CHAPTER 1

INTRODUCTION

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Chapter 1

INTRODUCTION

1.1 Geneses of the problem:

Retailing consists of business activities which are involved in the sale of goods and services to consumers for their personal or family use. It is the final stage in a channel of distribution which comprises of all the businesses and people involved in the physical movement and transfer of ownership of goods and services from the producer to the consumer. It is rightly called a pipeline where customer finally picks up the product or service.

In a distribution channel, it is the retailer who bridges the gap between the manufacturer and the consumer. Along with hoards of other services, one prominent service that retailer renders is that of a communication channel, which provides valuable feedback to the manufacturer, as well as other intermediaries involved in the distribution process.

Retailer’s role in the channel is designed to provide satisfaction to final consumer and profitably maintain and grow the customer base through a programme of continuous quality improvement across all areas directly and indirectly connected with customer delight. Retailing is not only about trading, but also includes brand building. In an age where the customer is considered as the “King”, retailing becomes a strategically important function as it is the first point of consumer contact for brand building.

In the early trading days, the primary function of a retailer was to complete marketing process by bringing the goods produced into contact with
the customer. The rules of the market were largely determined by the manufacturing companies due to their enormous economic power. However, the globalized market of today, with changing perceptions of family buying behavior, its needs, changing lifestyles and competition has changed the face of retailing. It has become an enigmatic yet fascinating phenomenon of the 21st century the world over, including India.

Retailing in India:

Retail is India’s one of the largest sectors of economy accounting for ten percent of gross domestic product and eight percent of total employment. Retailers in India can be broadly classified as traditional or unorganized retailers like kiranas, street vendors, small independent traders etc, and organized retailers like supermarkets, hypermarkets, specialty chains, and traders in malls and so on. More than ninety five percent of Indian retail market is still dominated by unorganized retail sector.

Traditionally, retail businesses in India are run by mom and pop stores having shop on front side of the home. It is also found in the form of independent shopkeepers usually running their businesses in a small area of less than five hundred square feet. Some communities in India such as Marwaris, Kacchis and Sindhis have family businesses that run from generation to generation. Unorganized retail sector which still dominates the Indian retail horizon, enjoy benefits such as locational convenience, low cost structure, minimum real estate and labor cost, absence of taxes or little taxes, consumer familiarity due to close geographical proximity which runs from generation to generation and many more.

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The scenario, though still dominant in many parts of the country, is albeit changing slowly and steadily. Retailing is going through transition the world over including India. The global retail industry has traveled a long way from a small beginning to an industry where top two hundred organized retailers in the world, account for thirty percent of the worldwide demand\(^2\). Though India has been slow in joining this global retail revolution, she is surely picking up fast.

- **Emerging organized retail scenario in India:**

  Organized retailing is a service oriented set up which aims at providing the customer a pleasant shopping experience through professional management and strong customer focus. In the last decade, the Indian marketplace has transformed drastically. Liberalization, Privatization and Globalization (LPG) process has converted Indian economy from a protective one towards a market driven economy. India has entered twenty first century at a time where the world has literally shrunk into a “Global village”. Government’s role has changed from being a controller to being a facilitator. The changing profile of demographic environment has contributed to this change in a big way.

  India has seen an unforeseen pace of transformation in the retail sector in last few years. Multidimensional factors such as rising purchasing power of buyers, availability of wide product variety, increasing economies of scale, application of modern supply and distribution management techniques have a great role to play in this transformation. Host of other factors including growing number of nuclear families in urban segments, double income households, greater work stress and increase in commuting time which puts urban customer under constant work pressure too have acted as key drivers in the emergence and growth of organized retailing in India. Other equally

\(^2\) East India Retail Report: 2010 and Beyond, CII and Images Multimedia Pvt Ltd, New Delhi, p 196.
important factors in the changing urban landscape like increasing importance of children in the family, gradual acceptance of frozen and semi frozen food by more and more urban based nuclear families, emergence of ‘DINK’ family concept (Double Income and No Kids), revolution in telecommunication with onslaught of mobiles and multiple television channels etc have given great fillip to consumerism in India.

It is predicted by many reputed international research agencies that over the next ten years, the confluence of events will push the Indian retail industry in general and the organized retail industry in particular into a new orbit. It is all set to hit more than ten percent share of GDP by the end of 2010. Presently, the share of organized retail sector is less than five percent of the total retail pie but the sector is growing at about twenty five percent annually and expected to touch ten percent of total retail by the end of 2010\(^3\). Competition is hottening up with the entry of global players. Big Indian players such as Tatas, Birlas, Ambanis, Mittals, Rahejas and many more have charted out ambitious plans to grab their share of Indian retail market before the stage is set for free entry of global retailers. Indian retail industry is one of the most attractive sectors for foreign direct investment in India as it looks very promising today.

