CHAPTER 2
REVIEW OF LITERATURE

2.1. INTRODUCTION
The topic of present research is related with retail industry and its impact on various groups or sections of economy. The term retail has its own origin and occupies an eminent position in the economies of all modern societies. In the 21st Century, we are witnessing a series of changes in retailing including the deployment of world and powerful icons like Walmart, Markson’s & Spencer. There is a turbulent change because of interruptions of applications of internet to retailing. Market stability is the king of the past as technology advances and business have to spread out to add value to their services. There are many contemporary changes that are happening in and around the economy which are responsible for changes in the retailing as an economic activity. The present studies deals with identifying the reasons of growth of modern retailing industry, its implications on economy, the responses of consumer and how retailing has influenced the overall economic growth of service sectors in particular as well as the economy in general. From this point of view the researcher has identified following as the basic purpose of research.

1) To study the growth & development of retail sector in India.
2) To study the business practices adopted by supermarkets.
3) To analyse the buying behaviour of the consumers visiting supermarkets.
4) To find out the factors influencing buying decisions of the consumer visiting supermarkets.
5) To evaluate the effect of business practices adopted by supermarkets on the buying behaviour of consumers.

2.2. PURPOSE OF REVIEW
The purposes of the present review of literature are enlisted as follows:
1. To understand the general trend in the retail industry around the world.
2. To identify the causes of development of retail industry at large and its impact on marketing of services.
3. To find the components of marketing environment that includes the retailing industry.
4. To find out how the consumers have changed their perception about retail industry, about new processes in retailing and how the customers are responding to the techniques adopted by large retailers.
5. To identify what are the contemporary areas of research in retailing and how the researchers have studied different dimensions of retailing.
6. To know what are the observations of different expert, marketers and researchers regarding development in retailing and its impact on consumer response, economic development as well as competitive changes that have taken place in marketing processes of different retailers.

From this point of view the researcher has made this review in a particular chronological order, comprising of the review of various books regarding retailing and research material at national and international level.

2.3. OBJECTIVES OF REVIEW
Major objectives of review are as follows:
1. To understand the trends and changes noticed by different authors and researchers in the field of retailing.
2. To find out new growth patterns in retail marketing in India as noticed by different authors.
3. To examine the trends and changes in the field of organized retailing in India as studied by different experts.
4. To find out opinions and views of experts at national and international level regarding retail development at global level.

2.4. REVIEW OF BOOKS AT INTERNATIONAL SCENARIO
David Gilbert¹ is one of the noted authorities who in his book titled “Retail Marketing Management” has identified the reasons of growth of Modern Retailing. In this book he has tried to find out why the growth of retailing is actually taking place. According to him more than any other business we are witnessing the emergence of new forms of retailing and becoming more segmented with reforms.
focusing on the needs of particular consumer segment. The result of this is the development of more consumer friendly environment. Whereas, once it was manufacturers brand that were all important. The year 2000 has witnessed the power of retailers brand challenging the position of suppliers. The traditional forms of independently owned small business and co-operative have lost significant market share in developed economy and the retail sector is now characterized by large scale, multiple store, run by powerful & sophisticated organizations. The increasing size of retailers and intensifying rates of competition in the markets in which they are operating has made retailers to search for new ways to grow their business. The author has tried to emphasize on two facts: First, retailing has become a major avenue of growth & the increase in the retail operations has changed the market dimensions. Second thing, there is an impact of E-retailing which attracts considerable attention. However, though initially it may not be successful but in the due course of time successful models for retail sectors based on E-business and Electronic Media will definitely influence the multichannel retailing system.

