perspectives. Moreover, layout of the mall is also given due weightage; more emphasis on branded products along with variety was also laid.

Dalwadi R.K., Rathod H. & Patel A. (2010) in their study examined empirically how consumers’ perceptions towards stores get affected by demographic, situational and store variables when they make purchase decision. The research inferred that usual shopping place and demographic variables have no significant or considerable association with customer perception. The study emphasizes that product range, store layout, shopping convenience; promotional schemes, product pricing, customer service, employee behavior, and store ambience significantly influence the customers.

According to Mittal K.C., Arora M. and Prashar A. (2010) the customers’ preference for an organized retail store depends on various factors. This study focused on analyzing the consumers’ preferences of the specific attributes of retail stores in various cities of Punjab. The researchers identified the shopping availability and variety of products as the most significant factors that determine the retail outlet preference. Secondly, they revealed that customer services like free home delivery, sale executive to help, sufficient parking space, availability of baskets and trolleys and fast checkouts are equally important attributes that a shopper prefer in a retail outlet. Customer also prefers to shop in a store which has a good ‘ambience’, and is clean with attractive displays and sufficient lighting. Other factors like discounts and special offers, quality of products, advertisement, prestige and recommendations by friends and relatives also play an important role in preferring a retail outlet. Thus, this study revealed the innate behavior of a shopper desiring to enjoy his shopping.
Thenmozhi R. Dhanpal D. and Sathyapriya P. (2011) in their research addressed the customer perception about the retail service quality and also tried to test the relationship between the demographic profile of the customers and their perception on retail service quality using Retail Service Quality Scale (RSQS) in Tamil Nadu and Bangalore. The research revealed that perception of retail service quality varies across different cities; the retailers can meet the customer expectations based on the factors that drive them. They identified certain factors which were important like model outlook in store, attractive arrangements, keeping up store promises, quicker checkouts, adequate parking facilities, door delivery, firm’s loyalty cards, price range, authority to handle complaints, easy to reach and sufficient stock. Thus, various factors influence the perception of retail service quality and it varies significantly according to the evolution of organized retail firms. Also, they explored that there is no significant association of demographic variables on perception of retail service quality among the consumers.

Bhardwaj S., Sharma R. and Agarwal J. (2011) have discussed the perception of the customers towards the shopping malls. The research found that shopping malls are perceived to be a choice because of the eating joints and recreation centers in the malls, Brands and trends attract people toward malls. Customers prefer large variety of products that are available in the malls ranging from clothes, food items, electronic goods etc. The research revealed that habits of consumers are affected by ‘Word of Mouth’ and their perception towards the malls is influenced significantly by the referrals. The researchers also found that ‘customer service’ is all about the customer’s perception and it is a critical factor appealing the customers and motivating them to visit the outlet again.

Ramanathan V. and Hari K. (2011) in their research have analyzed the consumer’s perceptual changes about organized Vs unorganized retailers at Kanchipuram, Tamil Nadu. The researchers have identified the factors influencing the customers’ preference to buy from these two different set of retailers. The research revealed that product information, quality, value added services and customer care are given due importance in case of choice of organized retail formats and good product quality, customer care, attractive prices, discounts and value added services are found to be important for the
customers in case of unorganized retail formats. The study also shows that there is no significant relationship in the customer demographics like age, gender and income level and the choice of the type of retailer and the buyers perceive a difference among services offered by organized and unorganized retailers.

Swaroop Kirti and Jain S. (2011) have studied the perception of shoppers about the shopping malls in the area of Delhi/NCR. The researchers have explored the behavior patterns and the causes that draw consumers to the mall. They have identified six factors which develop a perception in the minds of Indian consumers. The factors identified are related to product attributes, mall design, reasons other than shopping (enjoyment), product information and delivery, buying behavior and motives of buying. Findings from the study suggest that consumer today has high focus on getting value for money. Comfort and recreational activities are part and parcel of Indian consumers. Also, with pleasure and fun while shopping at malls it is really relevant for the customers to have a secure payment gateways and information systems in place. It is evident from the findings of the study that malls have transformed from being strictly purchase sites to being centers for many activities.