Malls and hypermarkets have positioned themselves as “Shoppertainment”- an ideal place for shopping, fun and entertainment, all under one roof. Pleasant shopping experience, convenience of one stop shopping, diverse product portfolio, speed and efficiency in the processing of order, cozy ambience and many other facilities such as multiplexes, eating joints, play centers, beauty parlors, spa etc have created deep imprints on the minds of the customers.

\(^3\) Jumbo Retail Report, HSBC Global Research, 2005, Mumbai, pp 4 -7.
• Retailing in the city of Mumbai:

Mumbai, being the commercial capital of the country, has witnessed huge rise in malls and hypermarkets in the last decade. The cosmopolitan face of Mumbai, which is still dominated by traditional retail sector, has embraced new formats enthusiastically. Kishore Biyani's Pantaloons, Big Bazaar, Tata's Westside, Trent, Crossroads, Nirmal Lifestyles, Heiko, Shoppers' Stop and many other malls, departmental stores and hypermarkets have mushroomed in the city rapidly in the last five years. No doubt, consumers have benefited due to multiple choices, but it has also left a deep and collective impact on the psyche of society. It appears that urban Indian customer has become shopoholic. There is new found interest among the people to experience first hand shopping in malls where they can have the experience of "Shoppertainment".

This scenario has posed several challenges before conventional retailers in unorganized sector. Though this sector still dominates Indian retail horizon, general observation reveals that the proliferation of malls in major metropolis and other cities has impacted local retailers dealing with wide range of items from furniture, food, grocery and general provisions, readymade garments, footwear, consumer electronics, steel to restaurants and hotels, theatres, chemists and many more.

Researcher has therefore, taken up the topic for scientific exploration of the phenomenon. Scope of this research study covers entire Eastern suburbs of Mumbai. Eastern suburbs of Mumbai on Central Railway extend from Ghatkopar to Mulund geographically. It has a population of more than twenty lacs as per Census of India, 2001\(^4\). This area was dominated by industries earlier. But due to various reasons, factories have shifted out of Mumbai, leaving large acres of land for construction of huge buildings and malls. It is one

\(^4\) http://www.censusindia.net/
of the important reasons for the growth of bigger malls in this region, especially in Bhandup and Mulund suburbs. Four malls are already functional and seven more are coming up in the next two years, by the end of 2008-09. Besides, all other formats of organized retail such as hypermarkets, supermarkets, departmental stores, specialty retail chains exist in this area. Despite not being a very affluent region, the malls have succeeded in attracting sizable chunk of local population in Eastern suburbs of Mumbai.

The local retailers in these areas have responded very cautiously to these developments. They appear to have sensed the volatility in the environment. More customer centric activities are being increasingly followed to woo the end users. This phenomenon has given rise to a number of questions over a period of time, such as -- Is the mall culture going to sustain or is it just a bubble? Has it really affected the traditional retailers or is just a hype? If yes, which types of businesses are more affected and to what degree? Are the local retailers ready to take up challenges and how? What do customers feel about this whole phenomenon?

In view of these questions, an attempt is made by the researcher in this research work to study organized retail industry and its impact on local traders with special reference to Readymade Garments, Furniture Goods and Electronic items in the study area.
1.2 Objectives of the study:

In view of the above problem, researcher framed the following objectives for the purpose of the research study.

1. To take an overview of the Indian retail sector

Retail market of India has come a long way from being a local trader dominated market, to being a fast evolving modern retail market. Early retailing in India was in the form of local mandis, haats where business was mostly conducted on weekly basis. It formed a great attraction for socializing along with trade and still continues in many parts of India. With the evolution of retail sector, mom and pop stores, cooperative stores and public distribution system outlets emerged on the retail horizon. Organized retailing began to make its mark somewhere in 1970’s with the emergence of KVIC, Apna Bazaar, Akbarallys, Raymonds, Nallis and Bata showrooms though their presence was on a moderate scale. A Wave of LPG witnessed in the 1990’s ushered a new chapter of organized retailing in India. Organized retailing is today seen as one of the fast paced and dynamic sectors of businesses in India, offering huge opportunities for growth. The Global Retail Development Index (GRDI) developed by A. T. Kearney has ranked India first among the top thirty emerging markets in the world for three consecutive years, 2004 - 2007. The attempt thus, has been made by the researcher to take overview of Indian retail sector, which is aptly termed as ‘Sunrise sector of India’.

