CHAPTER 5
OVERVIEW OF ORGANIZED RETAIL SECTOR IN
EASTERN SUBURBS OF MUMBAI

5.1 Introduction
5.2 Retailing in Mumbai
5.3 Organized retailing in Eastern suburbs of Mumbai
5.4 Profile of organized retail models in the area of study
5.5 Findings of the study
5.6 Observations
5.7 conclusion
Chapter 5

OVERVIEW OF ORGANIZED RETAIL SECTOR IN 
EASTERN SUBURBS OF MUMBAI

5.1 Introduction:

Mumbai, the capital city of Maharashtra is the gateway to modern India. It was originally made up of seven small islands namely Bombay, Parel, Mazagaon, Mahim, Colaba, Worli and Old Woman's Island (also known as Little Colaba). A confluence of varied cultural currents and cross currents has given Mumbai a unique position in the group of multi ethnic cities of the world. The geographical location of the city provides ample opportunities for trading and business. Mumbai has been the economic heart of India for centuries.

Mumbai, the commercial hub of India has vast array of industries and financial institutions which regulate the country’s economy to a great extent. The city alone contributes ten percent of business employment, thirty three percent of income tax collections, sixty percent of customs duty collections, twenty percent of central excise tax collections, forty percent of India's foreign trade and Rs 40,000 crore (US $9 billion) in corporate taxes.\(^{154}\) It has traditionally owed its prosperity largely to its textile mills and its seaport, up until the 1980s. This has been replaced by industries employing more skilled labor such as engineering, diamond polishing, healthcare, information technology and retail trade\(^{155}\). Some other important industries in the city are: Pharmaceuticals, construction, metals, silks, glassware, printing, plastics and

\(^{154}\) http://www.mumbaionline.in
\(^{155}\) http://www.panindia.in
bikes. The city has a separate position on the economic map of the world due to its rapid industrialization and opportunities for employment.

5.2 Retailing in Mumbai:

Retail is an age-old trade in the city of Mumbai. It has undergone considerable shift in the last decade and more radical changes are foreseen. Being the commercial capital of India, it constantly vibrates with trade and commerce activities of all shapes and forms. Retailing in Mumbai has changed dramatically in the last few years. Rising consumerism and increasing purchasing power of the customer has led to significant growth of organized retail market in Mumbai. The central and western suburbs as well as Thane belt are witnessing hectic retail activities. Organized retail currently occupies only four percent of the total retail pie, but growing at the hectic pace. There are currently forty-five operational malls in Mumbai Metropolitan Region. The details of current retail space in Mumbai are given herewith.

Table 5.1
Malls in Mumbai

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>No. of Malls</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1999</td>
<td>01</td>
</tr>
<tr>
<td>2</td>
<td>2003</td>
<td>08</td>
</tr>
<tr>
<td>3</td>
<td>2005</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>2007</td>
<td>45</td>
</tr>
<tr>
<td>5</td>
<td>2010</td>
<td>100 (E)</td>
</tr>
</tbody>
</table>


Table 5.1 describes the growth ratio of malls in Mumbai. In 1999, there was a single mall, Crossword. In 2003, there was an increase by 700 percent. In 2007, total malls were forty-five which again has shown a rise of 125 percent. It is predicted that in the year 2010, total number of malls in Mumbai would reach

155
to triple digit figure. Other formats of organized retail such as supermarket, specialty chains etc are not taken into consideration in this. Thus, if we take all categories of modern retail into account, the growth is last decade is impressive.

5.3 Organized retailing in Eastern Suburbs of Mumbai:

The organized retailing in Eastern suburbs of Mumbai is spread in five regions, namely Mulund, Bhandup, Kanjurmarg, Vikhroli and Ghatkopar. For the purpose of study, two areas namely Nahur and Powai are considered a part of Bhandup and Kanjurmarg respectively. The geographical profile of Eastern Mumbai is discussed along with the profile of organized retail models in the area of study here with.

• Geographical profile of the selected area of the study

**Mulund**: Till the mid 1950s to late 1980s, Mulund was an idyllic sleepy hamlet. Mulund was home to several prominent manufacturing establishments. Notable among them are the pharmaceutical companies - Hoechst, Wellcome, Glaxo, Merind and Johnson & Johnson. Engineering companies like Richardson Cruddas, British Oxygen, ACC, and Agfa & Gabriel were also around. As production shifted out of Mumbai, many of these establishments made way for modern shopping malls and luxurious apartment complexes altering the landscape and skyline of Mulund. Towards the late 1990s, this suburb acquired a new hue with winds of globalization slowly reaching the people here. Old buildings and structures gave way to big bright new malls and Cineplex’s. This change is most apparent along the Lal Bahadur Shastri Road which today is lined with two major shopping malls, R Mall and Nirmal Lifestyles (one of India's largest malls) which has attractions like Shoppers’ Stop, Shoprite (South African Hypermarket), Big Bazaar, Pantaloons, Lifestyle, eateries like McDonalds, Sachin’s, Pizza Hut, Subway, Cafe Coffee Day, Mocha, The Grill
among others. Skyscrapers have lined the landscape, replacing old factories. Old tailors and garment cut piece stores have given way to fashion boutiques.

**Bhandup**: Like most suburbs in Mumbai, Bhandup has two sub regions, Bhandup (west) and Bhandup (east), so named for their location relative to the dividing railway line. The more developed Bhandup (west) is characterized as an industrial suburb while the upcoming Bhandup (east) is considered to be more residential. Traditionally, Bhandup has been well known for its sea water salt extraction, and to date, these facilities can be found in the suburb. Although large tracts of Bhandup east remain unutilized, Bhandup west is amongst the most populated areas in Mumbai. A huge mall - Dreams - and a huge residential complex are coming up speedily in Bhandup west. The Leo Mall, Magnet, City of Joy are some of the upcoming malls in Bhandup. Nahur is a new railway station that has come up between Mulund and Bhandup in Central Mumbai. Skyrocketing property prices have forced development around Nahur. Nahur railway station is built at the far end of Bhandup. This railway station serves area of Nahur & Bhandup (east) i.e. Bhandup village and Bhandup (east).

**Kanjurmarg**: It is the name of a railway station on the Mumbai suburban railway on central railway line. It is a small suburb on the shores of Thane creek. Kanjurmarg station is the access point for IIT Bombay, NITIE Bombay, Hiranandani Gardens, and other locations in Powai and Kanjur Marg. Lots of commercial developments have been noticed in Powai and Kanjurmarg area in the last few years. The major organized retail set ups in this area are- Heiko-Hiranandani Gardens, Powai, D-Mart, Hakone Gaming, Galleria, Nahar's Amrit Shakti and Huma Mall, Kanjurmarg.

**Vikhroli**: It is another suburb of Eastern Mumbai. It is also the name of a railway station on the Mumbai suburban railway on the Central Railway line. The station was built just before India's independence in 1947 to take care of
transport for the sprawling Godrej Complex in the vicinity. Majority of the land
in Vikhroli is still owned by Godrej Group of companies. This area is yet to
witness the taste of organized retail revolution, though specialty retail chain
shops such as Durian, Godrej Interio are set up.