Gurusamy M. & Prabha N. (2011) have tried to analyze the changing consumer perceptions and preferences towards organized retailing from unorganized retailing. The study also reveals the facts regarding the most prioritized attributes of the retail stores which attract the consumers towards them. The research revealed that consumers had opined traditional stores good on the parameters of quality and convenience only whereas organized formats like supermarkets, Departmental Stores etc are perceived to be good in terms of quality, variety, consistency, convenience, service and hygiene. Price is the only factor where customer perceives organized retailers as costly. The study shows that customers are very much anxious towards organized retailing and they expect variety as a primary attribute from retailers. It also shows that customers expect quality next to variety as the primary factors to shop in the organized formats.
Verma H. and Madan P. (2011) in their research have identified key store attributes which have significant impact on the store image of an apparel store. The five factors extracted through Factor analysis are Store's Product and Operational Quality, Store's Overall Visual Appeal, Customer Convenience, Perceived Price and Past Satisfaction and Store's Promotional Effectiveness. Out of this, Store’s Product and Operational Quality is the most important factor determining overall Image of the store. Surprisingly, according to them Customer Convenience (Representative of the factors such Store Timings, Quality of Trial rooms, Parking Facilities, Utilities such as water, Toilets etc.) has not been found to be one of the major issues at least for customers buying apparel items as its impact on Store’s image has been found to be minimal. Customer may ignore the inconvenience and still visit a store if he/she finds quality cloths of his/her choice at particular store that is visually appealing and has a good past experience from the store. Thus, the study reveals that perception of receiving a high value for money results in more satisfaction which in turn builds higher image for a store.

Jain S. (2011) in his research focused on examining the impact of demographic variables of Jaipur consumers’ in various types of organized food and grocery retail formats (convenient, supermarket and hypermarket) and exploring the drivers of customer satisfaction and Loyalty in Jaipur Retail Supermarkets. The study revealed that demographic variables like age, education, occupation; family size and income levels have significant influence on the preference of types of food and grocery retail outlets. The major reasons of shopping in retail mall in Jaipur were Variety, all products available at one place, Display of goods, Quality, Offers & Discounts.

Tripathi A.P. has studied the emerging trends in modern retail formats in Indian context and revealed the consumer shopping behavior among the modern retail formats. The researcher has studied the behavior of the consumers based on the consumers classification done by Kishore Biyani in the book ‘It Happened in India’ as India 1 (Consuming class), India 2 (Serving class) and India 3 (struggling class). The study revealed that master and serving class people never shop at the same store, though lower middle class visits hyper markets and discount stores, the upper middle class prefers department stores, specialty
chains and super market. For India two, the clean and shiny environment of modern retail stores creates the perception that such stores are too expensive and exclusive, so they are not meant for them. India two tends to feel alienated in environment, frequent by India one. India two moves and finds lot of comfort in crowds, so they normally hesitate in visiting the stores having broader area coverage. Research indicated that Customers feel conservative to buy fruits & Vegetable from air-conditioned supermarkets. They still prefer to buy these kinds of products either from the local mobile vegetables sellers or from the nearest sabji Market. Also, the study founded that customers looked into Price-Value equation before deciding on a shopping visit.

Thiruvenkadam T. and Panchanatham N. (2011) used the personality A : B scale developed by R.W. Bortner(1969) and tried to find out the relationship of these personality types and the retail patronage behavior of shoppers. The Type A personality describes someone who is aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time. They are impatient. In contrast, Type B’s are the exact opposites. Bortner (1969). There research revealed that Type “A” shoppers were more concerned with advertising, sales promotions, price of the products, location of the store, store atmosphere, convenience factors, and adjustments made by the store. Type “B” customers were concerned more about the product quality, variety and reputation of the store. Both A and B customers were concerned with brand image of the store and both were not concerned with the sales men.

Haiyan Hu (2011) in his study examined the perception of store image among Chinese consumers. Chinese consumers perceived store image as a multi-faceted concept. They demonstrate a utilitarian orientation in shopping. The study revealed that Chinese consumers’ shopping tendencies correlate highly with merchandise and store congeniality. Their average expenditure during each shopping trip is affected by merchandise, service, advertisements, store congeniality and consumers’ income.
2.3 THE RESEARCH FRAMEWORK

Based on the related theories and literature reviewed, a framework has been developed to investigate the relationship among customer perception, preference, store attributes, customer satisfaction and store loyalty.