Andrew Newmen & Peter Cullen in their book ‘Retailing: Environment & Operations’ have rightly concentrated on understanding various aspects of Retailing as a Business. They have considered retailing as a vibrant part of our changing society and major source of employment. They have noticed that retailing is closely tied to the changing moods of the consumers and new ways of business, spread on by the impressive development in Technology and Management Theory. The book provides a comprehensive grounding in many facets of retailing, including Logistics and Distribution, Merchandising, Store Layout and design, pricing and location strategy. The authors have included new areas of importance which includes retail services and out of store retailing. The authors have tried to understand what are the ways and means because of which retailing is growing in a global scenario? How it has influenced non-formal ways of trading? And what are the implications of new format of retailing on consumer behaviour? In this book the authors have also tried to find out the different market structures that are required for retail operations and managing in the times of booms and slumps. This helps the readers to understand different facets, challenges and changes that are happening in the retail environment.
Michael Levy & Barton Weitz in their book ‘Retailing Management’ have tried to know how retailing has become an important economic activity. The book titled ‘Retailing Management’ is definitely a different form of commentary on ‘Retailing Operations’ especially in the modern & the Western World. The book discusses different facets of retailing strategies as they are useful for developing the retail markets especially in a growing economy. In this book the authors have tried to find out the reasons of growth of modern retailing, different retail format, and multichannel retailing as a method of operating in a competitive market. From the author’s point of view there is a great change in the consumer behaviour which is influencing the pattern of retailing and their strategies. The consumers have changed not only in terms of perception, choices & ideas and identities but also their modes of buying has significantly varied. These changes in the formats of retailing cannot convince the consumers as to why they should buy the particular product from a particular retail outlet. The change in the formats of branding i.e. from manufacturing brand to retail branding or private labelling has also proved to be of a limited impact. Therefore new methods of promotion especially attracting and retaining consumer, changes in the POP display system are being introduced.

The buying system have changed, so does the buying methods and promotional methods also have changed. The retailers have tried to introduce new pricing strategy and the retail communication has become a more important aspect of retail management in the modern world.

Barry Burman and Joel Evans have offered a different kind of approach to the present system of retailing. The book ‘Retail Management: A Strategic Approach’ is basically related with understanding the marketing phenomenon of retailing, the changes brought in due to competition amongst retailers in terms of marketing, distribution, as well as promotional practices. The author has concentrated on understanding and analyzing the detailed market from different dimensions. The concept of SWOT analysis, situation analysis and tactical analysis has been adopted by the authors to understand new trends in retail marketing, its implications on competition as well as economics of retailing, changes in the pricing policy and promotional techniques that are adopted by different organized large scale retailers.
The authors have tried to understand retail institutions in terms of ownership, in terms of demand pattern, in terms of strategic mix, in terms of emerging forms. The authors have noticed that the non-traditional retailing especially Web Stores, or Electronic Retail Channels are becoming more profitable and popular because of changing tastes and styles of buyers, because of liking of the new and emerging trend of Electronic medium. Internet has influenced not only in terms of technology but Internet has become a social medium of communication, which is responsible for development of E-Retailing which has drastically influenced the strategies of retail management. This has changed the perception, competitive strategies, distribution systems and promotional strategies that are adopted by the retailers.

2.5. REVIEW OF RESEARCH PAPERS IN INTERNATIONAL JOURNALS

A large number of authors have contributed by undertaking different research projects regarding retail management, various practices followed by retailers for promotion, distribution as well as to understand consumer behaviour. There are even researches regarding POP display arrangement, discount and price off as they influence consumer behaviour as well as consumer response to different types of competitive strategies adopted by retailers. It is worth understanding how the researchers have identified, understood and analyzed different facets of retailing.

Jeff Mowatt\textsuperscript{5} has tried to explain the process by which weak customer services can be improved. According to the author the process is classified into following frame: (i) focus on customer concerns, (ii) enquiring front line employees so that the customer’s are properly treated (iii) express sincere understanding of customer’s desires, wants and means (iv) apologize and rectify the situation where the customer feels that the retailer was wrong.

Ellen Garbarino\textsuperscript{6} and Mark Johnson highlighted that unless and until a retailer understands a specific class of factors that influences customers satisfaction, induces to develop his loyalty towards a particular retail format and liking for a
particular buying behaviour, a retailer cannot succeed in attracting consumers loyalty as well cannot retain a large number of customers for a longer period.