**Ghatkopar** : It is in the N ward of Mumbai municipality. Ghatkopar is a
bustling, bursting, throbbing and very vibrant area with all kinds of shopping
centers such as jewelry shops, cloth shops & commercial establishments. There
are not many malls and multiplexes in Ghatkopar. However, it is likely to
change soon, since three big malls are under construction. Platinum mall has
already been set up in Ghatkopar (east). Shoppers’ Stop is another attractive
destination. Shopping and market areas are found near the station road. Since it
is nearly the centre point of Mumbai, it is a prime location for real estate
developers.

Eastern suburbs of Mumbai have been witnessing a buzz of activities in
the retail arena in the last five years. Four malls are already functional and seven
more are in the pipeline. LBS road from Powai, Vikhroli and Mulund to Thane
is going to end up with one of the most densely concentrated retail realty in
India. Lots of projects have already started, though infrastructure is not keeping
pace with the same. With the residential projects coming up in Mulund, it is all
set to become tri junction of Thane, Navi Mumbai and Suburban Mumbai. With
the skyline adorning malls and multiplexes, central suburban commercial realty
is witnessing larger footfalls since 2005.

Along with Mulund, other suburbs which are witnessing a rapid buzz of
activities are Vikhroli and Powai. These suburbs house some of the biggest BPO
offices in the business. Powai, with its glitzy residential, commercial offices and
IT realty has developed with a lot of fanfare in the last decade. Hiranandani
Garden area has become an independent township, with a mix of residential,
commercial, IT, BPO as well as modern retail, educational and healthcare facilities.

5.4 Profile of organized retail models in the area of study:

Various categories and forms of organized retailers operate in the area dealing with diverse product portfolio. Malls, hypermarkets, departmental stores, supermarkets, specialty chains exist in Eastern Mumbai, thus offering a paradise to the avid shoppers. The profile of operative models of organized retail in Eastern Mumbai is as follows:

- **MALLS**

  Malls are the enclosed or open arrangement of several retail stores, providing a right mix of shopping, eating and entertainment, all under one roof. These are developed by the developer and either sold or leased out to the tenants on annual lease which may be reviewed after a stipulated period. Mall management mainly looks after maintenance, publicity and regulatory aspects. Malls act as shoppertainment destination for the customers. The mall complex is usually sprawling and air conditioned, thus offering a great shopping experience to the visitors. Mall is emerging as one of the favorite business models in the organized retailing in India. Researcher selected a few malls for the purpose of detailed study, though the profile of all malls in Eastern suburbs of Mumbai is provided herewith.

**Operational Malls in Eastern Suburbs of Mumbai**

- **R Mall**

  Runwal Constructions, the city based construction group has launched India’s one of the largest shopping malls in the suburbs of Mulund in 2003. The fully air conditioned mall which houses anchor tenants such as Big Bazaar, Pantaloons, Westside and Lifestyles departmental stores, has its own architectural charm. It has four storeyed parking facilities and houses all major
apparel brands along with other multiple product categories. Attractive aesthetics, vibrant interiors and excellent ambience are the hallmarks of the mall.

- **Nirmal Lifestyles Mall**
  World renowned architect, Hafiz Contractor was instrumental in the making of this legendary dome structured mall in Mulund. Operational since April 2004, this mall has anchor stores such as Shoppers' Stop, McDonalds, Fashion Planet, Shoprite Hyper and seventy nine stores of multiple product categories. The mall is rated twice as the best destination of shoppertainment in India.

- **Huma Mall**
  Operational since March 2006, this mall at Kanjur Marg is one of the most favored factory outlet discount malls in Mumbai. Total number of shops is thirty two, including multiplexes and food joints. The mall attracts more than ten thousand footfalls on weekends.

- **Platinum Mall**
  This is again modest size mall in Ghatkopar which was started in the year 2005. The mall primarily houses apparel shops, both independent as well as specialty chains. It is spread over three levels and also houses restaurants and a book store.

**Upcoming malls in Eastern Suburbs of Mumbai**

- **“Dreams” the Mall**
  Developed by Dheeraj Group, it is projected to be Asia’s largest mall. Expected to be operational in 2008, the mall aims to be India’s largest retail and entertainment mall. Built up area is 1.1 million square feet with multiplexes, food courts, amusement parks and more than 1200 shops, the mall is certainly destined to be the dream of shoppers in India.
Other upcoming Malls by 2010

1. Nirmal Arcade II - Mulund - Area: Five lakh square feet
2. Magnet Mall - Bhandup - Area: Ten lakh square feet
3. Leo Mall - Bhandup
4. Akruti Nirman - Kanjur Marg
5. R Town - Ghatkopar - Area: Eleven lakh fifty thousand square feet
6. City Centre - Ghatkopar - Area: Eight lakh fifty thousand square feet

HYPERMARKETS

Hypermarkets are generally a part of the mall, spread over huge area, offering deep assortment of all product categories such as readymade garments, grocery, fresh vegetables and fruits, dairy and meat products, general provisions, cutlery and many more. The hypermarkets are the anchor tenants in the malls. The front and back end operations of these stores are completely centralized and technology driven. They are positioned for the mass market segments and are heavy discounters. They follow independent publicity and pursue the same aggressively.

Hypermarkets in the area of study

1. **Shoprite Hyper**

   Spread over more than 50,000 sq.ft, the store is basically cash and carry franchise model started by Shoprite Holdings Ltd, the South Africa based global chain of Hypermarkets. The hypermarket is situated in Nirmal Lifestyles, Mulund. It is a favorite destination of hangout of locals as well as of people from distant places alike. It conducts its own publicity campaigns to attract footfalls. All operations are centralized and automated.

2. **Big Bazaar and Food Bazaar**

   These are the hypermarket models of Future Group, (Pantaloons Industries), which aim at mass retailing. The USP of these stores is “Low

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156 Data compiled from various newspaper reports
"Pricing". Located on three floors at R Mall, Mulund with the total area of more than 50,000 sq. ft, these stores are the prime attraction of shoppers not only from neighborhood locality but all over Mumbai.

- **DEPARTMENTAL STORES**

  It is another popular format of organized retail trade. In Eastern suburbs of Mumbai, departmental stores are found to be the part of the malls. They are mainly anchor tenants, occupying large amount of space and offering wide assortment of merchandise to the customers under one roof. Product category ranges from apparel, glassware, accessories, health and beauty products, watches, jewelry, luggage, mobiles, decorative items and other lifestyle products in all categories- branded, unbranded and private labels. They also sublet the counters to specialty chains as well as independent operators. These stores procure goods directly from the manufacturers and have efficient supply chain management system. Operations are managed centrally with high application of technology. Store operations are crucial as they are front end functions. Extensive training to the staff, independent store publicity, automated security system; store specific events are organized by them to attract more footfalls.

**Departmental Stores in the area of study**

- **Shoppers’ Stop**

  It is a chain of retail departmental stores run by Shoppers’ Stop Ltd - K.Raheja Group. First store was opened in 1991 and today they have multiple chains of stores across the country. There are two departmental stores in the Eastern suburbs of Mumbai, one at Ghatkopar (Area 35,500 sq.ft) and other at Nirmal Lifestyles, Mulund (Area 30,000 sq.ft). It has a wide assortment of merchandize and houses some of the most reputed national and international brands under one roof. Several customer loyalty programmes such as Parikrama, First citizen card, Premium home concept are introduced to attract
more footfalls in the store. Complete automation of the operations both at the front and back end.