2. To study the status of organized retail industry (malls, specialty retail chains, hypermarkets etc) in Eastern suburbs of Mumbai

Eastern suburbs of Mumbai extend from Ghatkopar to Mulund and form approximately one sixth of the population of Municipal Corporation of Greater Mumbai (MCGM) region. This region has seen hectic developments in the past

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few years on the retail landscape. R Mall, Nirmal Lifestyles are two biggest malls in this area which attract large amount of footfalls. Dreams mall, which is projected as Asia’s biggest mall is coming up shortly. Seven more malls are coming up in the near future. Many more formats of organized retail such as supermarkets, hypermarkets, specialty chain of stores are thriving in the area, thus offering unending assortment of merchandise to the customers. Since the topic under study identified Eastern suburbs of Mumbai on central railway that extend from Ghatkopar to Mulund as catchment area for the purpose of the study, it became imperative for the researcher to understand and study present status of different formats of organized retailers operating in the same area.

3. To study the factors contributing to the popularity of various formats of organized retail such as malls, supermarkets and hypermarkets in Indian consumer market

Indian retail sector has assumed great significance across all sections of society. The rapidly changing face of urban Indian market, mushrooming of malls in metropolitan and Tier I, II cities, regular presence of young crowd in and around malls, various research reports indicating the theory of demographic dividend, proliferation of technology in urban houses, stressful life of urban families were some of the obvious observations that prompted the researcher to study the factors contributing to popularity of mall culture in India. Several factors such as changing demographic profile of the country, changes in the socio economic scenario, thriving BPO and KPO sectors have changed the profile of Indian market to a great extent. The shoppertainment concept has taken roots in the country, contributing to the popularity of new retail formats. The researcher therefore, has attempted to undertake a scientific study through field research to understand the phenomenon.
4. To obtain consumers' views on organized vis-à-vis unorganized retail industry and to study the impact of mall culture on consumer behavior with respect to select product categories

A deluge of research reports, diverse data has appeared from time to time in newspapers, magazines, journals and audio visual channels on the changing face of consumers in globalized India. The views expressed in many seminars and conferences by noted academicians, industrialists and experts of various disciplines set the thought process of the researcher in motion. In general, it is observed that the face of Indian consumer is changing from being a submissive buyer towards an assertive one. In a fiercely competitive market, delivering quality product is not a big differentiator, but establishing, building and nurturing sustained relationship with the customer is the winning mantra of today’s business. An attempt has been made by the researcher in her work through field study, to obtain consumer's views on impact of organized retail market in general and also with respect to select product categories. The study aims to focus on mall culture and its impact on consumer behavior. The term consumer behavior has wide connotations and the study covered broad areas such as consumer’s perceptions, consumer’s preferences, his buying habits, buying decisions, behavioral traits exhibited during shopping etc, in defining behavior of the consumers. Since the study also deals with specific product categories, namely readymade garments, furniture goods and electronic items, the researcher analyzed changes in buying behavior of the consumers with respect to these product categories too. Thus, the study attempts to provide a comprehensive picture about the impact of organized retail formats on consumer behavior. Researcher was more than curious to study this aspect by obtaining customer's views who are the ultimate patrons in the entire marketing process.
5. To study and analyze the impact of organized retailers on local retailers dealing with Readymade Garments, Furniture Goods and Electronic Items in Eastern suburbs of Mumbai

The topic selected deals with specific categories of products mentioned above for the purpose of study. It has been reported in various research studies conducted at national and international level that sectors which are already affected or likely to be affected significantly due to the advent of organized retailers are Readymade Garments, Furniture Goods and Electronic Items among others. Various formats of organized retail industry that have sprung up in this area also deal with items mentioned in the topic under study on a large scale. An analytical study was therefore, conducted to ascertain the present status of local retailers dealing with the same product category and the impact of organized retail formats on various aspects of their businesses. Since the hypothesis drawn by the researcher is based on this objective, the researcher was keen to test the hypothetical statement made in this regard through the scientific study.

6. To study strategies employed by the local retailers dealing with products under study to offset the impact of organized retailers

Survival of the fittest is the rule of life. If small retailers have to survive in this competitive marketing era, they obviously need to change as change is the only constant mantra of existence. The abovementioned objective led the researcher to test this cardinal truth, applicable in all walks of life, including that of the retail business. The study along with the focus on likely impact of changing Indian retail scenario on conventional retail sector, also attempts to investigate into the efforts made by local retailers, both individually and collectively to offset the magnitude of the impact.
7. To forecast the trends of Indian retail industry in the new millennium

The rapid journey of retail sector in general and organized retail sector in particular has created sensations among intelligentsia as well as business experts about the future of this sector. Diverse and polar opposite views are expressed about the fate of particularly, the organized retail industry. Growing Indian economy today is fuelling market expectations, rural India is tantalizing Indian corporates with promising market opportunities and global retailers are seen to be making desperate efforts to launch themselves in Indian markets. How would be the retail market scenario in the next ten years? What trends are projected in the existing situations? A sincere attempt is made to answer these and many more related questions in this study.