Alan S. Dunk discussed that the increasing importance of life cycle cost analysis to the firms as international competition intensifies and technological change continues. The literature increasingly emphasizes that rapid technological change and shortened life cycles have made product life cycle cost analysis critical to organizations. Although significant benefits are attributed to life cycle cost analysis, there is little evidence regarding the extent of its application in organizational settings. Moreover, there is scant systematic evidence available with respect to the array of factors that may influence its use. However, a review of the literature suggests that customer profiling, competitive advantage, and quality of information system are three factors potentially impacting the extent to which life cycle cost analysis is used in firms. The results of the study illustrate first, the degree to which product life cycle cost analysis is used across a random sample of organizations. Second, that all three independent variables play a positive role in affecting the extent to which product life cycle costing is used in firms.

Jay B. Simha & Raghavendra B. K. stressed that Customer profiling is an important function in Risk Management. It will help the decision makers to select the most profitable group of customers for any credit activity as well as to explore the behaviour. Statistical methods were frequently used for customer profiling. Such methods are not optimal in selecting the number of segments. In this work a self organizing map based clustering is used to segment the customer base and understand their behaviour. The proposed approach uses SOM algorithm with multiple business relevant metrics as the cluster validation criteria to arrive at optimal number of clusters. The case study confirms the efficacy of the proposed approach.

David C. Bojanic identified the customer profile for the “carryout” segment at all types of restaurants. Customers at two casual dining restaurants in the suburbs of a second-tier city in Western Massachusetts were surveyed regarding their dining out habits, including carryout service. This study was exploratory and similar studies
need to be performed covering more geographic locations at various times throughout the year. In addition, a probability sampling technique could be used with a good sampling frame. Casual dining restaurants need to determine whether they want to target the “carryout” segment. If so, the restaurant needs to focus more of its marketing efforts on reaching these customers and creating demand for the carryout product. Also, the benefits of targeting this segment need to be weighed against the additional costs in facility design and operations. This study focuses on the “carryout” segment for all types of restaurants, while most of the previous research in this area has been on quick-service restaurants.

Alexander Chernev & Ryan Hamilton in their research paper majorly focused on the important decision that retailers always involves in selecting the number of items constituting their assortments. A key issue in making these decisions is the role of assortment size in determining consumers’ choice of a retailer. The authors address this issue by investigating how consumer choice among retailers offering various-sized assortments is influenced by the attractiveness of the options constituting these assortments. The data show that consumer preference for retailers offering larger assortments tends to decrease as the attractiveness of the options in their assortments increases and can even lead to a reversal of preferences in favour of retailers offering smaller assortments. This research further presents evidence that the relationship between assortment size and option attractiveness is concave, such that the marginal impact of assortment size on choice decreases as the attractiveness of the options increases. Data from eight empirical studies offer converging evidence in support of the theoretical predictions.

Alexander Chernev discussed about an original decision heuristic that consumers use to choose among assortments. In particular it demonstrates that consumers are more likely to choose an assortment in which the number of available option matches their purchase-quantity goal. This finding is attributed to the quantity-matching heuristic, which points that a match between the assortment size and the number of to be purchased items enables consumers to avoid trade-offs associated with choosing a specific option while providing them with a readily available reason to choose the matching assortment. This article examines how the number of
to-be-purchased items influences consumer choice among assortments. It is argued that when consumers are uncertain about their preferences, they are more likely to prefer an assortment for which the number of available options matches the desired purchase quantity. This prediction is based on the notion that a match between the size of an assortment and the number of to-be-purchased items enables consumers to simplify the selection process by eliminating the need to trade off the benefits and costs of individual choice alternatives—a strategy referred to as the quantity-matching heuristic.” The theoretical predictions are supported by data from five empirical studies that offer converging evidence for the role of purchase-quantity goals in assortment choice and identify moderating factors and boundary conditions.