- **Fashion Station**
  Another big departmental store that is located in Nirmal Lifestyles, Mulund. Total area covered is more than 20,000 sq.ft. The store mainly targets mass section of the society, basically younger generation and offers a deep assortment of fashion apparels and accessories.

- **Pantaloons**
  Positioned as “India’s family Store”, Pantaloons Departmental Store targets middle and upper middle class urban population of the country and offers a wide range of garments, accessories and lifestyle products to meet the specific requirements and preferences of all age groups. The Pantaloons Store is at R Mall, Mulund, spread over 15,000 sq.ft of land. Apart from stocking company’s brands, the store also has on its shelves other major brands across all product categories.

- **Lifestyles Store**
  Another sprawling departmental store situated in R Mall, Mulund. Spread across 50,000 sq. ft, it houses all lifestyle products mainly targeted at the up market segmentation. The store offers an amazing mix of products ranging from apparel to cosmetics and mobiles and many more.

- **Westside**
  A product of Trent, Tata Groups, and Westside Departmental Store offers a wide choice of latest fashion and accessories to the premium segment of the market. Finest collection of merchandise covering cutlery, jewelry, leather products, cosmetics, is made available to fulfill ever increasing aspirations of upwardly mobile Indian customers. Approximate area occupied by the store in R Mall is 15,000 sq. ft. Westside positions its products in the value for money segment by offering premium quality products at affordable prices.
• **SPECIALTY CHAIN OF STORES**

Specialty chains are the large network of shops across the country. The presence of these chains is found both inside and outside the malls. This business model is penetrated in all product categories but its deep penetration is observed in apparel sector. These chains function either through its company owned outlets or franchisee outlets. Formal training is imparted to all its employees centrally. Centralized merchandising and promotional schemes are followed for all its stores across the country, including that of franchisee outlets. These stores deal with private labels and branded products only.

**Prominent Specialty Chains in the area of study**

• **Readymade Garments**
  

• **Furniture Goods**
  
  Durian, The Living Room, Godrej Interio, At Home, Kiaan, Furniture Bazaar, Style Spa, Off the Shelf.

• **Electronic Goods**
  
  Sumaria Electronics, Samsung Digital, Sony Electronics, Next, Vijay Sales, Plug In.

• **SPECIALTY STORES**

Specialty stores are stand alone stores. The difference between specialty stores and other shops lies in their size and scale of operations. These stores are very specious and offer a great variety as well as select branded merchandise to the customers. The target group of customer segment is middle and upper middle class which is rapidly evolving in terms of shopping behavior in the country. Technology applications are modest and the goods are sourced either directly from the manufacturing companies or from area distributors. Some of
the notable specialty shops in the selected area of study are- Manoranjan, Green World (Readymade Garment), Electronic supermarket (Electronics), Furniture Mall, Nitraa Furniture (Furniture Goods)

• OTHER ORGANIZED RETAIL FORMATS

Apart from these formats, there are many supermarkets that deal with vegetables, grocery and general provision items. The prominent are Subhiksha, D Mart, Vishal Mega Mart, More, Spinach, and Heiko which operate supermarket model in the area of study. A new wholesale cash and carry B2B format, ‘Metro’ has been opened in November 2007 at Bhandup. Since these stores do not deal with the select products under study, only reference has been made about the same.

5.5 Findings of the study:

The researcher conducted a survey of two malls in depth with an objective of finding out the mall constitution, category of shops in the malls, USP of the mall and also to find out the various strategies followed by the shops in malls. Researcher observed that at present there are four functional malls of different sizes in the catchments area of study. Nirmal Lifestyles and R Mall are two bigger malls whereas Huma Mall is of modest size compared to these two and also exclusively positioned as factory outlet mall. The fourth mall, Platinum at Ghatkopar is a conclave of small shops, appears more as a store than a mall. Researcher therefore concentrated more on Nirmal Lifestyles and R Mall.
Profile of two malls

Table given below describes the profile of two malls selected for the purpose of the study.

Table 5.2
Mall Profile

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>R Mall</th>
<th>Nirmal Lifestyles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Type</td>
<td>Mix retail mall</td>
<td>Mix retail mall</td>
</tr>
<tr>
<td>2</td>
<td>Developer</td>
<td>M/s Runwal constructions</td>
<td>Nirmal Lifestyles Ltd</td>
</tr>
<tr>
<td>3</td>
<td>Location</td>
<td>Mulund (w)</td>
<td>Mulund (w)</td>
</tr>
<tr>
<td>4</td>
<td>Operational since</td>
<td>May 2003</td>
<td>April 2004</td>
</tr>
<tr>
<td>5</td>
<td>Total area</td>
<td>Four lakh sq.ft</td>
<td>5.5 lakh sq.ft</td>
</tr>
<tr>
<td>6</td>
<td>Total shops</td>
<td>80</td>
<td>79</td>
</tr>
<tr>
<td>7</td>
<td>Anchor tenants</td>
<td>R Ad labs, Big Bazaar, Pantaloons, Lifestyles, Westside</td>
<td>McDonalds, Shoprite Hyper, Shoppers’ Stop, Fashion Station</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

Table 5.2 describes profiles of two big malls in Eastern suburbs of Mumbai, namely R Mall and Nirmal Lifestyles. It appears from the above table that both R Mall and Nirmal Lifestyles are mix retail malls offering wide assortment of merchandise under one roof. M/S Runwal constructions built up this 1st mall in Mulund in May, 2003, with the total area of four lakh sq.ft in which eighty shops are situated. Most of the shops are either company outlets or franchisee outlets, dealing with branded products or private labels only. R Mall is completely air conditioned mall, which offers interconnected parking facility and shoppertainment under one roof. The mall is adorned by anchor tenants such as R Ad labs, Big Bazaar, Pantaloons, Lifestyles and Westside which are prime attractions to the visitors. Nirmal Lifestyles Mall is much closer in the
race. The mall opened in April, 2004 at Mulund west, is positioned as mix retail mall, covering a wide area of 5.5 lakh sq.ft. Total number of shops in Nirmals is seventy Nine and this mall it too covers wide variety of merchandise under one roof. Major attractions at Nirmals are McDonalds, Shop rite Hyper, Shoppers’ Stop, Fashion Station as anchor tenants. Nirmal Lifestyles is an open space mall known for its world renowned dome architecture and famous for focus on shopping, recreation and for being the largest food destination in the country.