1.3 Hypotheses of the study:

In the light of the framed objectives, the researcher has set up following hypotheses for the present study:

1. The emergence of organized retail industry has had significant impact on local retailers dealing with Readymade Garments, Furniture Goods and Electronic items, as a result of which their business has been affected adversely.

2. Local retailers are slowly but steadily shedding their age old practices and are reformulating business strategies to offset the impact of organized retail industry.
1.4 Research methodology:

- Research Design

Preparation of research design is the soul of an enquiry. It is a mental outlet of what is to be done and how it is to be done systematically. Since the study undertaken by the researcher aimed at describing the growth pattern of organized retail in Eastern suburbs of Mumbai and its impact on local retailers in select product categories, researcher found descriptive as well as diagnostic design appropriate for the purpose of the study. Descriptive research design aims to obtain the profile of different formats of organized retailers operating in the catchment area, their mode of operations, factors contributing to their popularity, business strategies, changing behavior of customers etc. Similarly, diagnostic research design aimed at discovering the degree of impact of organized retailers on local retailers dealing with select products under study and their counteractive strategies to offset the same.

- Sample design

Sample design is a subset of cases from the population chosen to represent it. The population or universe for the study covers the entire Eastern suburban region of Mumbai covering three Municipal Corporation wards, namely, N, S and T. Mulund, Bhandup, Kanjurmarg, Vikhroli and Ghatkopar form a part of this region. The official data supplied by Municipal Corporation of Greater Mumbai to the researcher provides the information about total number of shops registered in the selected area of study as on 31.7.2008 under Mumbai Shops and Establishment Act, 1948. The details are given below-
Table 1.1

Number of registered shops in Eastern suburbs of Mumbai

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Ward</th>
<th>Readymade G.</th>
<th>Furniture</th>
<th>Electronics</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>N</td>
<td>181</td>
<td>85</td>
<td>83</td>
<td>349</td>
</tr>
<tr>
<td>2</td>
<td>S</td>
<td>67</td>
<td>81</td>
<td>100</td>
<td>248</td>
</tr>
<tr>
<td>3</td>
<td>T</td>
<td>90</td>
<td>17</td>
<td>11</td>
<td>118</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>338</td>
<td>183</td>
<td>194</td>
<td>715</td>
</tr>
</tbody>
</table>

Source: Letter no. CI/2827/SEC dt 8/8/2008, issued by Shops & Establishment Dept, BMC.

Sampling unit includes independent respondent in the defined category. Researcher used convenience method of sampling for eliciting responses from different components of the study. The sample of one hundred and seventy individual local retailers dealing with Readymade Garments, Furniture Goods and Electronic Items was drawn from five suburbs of Eastern Mumbai on random basis. Since the study covered the overview of growth of organized retail sector in Eastern suburbs of Mumbai, primary data was also obtained from mall developers and various categories of organized retailers from the defined catchment area on representative basis. Researcher was more than curious to ascertain the impact of organized retail culture on consumer behavior. Therefore, hundred respondents from different suburbs of Eastern Mumbai were selected randomly on the basis of convenience sampling method. The details of the sample size are provided in the following tables.
### Table 1.2
Local retailers dealing with products under the study (Area wise)

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Area</th>
<th>Readymade G.</th>
<th>Furniture</th>
<th>Electronics</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mulund</td>
<td>41</td>
<td>10</td>
<td>14</td>
<td>65</td>
</tr>
<tr>
<td>2</td>
<td>Bhandup</td>
<td>18</td>
<td>13</td>
<td>10</td>
<td>41</td>
</tr>
<tr>
<td>3</td>
<td>Kanjurmar</td>
<td>09</td>
<td>03</td>
<td>03</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>Vikhroli</td>
<td>11</td>
<td>02</td>
<td>06</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>Ghatkopar</td>
<td>10</td>
<td>12</td>
<td>08</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>shops</td>
<td>89</td>
<td>40</td>
<td>41</td>
<td>170</td>
</tr>
<tr>
<td>Regd shops</td>
<td>338</td>
<td>183</td>
<td>194</td>
<td>715</td>
<td></td>
</tr>
<tr>
<td>% Regd Shops (Sampling)</td>
<td>26.33</td>
<td>21.86</td>
<td>21.13</td>
<td>23.78 (Avg)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