Alexander Chernev examined consumer reactions to two common positioning strategies; a specialized-positioning strategy in which an option is described by a single feature, and an all-in-one strategy in which an option is described by a combination of features. The empirical data reported in this article demonstrate that a product specializing on a single attribute is perceived to be superior on that attribute relative to an all-in-one option, even when this attribute is exactly the same for both options. It is further shown that the observed devaluation of the all-in-one option can be mitigated by introducing another attribute on which the all-in-one option is inferior to the specialized option.

Ryan Hamilton, Jiewen Hong & Alexander Chernev examined consumer choice as a function of the perceptual similarity of the options in the decision set. In particular scenario in which a set of options is extended by adding alternatives that change its perceptual characteristics, increasing the salience of one of the options in the core set. In this context, we document that, contrary to normative predictions, perceptual focus can increase the choice share of one of the core options, even when the added alternatives are dominated by both options in the core set. It further show that the observed effect is a function of consumers’ mode of information processing and is more pronounced in the context of intuitive (System 1) processing than analytic processing.
Alexander Chernev\textsuperscript{14} has discussed the influence of goal orientation on consumer preferences for the status quo. The data from three experiments offer converging evidence that the preference for the status quo is stronger for prevention-focused than for promotion-focused consumers. This effect was demonstrated in two choice contexts: preference for the choice alternative perceived to be the status quo (experiments 1 and 2) and preference for in action over action (experiment 3). In this context, it is shown that the impact of goal orientation on the preference for the status quo can occur independently of loss aversion - a finding consistent with the notion that goal orientation might impact choice by virtue of motivational factors such as self-regulation of anticipated regret.

Kevin D. Bradford\textsuperscript{15}, Anne Stringfellow & Barton A. Weitz had written that the retailers are becoming involved with networks consisting of multiple firms in order to more effectively perform business activities such as supply chain management. This research develops and tests a framework outlining the effects of conflict in networks and how conflict management can mitigate and exacerbate these effects. A study of 81 simulated networks finds that inter-personal and task conflict have a negative effect on network member satisfaction and desire to be a member of the network. The use of a collaborative conflict management style has a positive effect on satisfaction and desire for continuity, but the effects of accommodative and confrontational styles depend on the level of inter-personal and task conflict present in the network.

Velitchka D. Kaltcheva\textsuperscript{16} & Barton A. Weitz developed the conceptual framework which proposes that the consumer’s motivational orientation moderates the effect of the arousal produced by a store environment on the pleasantness of the environment. When consumers have a recreational motivational orientation, high arousal has a positive effect on pleasantness, but when consumers have a task-oriented motivational orientation, high arousal decreases pleasantness. In addition, high arousal increases consumer intentions to visit and make purchases in the store for recreationally oriented consumers, but it has a negative impact on shopping behaviour for task-oriented consumers. Pleasantness mediates the effect of arousal on shopping behaviour.
Peter Kaufman, Satish Jayachandran, and Randall L. Rose have written that retailers face considerable risk in introducing new products because of high failure rates. Given the proliferation of new products juxtaposed against finite shelf space, retail buyers are confronted with a choice problem. To enhance understanding of this issue, the authors examine the role of buyer–salesperson and firm–firm relationships using data collected in the context of actual new product selection by retail buyers at two large grocery retailers in the United States. The findings indicate that buyer–salesperson and firm–firm relationships have a greater influence on new product acceptance when a new product’s attractiveness is modest than when the new product is very unattractive or very attractive. At modest levels of product attractiveness, the likelihood of new product acceptance can increase by as much as 60% when the buyer has a strong relationship with the salesperson. The paper provides insights into the complex interplay of marketing relationships and product attractiveness in retail buyers’ selection of new products.

Horst Raff and Nicolas Schmitt investigated the implications for international markets of the existence of retailers/wholesalers with market power. Two main results were shown. First, in the presence of buyer power, trade liberalization may lead to retail market concentration. Due to this concentration, retail prices may be higher and welfare may be lower in free trade than in autarky, thus reversing the standard effects of trade liberalization. Second, the pro-competitive effects of trade liberalization are weaker under buyer power than under seller power.