- Customer Profile

The table below gives the profile of visitors in two malls surveyed. In both these malls, the emerging picture is more or less similar.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Age Group</th>
<th>RMall (%)</th>
<th>Nirmal Lifestyles (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15-25</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>25-35</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>3</td>
<td>35-45</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>45-55</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td>55 and above</td>
<td>07</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
Table 5.3 and Graph 5.1 present customer profile age wise. It appears that in both R Mall and in Nirmals, major crowd belongs to the age group of 25-35 which constitute forty percent of the visitors. The middle aged people in the age bracket of 35-45 and 45-55 too is sizable (33 percent). As expected, the old people do not frequent malls regularly, thus the observation is confirmed from the figures available. The youngsters in the age group of 15-25, which basically constitute school and college going kids, seem to be patronizing the malls greatly (nearly 20 percent). Since malls witness large number of footfalls at any given time, it was essential to find out the same and its actual conversion into the sales. Total number of people visiting the malls during week days as well as weekend in both the malls offers an idea about the footfalls and its actual conversion into the sales. The situation in R Mall and in Nirmal Lifestyles is as follows.
Table 5.4
Average footfall of customers in malls

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>No. of footfalls</th>
<th>R Mall</th>
<th>Nirmal Lifestyles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>During Weekdays</td>
<td>15000-20000</td>
<td>15000-20000</td>
</tr>
<tr>
<td>2</td>
<td>During weekends</td>
<td>40000 &amp; above</td>
<td>30000 &amp; above</td>
</tr>
<tr>
<td>3</td>
<td>Conversion into sales</td>
<td>70%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

Graph 5.2
Conversion of footfalls into sales

Conversion of footfalls into sales
(R Mall- Nirmal Lifestyles)

Table 5.4 and Graph 5.2 offer vivid description of average footfalls of customers during weekdays as well as during weekends and its percentage of conversion into the sales. It shows that both the malls are in close competition with each other with regards to footfalls and its conversion into sales. The
conversion rate is obviously higher during weekends as the crowd swells on holidays as well as during weekends. Both the malls use advanced technology to measure the number of footfalls during weekdays as well as during weekends and the conversion into sales. The available data shows that both the malls are competing with each other to attract the customers. In comparison with these two malls, the data gathered from Huma Mall projects modest number of footfalls during weekdays (4000-5000), during weekends (10000-12000) and their rate of conversion is 50 percent.

- **Use of technology**
  On being asked whether the mall administration is managed with the help of application of technology, both the mall authorities answered affirmatively. Technological applications such as ERP software, CRM, bar coding and scanners, credit card payments, automated security system are prevalent in both the malls along with independent website too.

- **USP of R Mall**
  1) Interconnected parking facility
  2) Complete air conditioned mall
  3) Closer to Mulund railway station and bus stops
  4) Shoppertainment under one roof

- **USP of Nirmal Lifestyles**
  1) Open space mall
  2) World renowned Dome architecture
  3) Focus on shopping and recreation
  4) Largest food destination in the country
  5) Events and shows- largest in the country
• **Shops in malls**

Another question asked was pertaining to the total number of shops in the malls. It was found that all categories of shops exist in the malls ranging from readymade garments, jewelry, footwear, restaurants, food joints, confectionary items and many more. Since the size of both the malls is large, it houses sizable number of shops, clear from below given table.

**Table 5.5**

*Category of shops in R Mall and Nirmal Lifestyles*

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Product category</th>
<th>R Mall</th>
<th>Nirmal Lifestyles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Readymade Garments</td>
<td>32</td>
<td>31</td>
</tr>
<tr>
<td>2</td>
<td>Footwear</td>
<td>04</td>
<td>02</td>
</tr>
<tr>
<td>3</td>
<td>Home Decor</td>
<td>03</td>
<td>06</td>
</tr>
<tr>
<td>4</td>
<td>Luggage</td>
<td>01</td>
<td>01</td>
</tr>
<tr>
<td>5</td>
<td>Fine Dine &amp; Restaurant</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>6</td>
<td>Hypermarket</td>
<td>01</td>
<td>01</td>
</tr>
<tr>
<td>7</td>
<td>Departmental Stores</td>
<td>03</td>
<td>02</td>
</tr>
<tr>
<td>8</td>
<td>Tourism services</td>
<td>01</td>
<td>nil</td>
</tr>
<tr>
<td>9</td>
<td>Consumer Durables</td>
<td>02</td>
<td>02</td>
</tr>
<tr>
<td>10</td>
<td>Jewelry</td>
<td>06</td>
<td>04</td>
</tr>
<tr>
<td>11</td>
<td>Other Services</td>
<td>02</td>
<td>05</td>
</tr>
<tr>
<td>12</td>
<td>Sports Equipments</td>
<td>01</td>
<td>nil</td>
</tr>
<tr>
<td>13</td>
<td>Book Stores, Gift stores</td>
<td>03</td>
<td>04</td>
</tr>
<tr>
<td>14</td>
<td>Opticians</td>
<td>01</td>
<td>nil</td>
</tr>
<tr>
<td>15</td>
<td>Multiplexes</td>
<td>01</td>
<td>02</td>
</tr>
<tr>
<td>16</td>
<td>Music &amp; Entertainment</td>
<td>02</td>
<td>nil</td>
</tr>
<tr>
<td>17</td>
<td>Others</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>---------</strong></td>
<td><strong>80</strong></td>
<td><strong>79</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
From the Table 5.5, it is very much clear that Readymade Garments shops form major chunk of the mall space. Total shops in R Mall are eighty and in Nirmal Lifestyles, the total shops are seventy nine. If we look at the product categories available in R Mall and in Nirmal Lifestyles, it is clear that both the malls offer wide assortment of merchandise to lure the patrons.

40 percent of the shops in both the malls belong to apparel goods category whereas Fine, Dine and Eateries are nearly 20 percent. Home décor, luggage, fine and dine restaurants, tourist centers, consumer electronics, jewelry, financial services, book shops, optical shops, sports equipments shops make the mall a true shopper’s paradise. Variety, quality and affordability are three factors found which aim at meeting diverse needs of the customer, and offering him shoppertainment experience. Average shop size varies between five hundred and thousand sq.ft for Readymade Garments whereas Furniture and Electronic goods shops in malls were found to be bigger in size. Since the products under the study included three product categories, the researcher selected Readymade Garments shops, Electronics and Furniture goods shops on representative basis from these two malls for the purpose of data collection. Details are given in the table below with regard to R Mall.

**Table 5.6**  
*Total number of shops in select product categories in R Mall*

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Total Shops</th>
<th>Shops surveyed</th>
<th>% of sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R. Garments (Including dept stores)</td>
<td>35</td>
<td>15</td>
<td>43</td>
</tr>
<tr>
<td>2</td>
<td>Electronic Goods</td>
<td>02</td>
<td>01</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>Furniture Goods</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
</tbody>
</table>

* Departmental store is included in R.G category as more than sixty percent of the merchandise is found to be R.G goods.
Table 5.6 states that the total number of shops in Readymade Garment category was found to be the highest in R Mall including departmental stores out of which fifteen shops were surveyed for the purpose of data collection, which constitute 43 percent sample size. Electronics Goods shops were very less, that is 2.5 percent of the total shops; therefore researcher selected one shop for data collection, which constitutes 50 percent. No furniture shop was found in R Mall. All three home decor shops in R Mall were found to be dealing with home furnishing items only.

Another table explains the position of the shops in select product categories in Nirmal Lifestyles in Mulund.

Table 5.7

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Total Shops</th>
<th>Shops surveyed</th>
<th>% of sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R.Garments (Including dept store)</td>
<td>33</td>
<td>17</td>
<td>52</td>
</tr>
<tr>
<td>2</td>
<td>Electronic Goods</td>
<td>02</td>
<td>01</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>Furniture Goods</td>
<td>04</td>
<td>04</td>
<td>100</td>
</tr>
</tbody>
</table>

*Departmental store is included in RG category as more than sixty percent of the merchandise is found to be RG goods.