**Fig.2.1 Research framework**

The research revolves around the above framework as Retail store attributes play vital role in the formation of customer’s perception. A favorable perception may lead to the preference of the retail store/shopping mall by the shoppers. If the retailer is able to satisfy the customer, the customer may become loyal to the retailer or the store. Thus, if the retailer is able to satisfy the customer and increase the loyalty factor he is definitely going to add to the future prospects of the organized retailing.

2.4 THE RESEARCH PROBLEM

“**A critical study of Customer Preference of Organized Retailing in India with special reference to Rajasthan**”

2.5 OBJECTIVES OF THE RESEARCH

1. To study Customer perception and attitude towards the organized retailing.
2. To identify the preference level of the customers of Rajasthan towards the changing retail environment.
3. To identify if the customer preference for organized retail is dependent on perception or not.
4. To identify the major factors affecting customer perception about organized retailing in Rajasthan.
5. To develop a model for the retailers so as to help them in decision making, developing and implementing the retail strategies.
6. To identify the scope and future prospects of organized retailing in Rajasthan.
7. To understand the expectations of customers from the new retail formats.
2.6 RESEARCH METHODOLOGY

The methodological aspects related to the research conducted in the present study are given in this chapter. It begins with a development of the research framework. Then, it provides the hypothesis developed in this study. Thereafter, the design of the research instrument, scales and measurements, and the data collection procedure will be discussed. Finally, the data analysis techniques used are also presented.

2.6.1 Hypothesis Development

Based on the objectives of the research, the study attempts to investigate the relationship between customer perception and preference about organized retailing in Rajasthan. Therefore, the following hypothesis has been formulated:

**Null Hypothesis**

\[ H_0 \] – Customer preference is independent of customer perception of Organized retailing.

**Alternate Hypothesis**

\[ H_1 \] – Customer preference is dependent on customer perception of Organized retailing.

2.6.2 Research Design

A research design is a framework or blueprint for conducting the marketing research project. It specifies the details of the procedure necessary for obtaining the information needed to structure and/or solve marketing research problems.

**Type of research**

The research under study is a descriptive in nature as it describes the customer perception and preference for organized retailing as it exists in the market. The research basically tries to study the relationship between customer perception and their preference towards the modern form of retailing with a focus on Rajasthan. The research also tries to find out the future prospects of the new form of retailing in the above said geographic area of India.
Data collection tools

Primary Data
Primary data were collected during the months of July, August, September, October and a part of November in the year 2010. The data were collected through personally administering the structured questionnaire by intercepting customers at the exit doors of retail stores after they have finished their respective visits to the stores. The data has also been collected from the households or customers in general as every individual is a customer and a consumer. The data was collected from the customers of both organized retail stores as well as of traditional retail stores. The questionnaire containing 19 questions was framed after a comprehensive literature review. The questionnaire contained 12 literature-based assertions (Appendix 1 for reference) which were utilized to measure the customers’ perception and preference towards organized retailing in Rajasthan. In order to increase reliability of the questionnaire, each construct was operationalised on a five-point Likert scale (1 for strongly agree and 5 for strongly disagree). Rank-scale was also used to identify the rank-correlation among the four representative cities of Central part of Rajasthan namely Jaipur, Ajmer, Jodhpur and Bikaner on the basis of different store attributes. The questionnaire included both closed and open ended questions so as to generate the data more qualitatively and comprehensively, giving importance to the suggestions and concern of each and every respondent.

Pre-testing/Pilot Test
To improve the instrument, a preliminary study was conducted and 30 respondents of Jaipur were asked to fill up the questionnaire initially. Participants of this pilot study were not included in the main study. Respondents evaluated the questionnaire in terms of ambiguity in wording, clarity of polar adjectives, difficulty level of questions, ease of answering questions, overall structure of questions as well as the time necessary to complete the questionnaire. The questionnaire was improved on the bases of their suggestions and feedbacks regarding the appropriate words, adjectives, sentences, format and structure of the questionnaire.
Secondary Data:

Secondary data was collected from the various consulting firms and research organizations that are regularly into developing and generating data and periodical reports on the Indian retail industry like ICRIER retail report, RNCOS, AT Kearney, BMI India retail report, Technopak, RAI, CII, etc. Internet has also been used to get some data relevant to the study, Google, Google scholar, ebscho, Springer and J-gate online libraries were also used to get the relevant literature for the review. Various books related to marketing research, retail management, marketing management and general consumer behavior has also been referred, business magazines and journals were also used for getting the relevant data for the research.