Lauranne Buchanan, Carolyn J. Simmons & Barbara A. Bickart highlighted that consistency among the various elements of a marketing program believed essential in building and maintaining brand image and equity. And yet, a brand’s ultimate presentation to customers is controlled more often by the retailer than by the manufacturer. The retailer’s display decision can negate the equity of an established brand. The author suggests that this occurs because consumers have expectations about retail displays and the relationship among displayed brands. Display conditions that disconfirm these expectations can lead consumers to re-evaluate the brand.
Shankar Ganeshan\textsuperscript{20} & Barton A Weitz focused on the impact of four staffing policies (promotion from within, promotion through seniority, well-defined career paths, and opportunity for intra-organizational mobility) on the job attitudes and behaviours of retail employees. Staffing policies significantly affect the buyers’ intrinsic motivation and commitment to their firms. Commitment and intrinsic motivation, in turn, have a strong effect on a buyer’ creativity, risk-taking behaviour and intention to leave organization.

S. Sriram\textsuperscript{21}, Pradeep K. Chintagunta & Manoj K. Agarwal presented a framework of durable goods purchasing behaviour in related technology product categories that incorporates the following aspects unique to technology product purchases. First, it accounts for consumers’ anticipation of declining prices (or increasing quality) over time. Second, the durable nature of their purchases over several periods. Third, the forward-looking consumer decision process, as well as the durable nature of technology products, implies that a consumer’s purchase in one category will depend on the anticipated price and quality trajectories of all categories.

Li Jiang\textsuperscript{22} & Ravi Anupindi discussed that the system can be balanced by using a search process that is driven by either the customers or the retailers. In a customer-driven search, the customer with unmet demand may search for the product at another location and, if it is available, complete the purchase. In a retailer-driven search, the retailer with unsatisfied demand searches for product and schedules transhipment to fulfil the unmet demand at his location.

Muhammad Ali Tirmizi\textsuperscript{23}, Kashif-Ur-Rehman & M. Iqbal Saif investigated the relationship between independent variables which are shopping lifestyle of consumers, fashion involvement of consumers, pre-decision stage and post-decision stage of consumer purchase behaviour with the attitudinal and behavioural aspects of impulse buying behaviour. The pre-decision stage of consumer purchase behaviour is the only variable that resulted into strong association with the impulse buying behaviour. Young people more often get attracted to products displayed on store shelves and has greater tendency of impulse buying behaviour.
Elizabeth S. Moore, William L. Wilkie & Richard J. Lutz discussed about the concept of brand equity as an important source of strategic insights for marketers. One potentially valuable source of brand equity – the operation of intergenerational influences – has generally been overlooked in the marketing literature. Intergenerating influences are a real marketplace phenomenon and a factor that merits much closer attention from marketing strategists who are interested in brand equity issues.

Ben Paul B. Gutierrez investigated factors influencing planned and impulse purchases in personal care product categories by utilizing a behavioural measure, rather than an attitudinal measure of planned/impulse purchase. Product category, purchase frequency, brand comparison, and age are significant factors influencing planned and impulse purchases.

Anna S. Mattila & Fochen Wirtz suggested that over-stimulation has a positive impact on impulse purchases. Store managers can look at a number of environmental design variables to increase stimulation in their shops. Further indicated that perceived crowding and employee friendliness jointly influence impulse buying, and hence these two factors need to be considered together in store design.

Mehmet Arda stated that the importance of supermarkets in the world food economy has radically increased since the early 1990s. Supermarkets are now major sellers and buyers of food items not only in developed but also in developing countries. Urbanization and liberalization of the services sector have been important facilitators of this process.