Table 5.7 describes the details of total number of R.G goods, Electronics and Furniture goods shops in Nirmal Lifestyles. The total number of shops in Readymade Garment category was found to be more than 45 percent in Nirmal Lifestyles Mall out of which seventeen shops (55 percent) were surveyed for the purpose of data collection. Electronics Goods shops were very less, that is 2.5 percent of the total shops; therefore researcher selected one shop for data collection. Out of six home décor shops, four were found to be dealing with
Different types of furniture goods items alone and thus all four were covered. Total number of shops surveyed by the researcher in three product categories in two malls is thirty eight which 53.52 percent. Further break up on the basis of business format is as follows.

Table 5.8
Category of the shops surveyed in two malls

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Independent Shops</th>
<th>Specialty Chains</th>
<th>Franchise Shops</th>
<th>Departmental Store</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>38</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

Table 5.8 above throws light on various categories of the shops surveyed. Total number of shops surveyed by the researcher in select product categories was thirty eight, which includes three independent shops, nineteen specialty retail chains, fifteen franchise shops and one departmental store. Thus, it shows that percentage of franchise outlets is more in malls. Nearly fifty percent of the shops prefer franchise mode of functioning. Next popular form of modern retail seems to be specialty retail chains, the percentage of which is forty. One departmental store “Shoppers’ Stop” was covered out of five departmental store in two malls, thus covering twenty percent of the sample. Further break up of the same is as follows:

Readymade Garments: Total shops surveyed were thirty two of which exclusive kids wear shops were five, women wear eleven, mens wear nine, women wear and menswear mix five and unisex shops were two including one departmental store.
Furniture Goods: Furniture goods shops in the mall deal with ready to take furniture such as dining set, wardrobe, sofa set, beds, cupboard and other complete range of ready to take home furniture.

Electronic Goods: It includes entire range of Electronic items such as home theatre, LCD, DVD, tape recorder, audio system, digital still camera, digital imaging accessories, audio video accessories, mobile phones, play stations, in car entertainment, handy cam etc.

Thus, out of total sixty eight R.G shops including that of five departmental stores in two malls, thirty two were covered, amounting to 47 percent of the total shops. Out of four Electronics Goods shops, two were covered (50%) and out of four Furniture Goods shops in two malls, all four were covered (100%) for the purpose of survey. Type of merchandise stored by the shops gives broad idea about the scale of operations and the target market segment. The table here with offers the description of the same.

**Table 5.9**

**Split up of the shops in two malls**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Type of merchandise</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Branded</td>
<td>04</td>
</tr>
<tr>
<td>02</td>
<td>Unbranded</td>
<td>00</td>
</tr>
<tr>
<td>03</td>
<td>Private label</td>
<td>30</td>
</tr>
<tr>
<td>04</td>
<td>Pvt/Br/ Unbranded</td>
<td>02</td>
</tr>
<tr>
<td>05</td>
<td>Br/Pvt label</td>
<td>02</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-----------------</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

175
Table 5.9 and Graph 5.3 unfold merchandising strategy of modern retailers in malls. In all three product categories surveyed in two malls, it was found that 79 percent of the shops offer private labels to their customers. Franchise shops were found to be the leaders in private label category. Thus, it can be clearly seen that an era of private labels has come through O.R in the country. 11 percent deal with branded products only where as 5 percent stated that they are multi brand outlets and keep branded and unbranded stuff too along with their private label. It was found to be very common practice of departmental stores in malls. Another 5 percent keep both branded and private labels where as there was not a single shop found to be dealing with only unbranded products. It appears from the gathered data that private label products dominate the malls. All leading brands such as Provogue, Raymond’s, Hakoba, Peter England, Pepe Jeans, Levi, Ruff kids, Furniture Bazaar, Sony,
Kiaan and many more are found in both the malls surveyed. These shops are exclusive outlets that deal with private labels only.

- Advertising and sales promotion offers by shops in malls

Different types of retailers in the malls use variety of advertising and sales promotional schemes in order to attract the footfalls into their shops. It includes judicious selection of advertising and sales promotion tools by taking into consideration multi dimensional factors. These are promotional policies followed by mall developer and anchor stores to attract the footfalls, scale of operations, target segment of customers, nature of product, competitor's promotional policies and so on. Conventional tools such as banners, hoardings are regularly displayed for advertising and publicity. Modern retailers also follow the medium of road paintings as it provides wider coverage to them as regards to customer reach. Print and electronic media is followed by the retailers with wider financial muscle power. The description of the same is given in the table presented below.

**Table 5.10**

*Tools of advertising followed*

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Advertising Tools followed</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Print / Banner</td>
<td>18</td>
</tr>
<tr>
<td>02</td>
<td>Banner / Hoardings</td>
<td>04</td>
</tr>
<tr>
<td>03</td>
<td>Print media</td>
<td>02</td>
</tr>
<tr>
<td>04</td>
<td>Print / Banner / Electronic</td>
<td>14</td>
</tr>
<tr>
<td>05</td>
<td>Banner / Electronic</td>
<td>01</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
Table 5.10 and Graph 5.4 describe about the advertising and publicity strategy followed by the shops in malls. Majority of the shops interviewed stated that parent company regularly advertises in the print media at national as well as regional level. The franchise shops too get the benefit of the same. Banners and Hoardings are displayed at strategic places both inside and outside the malls along with railway stations and bus stops. Leading national companies such as Provogue, Raymond’s also make use of electronic media to reach large number of customer segments. Heavy investment is made by leading national chains in advertising and publicity campaign. Eighteen shops out of total thirty eight shops (50 percent approx) surveyed stated that they mainly rely on print and banner advertising which is basically a conventional tool of advertising, whereas sizable number of shops (37 percent) do rely on a combination of print, banner and electronic media for their publicity. The only departmental store,
Shoppers’ Stop stated that they have an online portal through which advertising is done. It appears that the shops do follow a mix of advertising tools for their publicity campaign, instead of relying upon a single tool of propaganda. With regards to promotional offers of the shops, multiple options were given in order to gather the data. Since the shopping in India is more festival-oriented, promotional offers were found to be revolving around the same. Further details are seen in the following table.

**Table 5.11**

**Promotional offers by shops in malls**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Type of offer</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Festival / Discount / Seasonal</td>
<td>14</td>
</tr>
<tr>
<td>02</td>
<td>Festival / Seasonal</td>
<td>02</td>
</tr>
<tr>
<td>03</td>
<td>Festival / Discount</td>
<td>02</td>
</tr>
<tr>
<td>04</td>
<td>Seasonal/Discount</td>
<td>08</td>
</tr>
<tr>
<td>05</td>
<td>Discount offer</td>
<td>01</td>
</tr>
<tr>
<td>06</td>
<td>All offers</td>
<td>07</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
Table 5.11 and Graph 5.5 offer data about various types of promotional offers by shops situated in malls. Most of the shops surveyed offer a combination of festival, discount as well as seasonal offers to attract the customers (37 percent). Less than 5 percent of the shops offer a combination of festival /discount and festival /seasonal offers. 21 percent of the traders offer seasonal /discount and nearly 18 percent of the shops take up all categories of promotional offers for their customers. On being interrogated further, it was revealed that these shops offer these schemes twice a year to the customers. Exchange offer was found to be missing from the promotional agenda of the shops in malls. The main attraction during festival time is discount offer along with gift items. Most of the shops rely on print media for advertising and publicity campaign.
• **Use of technology in business**

Most of the respondents (more than 90 percent) surveyed in malls use the bar code and credit card systems. On being asked whether the customer relationship management software was used by them, all shops answered negatively except Shoppers’ Stop, which is a departmental store. However, all the shops surveyed maintain visitor’s book which contains the cell numbers, e-mail identification of the customers and the loyal customers are informed about new arrivals and promotional offers on regular basis. Furniture goods category does not have bar coding system as yet. The only departmental store surveyed has advanced technology that includes electronic surveillance system, private guards, independent automated mechanism to measure the footfalls, use of ERP, CRM, SAP software to manage large number of transactions effectively. The number of cash counters operated by the store too are multiple in number and bar coding ensures smooth billing at these counters.