### Table 1.3
Select formats of organized retailers in Eastern suburbs of Mumbai (mall developers, shops in malls, specialty shops and specialty chains)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Product covered</th>
<th>R mall</th>
<th>% of sample</th>
<th>Nirmal Lifest</th>
<th>% of sample</th>
<th>Spclty chains</th>
<th>% of sample</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Readymade Garments</td>
<td>15</td>
<td>47</td>
<td>17</td>
<td>55</td>
<td>00</td>
<td>00</td>
<td>32</td>
</tr>
<tr>
<td>2</td>
<td>Furniture Goods</td>
<td>01</td>
<td>50</td>
<td>01</td>
<td>50</td>
<td>07</td>
<td>90</td>
<td>09</td>
</tr>
<tr>
<td>3</td>
<td>Electronic Goods</td>
<td>00</td>
<td>00</td>
<td>04</td>
<td>100</td>
<td>05</td>
<td>90</td>
<td>09</td>
</tr>
<tr>
<td>Total shops</td>
<td>16</td>
<td>------</td>
<td>22</td>
<td>------</td>
<td>12</td>
<td>------</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
### Table 1.4

**Sampling plan for the study of consumers**

**Profile of the respondents (male)**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Area</th>
<th>15-25</th>
<th>25-35</th>
<th>35-45</th>
<th>45-55</th>
<th>&gt; 55</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mulund</td>
<td>03</td>
<td>01</td>
<td>02</td>
<td>03</td>
<td>03</td>
<td><strong>12</strong></td>
</tr>
<tr>
<td>2</td>
<td>Bhandup</td>
<td>04</td>
<td>02</td>
<td>09</td>
<td>01</td>
<td>01</td>
<td><strong>17</strong></td>
</tr>
<tr>
<td>3</td>
<td>Kanjur Marg</td>
<td>01</td>
<td>04</td>
<td>02</td>
<td>03</td>
<td>01</td>
<td><strong>11</strong></td>
</tr>
<tr>
<td>4</td>
<td>Ghtk-Vkhroli</td>
<td>00</td>
<td>05</td>
<td>01</td>
<td>03</td>
<td>00</td>
<td><strong>09</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>08</strong></td>
<td><strong>12</strong></td>
<td><strong>14</strong></td>
<td><strong>10</strong></td>
<td><strong>05</strong></td>
<td><strong>49</strong></td>
</tr>
</tbody>
</table>

*Source: Compiled from primary data*

### Table 1.5

**Sampling plan for the study of consumers**

**Profile of the respondents (female)**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Area</th>
<th>15-25</th>
<th>25-35</th>
<th>35-45</th>
<th>45-55</th>
<th>&gt; 55</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mulund</td>
<td>01</td>
<td>02</td>
<td>04</td>
<td>02</td>
<td>01</td>
<td><strong>10</strong></td>
</tr>
<tr>
<td>2</td>
<td>Bhandup</td>
<td>03</td>
<td>04</td>
<td>07</td>
<td>06</td>
<td>01</td>
<td><strong>21</strong></td>
</tr>
<tr>
<td>3</td>
<td>Kanjur Marg</td>
<td>00</td>
<td>01</td>
<td>03</td>
<td>02</td>
<td>02</td>
<td><strong>08</strong></td>
</tr>
<tr>
<td>4</td>
<td>Ghtk-Vkhroli</td>
<td>06</td>
<td>01</td>
<td>03</td>
<td>01</td>
<td>01</td>
<td><strong>12</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>10</strong></td>
<td><strong>08</strong></td>
<td><strong>17</strong></td>
<td><strong>11</strong></td>
<td><strong>05</strong></td>
<td><strong>51</strong></td>
</tr>
</tbody>
</table>

*Source: Compiled from primary data*
• Data collection

Data collection drive was conducted by tapping both secondary and primary sources. Researcher went through enormous amount of published literature available in various forms. It included information obtained from various reference books, journals, magazines, newspapers, published reports, etc. Visits to the libraries of management institutions, Mumbai and S.N.D.T. University, libraries of reputed colleges, Bombay Chambers of Commerce, Indian Merchants’ Chamber and other places helped the researcher in the procurement of useful data for the research study. Web and internet support too was sought for the purpose of secondary data collection. Data collection through primary sources included information obtained from fieldwork. A structured questionnaire was used containing open ended and close ended questions. Three types of questionnaires prepared were as follows:

1. Questionnaire to find out responses of the consumers
2. Questionnaire to obtain information about select organized retailers in Eastern suburbs of Mumbai
3. Questionnaire for the collection of data from local retailers dealing with Readymade Garments, Furniture Goods and Electronic Items in Eastern suburbs of Mumbai

Data collection instrument was pre tested. Researcher conducted pilot study covering three product categories in the defined area of study on representative basis. The exercise helped the researcher to understand the level of perception of respondents, relevance of questions in the questionnaire and also aversion to certain types of questions, especially those questions which directly touched upon the financial matters of traders. Based on feedback, the questionnaires were suitably edited and modified. In addition to the questionnaires, data was also collected through personal interviews and field observation method.
- **Data analyses and interpretation**
  
  For the analyses and interpretation of data, statistical tools such as measures of central tendency, simple averages, ratio analyses and Chi Square test are applied by the researcher in the study.
1.5 Chapterization:

Present study has been divided into ten chapters; the sequence of presentation is as under.