2.6.3 Sampling Design

Sampling is one of the components of research design. Sampling design begins with specifying the target population, determining the sample frame, selecting a sampling technique, determining the sample size and executing the sampling process.

- Population/Universe: This study is confined to the residents of the Rajasthan, India. Rajasthan, for the purpose of the research includes four major cities Jaipur, the state capital of Rajasthan, Ajmer, Jodhpur and Bikaner. Nevertheless, most of the modern retail establishments are also located in this area of Rajasthan. The population of the study constitutes the shoppers/ People of Rajasthan who visit a retailer for purchasing their day today requirements like grocery, apparel, electronic equipments, cosmetics, stationary, foot wears, accessories, jewelry, and many other items of their use. These 4 cities truly represent the entire Rajasthan. Jaipur being the capital city and also the city where retailing is growing with the maximum speed as compared to other parts of Rajasthan is the true representative of the retailing sector of entire Rajasthan.

- Sampling Technique and Procedure: As the population for the research includes 4 major cities of Rajasthan, the research scholar used non- probability judgmental
sampling. The research scholar tried to cover all categories of shoppers based on the demographic profiles like age, gender, and family status.

- **Sample Units:** The respondents shall consist of walk in customers in a retail outlet to shop for their routine or special utilities, and people in general as every individual is a customer in a way or the other.

- **Sample characteristics:** As far as the demographic profile of the respondents is concerned, the sample comprises of a variety of respondents belonging to different age group, gender, family-status, economic and professional backgrounds.

- **Sample Size:** The research questionnaire was filled up from a total of 500 respondents covering different groups of customers 125 from each of the 4 cities. Finally, after the scrutiny 442 usable questionnaires were considered for the purpose of the study and the analysis of the data. This included 120 respondents from Jaipur, 102 from Ajmer, 113 from Jodhpur and 107 from Bikaner.

- **Sampling Area:** Rajasthan including the four Major cities as Jaipur, Jodhpur, Ajmer and Bikaner.

### 2.6.4 Measurement scales

- A five point Likert Scale was used to rate the perception about organized retailing based on 12 attributes as 1 being strongly disagree and 5 being strongly agree.

- Ranking scale was also used to rank the various variables showing different attributes of the organized retailing from 1 being most preferred and 12 being least preferred to find out the preference level of the respondents towards organized retailing and traditional retailing.

- Scoring of the factors negatively affecting the perception of the respondents for organized retailing has also been done as 1 being the least affecting factor and 5 being the most affecting factor. This is done to identify the factors that negatively affect the shopper’s choice of a modern retailer.
2.6.5 Data Analysis Tools and Techniques

Data was collected, coded and entered into SPSS 16.0 and Microsoft Excel before processing the same for analysis. Statistical tools were used to analyze the data as per requirements of the objectives. To draw the valid conclusions and test them empirically, an exhaustive use of statistical technique of Chi-Square, Spearmen’s Rank Correlation, Factor Analysis and Cramer’s V were used. To further test the reliability of the data, Kaiser-Meyer-Olkin (KMO) and Bartlett Test of Sphericity were also determined. In addition to measure the internal consistency reliability of data both quantitatively and statistically, statistical technique of Cronbach Alpha Coefficient was applied. Other tools included Descriptive Statistics such as frequencies, Percentages, Arithmetic Averages; Standard Deviations etc. were also used as per the need of the research objectives.

Test of Reliability

Cronbach’s Alpha coefficient was used to test the internal-consistency reliability of the measurement instrument. The coefficient varies from 0 to 1, and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability. In this case the value of the Cronbach’s Alpha coefficient is 0.834, which shows a satisfactory internal consistency reliability of the instrument.

2.7 Significance and scope of the study

There have been a significant amount of studies that discuss the issues of consumer buying behavior and retail marketing strategies to deal with the intense competition in the present retail environment. However, most of the studies have been conducted in Delhi NCR, some parts of Punjab, Uttar Pradesh, Tamil Nadu and Gujarat. There has been no such study conducted in Rajasthan. Thus, it is crucial for the retailers to gain a
better understanding of the consumers in Rajasthan, a very big market and a developing state of India.