• **Supply Chain Management**

The strength of modern retailers mainly lies in their merchandise procurement and management. Different categories of modern retailers operating in the malls were interviewed to find out their material and inventory management policies. Table 5.11 offers the details regarding the same.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Sources of supply</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Direct purchase from the company</td>
<td>34</td>
</tr>
<tr>
<td>02</td>
<td>Purchase from distributors</td>
<td>04</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-----------------------------</td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
On analyses of the data presented in Table 5.12, it appears that whopping percentage of shops (89.47) stated that they directly source their merchandise from the manufacturers, thereby eliminating the chain of intermediaries from the supply chain. Only 10.52 percent of the traders in all three categories procure the goods from the distributors.

Another question regarding the period for which the stock of inventory maintained was asked to draw the details about the rotation cycle of the stock. Twenty four shopkeepers (63 percent) maintained the stock for one to three months, eleven for three to six months (29 percent) and two (5 percent) were found to be maintaining the same for six to nine months. One respondent did not divulge the details. Since majority of the shops in malls were either company outlets or in the franchise mode, it was observed that these shops were able to cut down the chain of distributors very effectively due to direct sourcing from the company. The rotation period of the inventory was less for Readymade Garment and Electronics goods whereas it was found to be more for Furniture section in the mall.

- **Human Resource management:**

Area of Human resource management included questions pertaining to total number of employees, employment policies of the shops, training policies followed by the business owners to enhance the skills of their staff etc. the replies are presented below.

### Table 5.13

**Human Resource management in malls**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>HR practices</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Special skill set required</td>
<td>38.</td>
<td>nil</td>
</tr>
<tr>
<td>02</td>
<td>Whether training is provided by the company formally</td>
<td>34</td>
<td>04</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
Table 5.13 describes about HRM policies of the shops in malls. Shops with less than 1000 sq. ft were found to have employed less than seven employees where as bigger shops recruit more employees (15-20). The shops in malls recruit the staff on the basis of personal contacts only in all three product categories. On being asked whether special skill set was required to handle the customers in malls, all thirty eight respondents answered positively. They further clarified the point by stating that the crowd in malls is more assertive, enters the shop with a defined mind and demands more information about the product. It is especially so in the electronics appliances category, which requires technical expertise. Therefore, all the respondents felt that along with general communication skills, working knowledge of English language and technical knowledge of the product is essential. More than eighty nine percent of the respondents said that the parent company provides extensive training to their employees and franchisee’s on regular basis to enhance their skills. The regular field visits by the company officials on the shop floor also adds value to ‘on the job training’.

**Likely impact of the malls on small retailers**

An attempt was made by the researcher to find out general opinion of the shopkeepers situated in the malls about the likely impact of the modern retail formats on traditional and small shopkeepers. Overall retail scenario of India has created an impression that organized retail culture is all set to spread its tentacles every where and mighty big brothers are bound to swallow small retailers very soon. Researcher therefore asked this question to the respondents. The purpose of this question was to ascertain the sensitivity of big brothers towards their counterpart in the changing marketing scenario. The responses are self explanatory and are presented below.
Table 5.14

Likely impact of malls on small retailers

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Response</th>
<th>Whether malls will impact small retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>No comment</td>
<td>01</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

Graph 5.6

Likely impact of malls on small retailers

As per Table 5.14 and Graph 5.6, total twenty five respondents out of thirty eight interviewed stated that mall culture will certainly have a negative impact on the small traders, which amounts to more than 66 percent. All those who opined the same, have unanimously endorsed the wide concern that small Readymade Garment shopkeepers might be the first victims of the impending
threat from organized retailers. Next in order would be Electronic goods shops, followed by Furniture goods. The opinion was similar across traders belonging to all three product categories surveyed by the researcher in malls. On further interrogation, the shopkeepers revealed that the younger generation was more addict to the malls and is used to buying the branded products, with little or no concern for the cost. They opined that this culture, if grows, would certainly put small retailers into the risk zone as malls would always be able to offer the branded and private label products at a cheaper price because of the scale of operations, better presentation skills and also due to the efficiency in the management of supply chain, by eliminating the chain of intermediaries and thus passing on the benefit to the customers.

- **Findings of the survey of Specialty Chain shops and Specialty shops in the area of study**

  The researcher paid extensive visit to the area under study and observed that the abovementioned formats of organized retail were found mainly in Electronic items and in Furniture product categories outside the malls. Though a few chains of specialty shops such as Raymond’s are found in Mulund, the concentration of specialty chain shops in Readymade Garment category was more densely visible in malls. Researcher therefore selected total five shops in the Electronic items and seven shops in Furniture category for the purpose of survey. The detailed analyses category wise is provided herewith:

- **Profile of specialty retail chains and independent specialty shops selected for study**

  Three categories of the products were chosen for the purpose of survey in the area of study. It was found that Readymade Garments shops were found to be concentrated in malls where as Furniture Goods shops and Electronics
Goods shops were present outside the malls in the model of specialty retail chains. Researcher therefore tried to find out the mode of functioning of these models also by selecting a few of retail chains in two product categories, namely Electronics and Furniture. In case of Electronics category, presence of all leading national chains such as Vijay Sales, Next, Sumaria, Samsung, Plug In, Croma was observed in eastern suburbs of Mumbai. In case of Furniture goods, retail chains such as Durian, The Living room, Godrej Interio, Style Spa were set up in the catchments area.

A) **Electronic Goods**

Total number of shops surveyed was five of which specialty chain shops were four and independent specialty shop is one. All these chain shops are operational since 2003 onwards in Eastern suburbs of Mumbai. “NEXT’ Retail is the largest Electronics goods chain in India with total thirty shops in Mumbai whereas Sumaria runs seven shops, Vijay Sales has five and Samsung Digital has one. Average area covered by these shops is around 3000 sq.ft. Only one big independent specialty shop was covered by the researcher, which was operational since 2004, with total area of around 2000 sq.ft. Total number of employees was between eight and ten.

B) **Furniture Goods**

In the field of Furniture Goods, four company outlets and three independent shops were surveyed. Big names such as Durian, Godrej Interio, and Style Spa are present in the form of specialty chains. Except two shops which started in 2001, all other shops have set their business since 2003-04. The average area is 7500 sq. ft and average employment data is ten employees per shop.
Advertising and sales promotion schemes

Different types of retailers in organized retail formats follow advertising and sales promotional schemes in order to attract the footfalls into their shops. It includes judicious selection of advertising and sales promotion tools to attract the footfalls. Sales promotion policy also depends upon scale of operations, target segment of customers, nature of product, competitor’s promotional policies and so on. The details of the same are provided in following two tables.