Chapter 1: Introduction

This chapter highlights detailed design of the study, commencing with genuses of the problem that touch upon areas such as retailing in India, emerging retail scenario of the country and retailing in the city of Mumbai. Various investigative questions that prompted this study are also highlighted. It is followed by objectives of the study, hypotheses to be tested, research methodology that includes sources of primary and secondary data, sampling plan, chapter scheme, scope of the study, limitations of the study, expected contribution and scope for further research.

Chapter 2: Review of literature

An attempt has been made in this chapter to review the literature available in various forms to the maximum possible extent. Researcher mainly relied on the data available in the form of reference books, journals, periodicals, published reports as well as newspaper clippings. Lots of contemporary data could be gathered from business magazines and newspapers. The review is divided into sections such as conceptual aspects of retail marketing, retail scenario of India, modern retailing practices and retailing in selective countries followed by concluding remarks.

Chapter 3: Conceptual framework of retail marketing management

This chapter deals with the conceptual framework of retail marketing management. Retailing is a function of effective marketing of the merchandise. Activities such as logistic and supply chain management, visual merchandising, advertising and publicity, customer care management play a very crucial role in the success of retail. Areas including definition of retail, functions, different
retail formats, and theories of retail development, retail strategies and retail operations are covered in brief in this chapter, which provides conceptual clarity of the topic under study.

Chapter 4 : Overview of Indian retail Sector

Retailing is not only a big business globally, even in India, it is the second largest employer after agriculture, and is the world’s most fragmented sector too. Lot has been discussed in business magazines, journals, national and international summits and also in research reports published by agencies about this sunrise industry of India. World renowned retailers such as Wal-Mart, Cresco, Tesco, Carrefour, Ahold and many more are eager to encash the dividends offered by the surge in Indian economy. Indian retail sector has become a fascinating sector for industry analysts today. The trajectory of the retail journey of India is unfolded in this chapter titled ‘Overview of Indian retail sector’. The chapter deals with historical perspective of Indian retail, its changing face, organized as well as unorganized retailing in India, foreign direct investment scenario in retail, rural retailing along with challenges and future prospects of India’s retail sector.

Chapter 5 : Overview of organized retail sector in Eastern suburbs of Mumbai

The area of Eastern suburbs of Mumbai on Central Railway extends from Ghatkopar to Mulund. It approximately covers one sixth of the population of Mumbai. Organized retail industry has thrived in this region aggressively in the last few years. The region boasts of India’s leading malls namely, R Mall and Nirmal Lifestyles which are rated as best malls in India by the patrons in various surveys conducted. Many more malls are in the pipeline. Many leading national chains such as Durian, Godrej Interio, The Living Room, Croma, Next, Vijay Sales, Sumaria and Samsung are also found in this region making it a
shopper’s paradise. The topic gives description of organized retailers based in this area on select basis, along with their profile and operations in brief.

Chapter 6: The changing face of Indian consumer

The philosophy of globalization has successfully influenced the behavioral patterns of consumers in India. “New is Beautiful” concept has been rapidly gaining grounds everywhere. Indian customer is certainly changing from being a resigned and submissive buyer towards being an assertive one. Large section of Indian population is in their prime want fulfillment stage and is unabashedly prepared to demand world class shopping experience in their home market. This scenario throws multiple challenges both before organized as well as unorganized retailers as their marketing strategies need out of box thinking today. Various aspects of changing profile of Indian consumer are covered in this chapter. The chapter also contains findings of the sample survey conducted to ascertain views of the consumers on organized vis-à-vis unorganized retail market and also its influence on their psyche and behavior.

Chapter 7: Analytical study of the impact of organized retail sector on local retailers in Eastern suburbs of Mumbai in select product categories

This chapter, being the core of the study gives descriptive analyses and interpretation of the impact of organized retail industry on local traders dealing with Readymade Garments, Furniture Goods and Electronic Items in Eastern suburbs of Mumbai.