This research has a lot of significance for the research scholar as well as for the retailers operating in this part of India or those who want to get into this growing market. The study revolves around customer perception, behavior, preference, and their relationships with special reference to organized retail in Rajasthan, India. Also the study present an insight into the various factors that play a key decisive role in consumer buying behavior and estimates the scope of the modern form of retailing.

Thus, the study acts as a source of information for the existing as well as new retailers who may plan to get into this growing market of the State of Rajasthan. The research will help the retailers in understanding the consumer buying behavior, his perception about the organized retail and why or why not they prefer to shop from an organized retail outlet or a shopping mall. This will help them to serve their customer better. The understanding of the various factors that influence the customers’ perception and preference will help retailers to work on these store attributes and then develop retail market strategies accordingly to gain maximum market share in terms of number of customers and will help them to retain them. The study may also be handy for the real estate builders and new organized retail players to decide on whether to enter or not in this market. Also, which part of Rajasthan has the highest scope or potential for future retail establishments? The study may also have some significance for the traditional retailers of the said region as it outlines the consumer perception and preferences for the traditional retailers as well.

2.8 Organization of the report

The present research report consists of five chapters. It is organized as follows:
Chapter 1: The chapter gives an overview of the retailing. Organized and unorganized retailing and the evolution of Indian retailing has also been discussed in this chapter. The definitions of various types of retail business models or formats are also presented here. It is then followed by a discussion on the retail industry in India, and Rajasthan. Finally, the recent trends, foreign direct Investments, and key growth drivers for organized retail have been discussed in this chapter.

Chapter 2: This chapter provides the review of the literature that is related to this study and the research methodology adopted for the fulfillment of the research objectives. The definition of the research problem and the purpose of the study are also presented in this chapter. In addition, the significance and scope of the study is also discussed.

Chapter 3: This chapter explains the conceptual framework of the research. The chapter starts with the developing an understanding of the retail consumer and his buying behavior in the retail industry. It is followed by an orientation of the research with a discussion on the customer perception, preferences and their relationships. Finally, the retailing implications of the factors affecting the customer perception have been discussed.

Chapter 4: This chapter presents the findings and conclusions of the research. It begins with a description of the demographic analysis followed by an analysis on the shopping habits of the respondents of Rajasthan. The results of the validity test and reliability test are also discussed. It is followed by a test on the hypothesis developed in the chapter two. After that, cross analysis has been done on the demographics and perception and preference variables. The findings related to all the four cities considered for the purpose of the study have been discussed separately in this chapter. Finally, the conclusions of the research work have been discussed.

Chapter 5: The final chapter provides the suggestions and recommendations based on the findings and the conclusions discussed in the previous chapter. Further, managerial implications, limitations of the study and directions for the future research are presented.
Fig: 2.2 Organization of the report

Chapter 1
Introduction to the Retail Industry

Chapter 2
Literature Review and Research Methodology

Chapter 3
Conceptual Framework of the Research

Chapter 4
Findings and Conclusions

Chapter 5
Suggestions and Recommendations

1.1 Meaning of Retail
1.2 Evolution of Retail in India
1.3 Organized and Unorganized Retail
1.4 Business Model in Retail
1.5 Retail Industry in India
1.6 Retail in Rajasthan

2.1 Introduction to Literatures Review
2.2 Review of Literature
2.3 The Research Framework
2.4 The Research Problem
2.5 Objectives of the Research
2.6 Research Methodology
2.7 Significance/scope of the Study
2.8 Organization of the Report

3.1 Understanding the Retail Customer
3.2 Consumer Behavior in Retail
3.3 Orientation of the Research
3.4 Customer Perception-An Overview
3.5 Retailing Implication of Factors Affecting Shoppers’ Perception

4.1 Findings - Rajasthan
4.2 Cross Analysis- Rajasthan
4.3 Business Model for Retail Strategy
4.4 Findings - Jaipur
4.5 Findings - Ajmer
4.6 Findings - Jodhpur
4.7 Findings - Bikaner
4.8 Other Findings
4.9 Conclusions of the Research

5.1 Suggestions and Recommendations
5.2 Managerial Implications
5.3 Limitations of the Research
5.4 Directions for Further Research