A) Electronic Goods

In case of electronics category, the dominance of specialty retail chains is evident. Since these retail chains are spread across the country, their customer reach is wider and more penetrative. The information about their advertising and sales promotion strategy is offered below.

**Table 5.15**

**Tools of advertising (Electronic Goods)**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Specialty chains</th>
<th>Independent specialty shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Print Media</td>
<td>04</td>
<td>01</td>
</tr>
<tr>
<td>2</td>
<td>Banners/Hoardings</td>
<td>02</td>
<td>01</td>
</tr>
<tr>
<td>3</td>
<td>Electronic Media</td>
<td>04</td>
<td>nil</td>
</tr>
<tr>
<td>4</td>
<td>Any other</td>
<td>nil</td>
<td>nil</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

Table 5.15 unfolds advertising strategies of modern retailers in the field of electronics goods. All tools of advertisement such as print media, banners, hoardings and electronic media are exploited by them to woo the customers. National leading chains have their independent websites as they opt for electronic media to expand their customer base. All four chain shops interviewed stated that they very regularly advertise in print media, both
national and regional. Fifty percent use banners and hoardings too where as electronic media is used by all (100%) of the four retail chains surveyed. One leading national chain, Sumaria advertises on Radio FM channel also. Standalone specialty shops solely depend upon conventional tools - banners, hoardings and print media for their advertising.

With regard to sales promotional offers, similar question which was asked to the shops in malls was asked to the retail chain owners too, and the responses are tabulated as under.

**Table 5.16**

*Sales promotion offers (Electronic Goods)*

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Category</th>
<th>Festival offer</th>
<th>Exchange offer</th>
<th>Discount offer</th>
<th>Seasonal offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Specialty chains</td>
<td>04</td>
<td>02</td>
<td>01</td>
<td>02</td>
</tr>
<tr>
<td>2</td>
<td>Independent specialty shop</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>01</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

According to Table 5.16, all chain shops in electronic category (100%), follow festival offers especially during Diwali festival. 50 percent of the shops offer exchange and seasonal offer whereas only one specialty chain shop surveyed; was found to be offering all promotional schemes including that of discount scheme. Festival offer is available during major festivals in India such as Ganapati festival, Diwali, Christmas and so on. Different schemes are offered by these chains in combination to attract the customers are -discount offer, exchange offer, installment payment offer and so on. Seasonal offers are company specific and mostly offered during slack season in order to lure the customers. Exchange and discount offers are again independent of festival offers and are run for a short period on the basis of market analyses.
B) Furniture Goods

With regards to Furniture Goods, the data is as follows-

Table 5.17
Tools of advertising (Furniture Goods)

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Category</th>
<th>Specialty chains</th>
<th>Indepnt specialty shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Print Media</td>
<td>04</td>
<td>01</td>
</tr>
<tr>
<td>2</td>
<td>Banners/Hoardings</td>
<td>02</td>
<td>01</td>
</tr>
<tr>
<td>3</td>
<td>Electronic Media</td>
<td>04</td>
<td>nil</td>
</tr>
<tr>
<td>4</td>
<td>Any other</td>
<td>nil</td>
<td>02</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

Table 5.17 shows that all specialty chain shops follow print media, banners and hoardings (50 percent) and electronic media as tools of advertisement. They have their independent website too. Out of three stand alone specialty shops covered in furniture category, two shops use mouth to mouth publicity for advertising where as one goes for banners, hoardings and print media. With regard to sales promotional offers, the responses of the modern retail chains dealing in furniture goods category are as under.

Table 5.18
Sales promotion offers (Furniture Goods)

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Category</th>
<th>Festival offer</th>
<th>Exchange offer</th>
<th>Discount offer</th>
<th>Seasonal offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Specialty chains</td>
<td>03</td>
<td>01</td>
<td>00</td>
<td>02</td>
</tr>
<tr>
<td>2</td>
<td>Independent speciality shop</td>
<td>01</td>
<td>01</td>
<td>02</td>
<td>01</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data
As per Table 5.18, three out of four specialty chain shops (75 percent) offer festival dhamaka to their customers along with other seasonal offers. Exchange and discount offer is not a favorite option of these chains. Surprisingly one of the leading chains Designo does not believe in sales promotion schemes, whereas the independent specialty shops do offer exchange facilities along with the combination of other schemes to attract the customers.

• **Use of technology**

All specialty chain shops (100 percent) in Electronic Goods category use bar coding as well as credit cards payment system. Since these shops are a part of company's outlets, advanced technological tools such as CRM, ERP, and SAP are followed centrally for streamlining the business operations. All chains have their independent website except standalone shop. On being asked about the use of technology, it appears that apart from credit card payment and websites, other technological applications are on a modest scale in the category of furniture items. Bar coding too has not yet set its foot in this category. All specialty chains have their websites while independent shops do not have website.

Technology applications in the Furniture Goods category too are modest. As retail chains are concerned, apart from independent website and credit card, other applications were yet to be implemented. Entire automation of business operations is done by a company like Godrej, but other companies are on the path of computerization of their business operations on a full scale. Stand alone shops were found to be using computers for daily record for quite some time.

• **Supply chain management:**

Supply chain management of retail chains was found to be similar to that of the shops in malls. Since these chains are a part of national market network enjoyed by big companies, buying the goods from distributors is ruled out. All
these chains, both in Electronics Goods and Furniture Goods category were found to be pretty comfortable in supply chain and inventory management due to their professional background.

A) **Electronic Goods**

Just like shops in the malls, all specialty chain shops procure their merchandise from manufacturers directly whereas specialty shop buys the same both from manufacturers as well as distributors. The inventory is normally maintained for one to three months period and the cost of inventory ranges between Rs. fifty and eighty lakhs as per the estimates. It is further explained here with.

**Table 5.19**

**Period of inventory (Electronic Goods)**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Period</th>
<th>Specialty chains</th>
<th>Specialty shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1-3 months</td>
<td>03</td>
<td>01</td>
</tr>
<tr>
<td>2</td>
<td>3-6 months</td>
<td>01</td>
<td>nil</td>
</tr>
<tr>
<td>3</td>
<td>6-9 months</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>4</td>
<td>9 months and above</td>
<td>nil</td>
<td>nil</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

Table 5.19 shows that out of four specialty retail chains in Electronics, 75 percent rotate their stock for the maximum of one to three months of time. Only one retail chain stated about a bit longer period for the same rotation. No chain was stocking the inventory beyond six months. In case of independent shop too, the stock turnover period was reported to be one to three months. All specialty chain shops receive the goods directly from parent company only. All retail chains procure the stock directly from the manufacturing company only,
where as one independent shop covered stated that in addition to the company, it depends upon the regional distributor for the stock.

B) Furniture Goods

The details about period of inventory of Furniture Goods are as under-

Table 5.20

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Period</th>
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<th>Specialty shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1-3 months</td>
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<td>2</td>
<td>3-6 months</td>
<td>01</td>
<td>nil</td>
</tr>
<tr>
<td>3</td>
<td>6-9 months</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>4</td>
<td>9 months and above</td>
<td>nil</td>
<td>nil</td>
</tr>
</tbody>
</table>

Source: Compiled from primary data

As per Table 5.20, even in furniture Goods category, stock rotation period is maximum three months for more than 75 percent of the chains and beyond three months for the rest. It is the same period (1-3 months) even for stand alone shop too. Out of three independent furniture shops covered, only one shop is stated to have been purchasing goods from manufacturer as well as distributor. Stock of inventory is maintained between 1 to 3 months and value of inventory runs into more than Rs. Fifty lakhs.