Chapter 8: Conclusions and Findings

The findings of the survey along with conclusions are provided in this chapter. Both findings as well as conclusions are divided into three categories, namely objective wise, general and specific conclusions and findings based on the entire gamut of secondary and primary data.
Chapter 9: Suggestions and Recommendations

On the basis of findings and conclusions, researcher has provided suggestions for all stakeholders of retail sector and the same are included in the topic. The topic also offers specific recommendations and three models for the peaceful coexistence of both organized and unorganized retail sector.

Chapter 10: Indian Retail - The Road Ahead

The concept of shopping in Indian urban market has changed over the decades. Shopping has taken a quantum leap towards the glitter of swanky and palatial malls. Economic prosperity is reflected in the changing behavior of Indian consumers. If we look at demographic profile of Indian market, it is amply clear that changes occurring in the demographic conditions will further fuel an economic growth of India in the next twenty years and forever change the conventional face of Indian market. The demographic bonus phase is expected to open lots of economic opportunities and India’s retail sector is all poised to ride on the same. An attempt has been made in this chapter to unveil the multidimensional trends of this great retail revolution which shall have a great bearing on the future prospects of this sector.

1.6 Scope of the study:

The topic under the study covers impact of organized retail industry on local retailers with special reference to Readymade Garments, Furniture Goods, and Electronic items in Eastern suburbs of Mumbai. The study was conducted in five suburbs of Eastern Mumbai which represent approximately one sixth of the population of the city of Mumbai. Multiple formats of organized retail operate in this area varying from malls, departmental stores, supermarket, and specialty chain of stores and so on. Researcher concentrated on three categories, namely, hypermarkets, shops in malls and specialty chain of stores as they mainly deal with the chosen product categories. Similarly, three product categories that are
selected by the researcher needs clarity in terms of range. The conceptual definitions and the scope of the study thus, are provided herewith.

- **The geographical scope of the study**
  
  Geographical scope of the study is restricted to the Eastern suburbs of Mumbai on Central railway that extend from Ghatkopar to Mulund. It has a population of more than fifteen lakhs, thus representing one sixth population of Municipal Corporation of Greater Mumbai approximately.

- **The period of the study**
  
  The period covers mostly post liberalized era in general and the beginning of twenty first century in particular since this was a time when Indian retail landscape changed with rapid pace. The buoyant economy, growing at over nine percent, has given further impetus to this growth, creating an upsurge of Indian market almost in all the sectors including retail trade.

- **Important components of the study**

  1. Consumers who are the end users of the product.
  2. Local retailers from Eastern suburbs of Mumbai dealing with the products under study.
  3. Organized retailers including specialty chains, departmental stores, hypermarkets and malls in the Eastern suburbs of Mumbai.

  Local retailer for the purpose of study is considered as an independent retailer who runs single retail outlet irrespective of size. The outlet is completely managed by him with the help of either family members or a few employed sales assistants. Organized retailer includes any retail outlet chain, which is professionally managed, has accounting transparency and organized supply chain management with centralized quality control and sourcing (certain part of the sourcing can be locally made) and big size and volume of stores. However,
for the purpose of the study, specialty chain of stores, departmental stores, hypermarkets and shops in malls operational in Eastern Mumbai are considered.

Products selected for the purpose of the study are Readymade Garments, Furniture Goods and Electronic Items. Readymade Garments include ready to wear apparels such as men’s wear, women’s wear and children’s wear. Consumer Electronic Items profile includes television, refrigerator, washing machine, music system, air conditioners, microwave ovens and computers. Furniture Goods category includes wall unit, cupboards, wardrobes, dining table set, dressing table, sofa set and any other form of ready to deliver home furniture made of wood, fiber or metal.

1.7 Limitations of the study:

The study mainly focuses on the impact observed in Eastern suburbs of the city of Mumbai. Though the researcher finds selected geographical area under study representative in nature, an ideal effort would have been the study covering entire city of Mumbai as well as suburban parts. Mall culture has thrived rapidly in all parts of Mumbai in the last decade, thus changing the face of consumer market of the metropolitan city. But since this was the study undertaken by individual, it was not viable to carry out such a vast study because of time, cost and other resource constraints. Consequently, it had to be limited to the sample size of individual local retailers in the selected product category. Similarly, different formats of organized retailers operate in the market. It was not possible to cover all categories in the study. Therefore, the researcher confined herself to select formats such as specialty chains, departmental stores, hypermarkets and malls, where non-grocery items such as apparel, consumer durables and furniture and furnishing items are sold prominently.
Another limitation may arise considering the present volatile nature of Indian economy at the end of 2008. Entire research work was conducted during the period when Indian economy had registered eight percent growth consistently. Projections were very much optimistic about the sustainability of growth march of Indian economy. Due to sub prime crises that hit United States of America at the end of year 2008 and subsequent onslaught of world recession has suddenly put the brakes to pace of growth of Indian economy. To what extent it might affect Indian retail sector in the long run is not yet clear. In such changing scenario, whatever conclusions are drawn on the basis of present study may be diluted to some extent.

Another important component of the study is consumers, without which authentic inferences can not be drawn. Consumers are selected on the basis of quota sampling, considering the age profile. Since this objective is supplementary in character, sample size had to be limited. Honest efforts have been made by the researcher to collect data that is complete in all respects, from all possible ways and sources. There were strong inhibitions observed on the part of organized as well as local retailers in sharing some data, especially financial records, despite lot of cajoling. At some places, language was the limiting factor in effective communication.

Another limitation of the study is due to the nature of Indian organized retail market. Though the market is growing rapidly, it can not be considered as a mature market in terms of the share. The share of organized market in the United States is eighty percent, whereas in India, it is still less than five percent and expected to grow up to ten percent by the end of the decade. The fledging nature of the market provides an element of generalization, instead of specific established patterns. More over, the socio economic profile of Indian market is diverse as well as unique, which can not be equated with the western countries, thus international literature available on the chosen topic was of limited use to
the researcher, especially in understanding the growth pattern of Indian retail market. Further, the study is restricted to only urban market. An important section of the Indian market, that is, rural market does not form a part of this study. Since organized market is still not penetrated deeply into rural India, the same was not considered by the researcher in the study, though it is taken cognizance of in review of literature and overview of Indian retail sector. However, it may emerge as an important field of research in the near future.

1.8 Expected contribution of the study:

The growing popularity of organized retail formats indicates that this industry is poised for impressive growth in future. The organized retail industry is aptly called “Sunrise Industry of twenty first Century” and is bound to have deeper impact on local retailing in a big way. Thus it is the need of the hour to study the phenomenon in a scientific manner.

The study aims at ascertaining the impact of selective organized retail formats operating in Eastern suburbs of Mumbai dealing with specific product categories on independent local retailers. This study thus provides useful database for these local retailers in particular and the business communities in general, in drawing counter strategies to offset the impact. This exercise is expected to provide an input to academia, social workers, government officials as well as political representatives at local, state and national level and N.G.O’s for stimulating their thought process.

Above all, it has helped me immensely in quenching my thirst for knowledge as an academician.
1. SELECTION OF THE TOPIC (Discussion with)
   - Research Guide
   - Academia
   - Industry Professionals
   - N.G.O
   - Study of Evolution of Indian Retail
   - Study of Growth of O.R. in E. Mumbai
   - Study of Changing Face of Consumer
   - Study of Impact of O.R. on Small Traders in Select Products in E. Mumbai

2. DEFINING MAJOR OBJECTIVES
   - News Papers
   - Reference Books
   - Journals and Business Magazines
   - Internet
   - Components
   - Sample Size
   - Sampling Method
   - Small Traders
   - Mall Developers
   - Consumers
   - O.R Formats

3. REVIEW OF LITERATURE (Secondary Data)
   - Survey Form/Questionnaire
   - Personal Interviews
   - Observation
   - Tabulation
   - Measures of Central Tendency
   - Ratio Analysis & Simple Averages
   - Chi-Square Test

4. FORMULATION OF HYPOTHESES
   - Objective wise Conclusions
   - General Conclusions
   - General Findings
   - Specific Conclusions
   - Specific Findings

5. SAMPLE DESIGN
   - Objective wise Conclusions
   - General Conclusions
   - General Findings
   - Specific Conclusions
   - Specific Findings

6. DATA COLLECTION (Primary Data)
   - Objective wise Conclusions
   - General Conclusions
   - General Findings
   - Specific Conclusions
   - Specific Findings

7. DATA ANALYSES & INTERPRETATION
   - Objective wise Conclusions
   - General Conclusions
   - General Findings
   - Specific Conclusions
   - Specific Findings

8. TESTING OF HYPOTHESES
   - Objective wise Conclusions
   - General Conclusions
   - General Findings
   - Specific Conclusions
   - Specific Findings

9. CONCLUSIONS & FINDINGS
   - Objective wise Conclusions
   - General Conclusions
   - General Findings
   - Specific Conclusions
   - Specific Findings

10. RESEARCH REPORT
    - Objective wise Conclusions
    - General Conclusions
    - General Findings
    - Specific Conclusions
    - Specific Findings

11. BIBLIOGRAPHY/APENDIX
    - Objective wise Conclusions
    - General Conclusions
    - General Findings
    - Specific Conclusions
    - Specific Findings