- Human Resource Management

All specialty chains in Electronic Goods and Furniture Goods category including standalone specialty shops agreed that special skill set is required to handle the customers in big shops as their requirements are different. Since the target segment of the customers is upper middle class, the staff which handles them needs to be qualified both academically as well as professionally, they believe. Disciplined behavior, language proficiency are other requirements of
the human resource in organized retail field. On being asked whether the company provides any training to the staff, all specialty chain shops answered positively whereas independent shops rely on the field training only.

• Likely impact of organized retailers on small retail traders

Efforts were made to ascertain the views of modern retailers running specialty retail chains and other formats about the impending impact of O.R on small retailers. The data is provided as under.

A) Electronic Goods

All those shops surveyed in Electronic Goods category unanimously agreed that the organized retail trade shall have negative impact on small retailers, even though they differed in their opinion as to who shall suffer the most. 60 percent felt that Readymade Garment goods category would be most affected followed by Electronic goods and then Furniture goods whereas 40 percent gave first casualty as Electronic goods sector followed by Furniture and then Readymade Garments goods.

B) Furniture Goods

The opinion seems to be diversified here. Though majority of the respondents felt that the small retailers are going to be affected (55 percent), they opined that there could be a place for everybody in the growing Indian market. Those who answered negatively stated that since the customer segment for both the models is different, small retailers in the category of furniture would co-exist along with big retail players.

5.6 Observations:

I) Malls are dominated by Readymade Garment shops which account for more than 40 percent of the total shops in the malls. The departmental stores and hypermarkets are the part of malls and deal with multi product categories, in branded as well as unbranded sections.
2) As far as the crowd is concerned, 60 percent customers frequenting the malls belong to the age group of 15-35, 20 percent customers are between 35-45 years and rest 20 percent are above 45 years, which shows the domination of young aspirers into the malls.

3) Furniture Goods and Electronic Goods shops are negligible in the malls compared to Readymade Garments and Restaurants. They are mostly found outside the malls in the form of specialty chains and stand alone specialty shop formats.

4) More than 75 percent of the shops in malls deal with private labels only (78.94) whereas 15.78 percent deal with private labels as well as branded items. Even outside the malls, the specialty chain shops dealing with Furniture and Electronic items category offer private labels alone.

5) Out of thirty eighty shops in three product categories in the malls interviewed, 88.23 percent shops were either in franchise mode and specialty chain mode of business, dealing with private labels and branded items only. Franchising thus seems to be a very popular emerging business model in organized retail segment. The presence of single independent shop in the mall is negligible. Apart from independent shops outside the malls, all rest covered were direct company outlets only.

6) Major leading national chains in Apparels such as Nike, Provogue, Spykar Jeans, Pepe Jeans, Hakoba, Ginny and Jony, Raymond’s, Pantaloons, Levi, Jasn, Weekender and many more are on the expansion mode either through franchise route or through the network of exclusive company outlets. Their presence was visible in all the malls visited by the researcher. These brands seem to be poised to ride on the popular wave of shoppertainment mania gripping Indian customers.
7) More than 80 percent of the shops both outside and inside malls offer various festival and seasonal offers, by encashing the festive mood of the customers. Aggressive publicity strategy adopted by the mall authorities such as festive events, seasonal activities for kids, social functions, heavy advertisements and many more also additionally help the shops in malls in terms of increasing footfalls.

8) The specialty chain shops having national presence use print as well as electronic media for their advertising campaign (40 Percent), apart from local advertising, which also benefits the franchisee’s shops. Banners and hoardings are other traditional tools of advertising followed regularly along with modern tools such as websites.

9) All departmental stores and hypermarkets in the malls are anchor tenants occupying huge space and offer wide assortment of products to the customers under one roof, follow advanced technology, have centralized sourcing of merchandise, electronic surveillance system, independent technology to measure the footfalls and are the major crowd pullers in the malls.

10) Since more than 88 percent of the shops are either franchise or company outlet mode, they source their products directly from the manufacturing company, thus eliminating middlemen in the supply chain and obtaining direct benefit of both scale and margin. It is same for the specialty chain shops outside the malls in Electronic as well as Furniture category. Since these shops trim down the chain of intermediaries, they are expected to pass on the benefit of price to the customers.

11) The manpower in all formats of organized retail, be in departmental stores, specialty chains and specialty shops was found to be conversant in English language other than Hindi and working knowledge of
Marathi. They all endorsed the view that special skill set is required to handle the customers in the malls as the customer is more assertive and belong to upper strata of the society in general. Thus, we can infer that the staff in malls in more professional in their handling of the customers.

12) Since competition in organized retail formats is perceived to be more in terms of brands, more persuasive skills are needed to handle the customers. Thus, the need of formal training was felt to be imperative for the staff. The entire staff in all shops surveyed was hired through personal contacts and was trained by the parent company at the corporate office.

13) The wide perception in the society that mall culture will have negative impact on small local traders was endorsed by more than 75 percent of the respondents inside as well as outside the malls. This view was especially expressed by the respondents dealing with Electronic Goods and Furniture Goods category outside the malls too.

14) All respondents in the malls unanimously agreed that they have greater benefit of being a part of the mall. The reasons cited include the advantage of greater footfalls at the given time, diverse and qualitative facilities offered by mall developers, ambience, more young crowd, benefit of mall image, benefit of promotional events organized by the malls, locational advantage, benefit of competitive branding, benefit of growing shoptainment culture in urban India, benefit of anchor stores and many more. These factors are exclusively present in the malls and the shopkeeper on the high street does not get these benefits.

15) The challenges faced by the shops in malls are also unique. The intensity of competition is more, more professionalism demanded due to competitive environment, aggressive promotion required to establish
their image, more cost as well as investment compared to high street shops and less number of footfalls during weekdays, to name a few. Thus, shops in malls do have their shares of troubles to handle.

5.7 Conclusion:

- Malls in Eastern suburbs of Mumbai are huge in size and offer wide assortment of merchandise under one roof to the customers who are young generation customers of 21st century.

- Though malls deal with wide assortment, the presence of Readymade Garments shops, either company outlets or franchisee shops is large in number. Thus, it can be inferred that Readymade Garments appear to be the most attractive product category in malls.

- Since Furniture Goods and Electronics Goods formats require large space, their presence is more found outside the malls in the format of retail chains.

- Franchising is fast emerging as the popular business model in growing Indian retail market.

- It appears that finally the era of private labels and branded goods has ushered in metropolitan cities of India, thus proving the distinct identity of the shops.

- Direct procurement of goods from the company, aggressive expansion plans, heavy advertising and promotional strategies, recruitment of professional staff, corporate training facility make all these shops falling under various formats of organized retailing more competent to handle ever growing market competition.
The growing popularity of malls is reflected in increasing number of footfalls during the weekends and its rate of conversion into sales. The optimism of the mall functionaries as well as the traders in the malls is palpable. With four functional malls in the Eastern suburbs of Mumbai and seven upcoming in the next two to three years, the shoppertainment scenario of the region is going to alter forever, thus posing serious challenge to small and unorganized retail sector which still dominates the retail market of Eastern Mumbai very much.