Kamaladevi B stressed that, to compete successfully in this business era, the retailers must focus on the customer’s buying experience. To manage customer’s experience, retailers should understand what ‘customer experience’ actually means. Customer experience management is a strategy that focuses the operations and processes of a business around the needs of the individual customers. The goal of
customer experience management is to move customers from satisfied to loyal and then loyal to advocate. Focused on the role of macro factors in the retail environment and how they can shape customer experiences and behaviours. Several ways (e.g. Brand, Price, Promotion, Supply Chain Management, Location, Advertising, packaging & labelling, Service mix and Atmosphere) to deliver a superior customer experience are identified which should result in higher customer satisfaction, more frequent shopping visits, larger wallet shares and higher profits.

Gerard P. Cachon & A. Gurhan Kok discussed the assortment planning problem with multiple merchandise categories and basket shopping customers i.e. customers who desire to purchase from multiple categories. Presented a duopoly model in which retailers choose prices and variety level in each category and consumers make their store choice between retail stores and a no-purchase alternative based on their utilities from each category.

Toyin A. Clottey, David A. Collier & Michael Stodnick highlighted that brand image, product quality and service quality determine customer loyalty. Store managers can improve these drivers of customer loyalty by better training, recognition and reward programs, day-to-day store operations, and job, product, process and store design.

2.6. REVIEW OF BOOKS AT NATIONAL SCENARIO
Gibson Vidamani in his book ‘Retail Management’ tried to identify why retailing in the new format of Marketing has become an important aspect of Modern Marketing practices. Though, retailing is coming out in various formats in different countries. However, it is not only the format, but it is a method of promotion, distribution, marketing and buying which is being influenced. According to the author, retailing has transformed the economic aspect of marketing. Retailing is a need for those who are involved in the marketing process. In order to understand the phenomenon of the new changes that has been taking place in retailing so that the marketers can understand the perception, visualization and responses of consumer. It is necessary that one should understand how retail marketers are introducing new strategy. The author has concentrated on understanding different
retail strategies, their implications especially in social economy and cultural terms as well as how the stores are planned & designed and what are the new dimensions of different layouts. The author have also tried to explain different new trends in retailing especially as they influence an organized marketed system in the country. The economics of retailing as the authors have noticed is definitely influenced by not only the demand/supply equation but also the psychological consideration of the buyers especially in a given competitive environment where taste, choice, fashions and cultural values have been extremely important. From this point of view, Vedamani’s contribution is very useful for understanding modern retailing phenomenon.

Arif Sheikh and Kaneez Fatima in their book ‘Retail Management’ explained retailing as a process that involve identifying target market i.e. customers interpreting needs of target markets, developing good assorts of mercandise presenting them in an effective manner so that consumer can find it easy and attractive to buy. Thus, from the author’s point of view retailing differs from marketing in the sense that it refers only to those activities which are related to marketing of goods and services to final consumers for personal familiar household use. Whereas, marketing we refer to as the process of planning and execution of conception, pricing, promotion, distribution of ideas/goods/services to create exchanges that certifies individual/organizational objectives. Retailing happens to be a part of overall marketing process. The authors have further commented that retailing is one of the most important industries in any country enjoying and employing major share of workforce, selling whether in a store or at a door step require many peoples. According to the authors the person who runs the retail shop will not be the ultimate or final or end sale to the consumer i.e. end users. The person to whom the retailers sales are the final players in buying the goods and services. Intermediate consumers can also be frequently found and therefore retail management basically deals with identifying end users or final consumers promoting them, motivating them and activating them to enter the shop and attract them to a particular set of goods or commodities or services which they will buy for their ultimate consumption. Retail sector as noticed by the author has an increasing potential and therefore it has become a dominant marketing activity. It accounts for
impressive growth of gross domestic product, attracts employment, develop overall consumer satisfaction, creates needs and demands, and thus enhances economic activity. The economy can be made more consumption based only through retail activity and therefore from the author’s point of view, there are a large no. of retail outlets that are required not only to satisfy the existing demands of existing consumers but also better demand for potential consumers.

Dr. S.L.Gupta in his book ‘Retail Management: An Indian Perspective Text and Cases’ have tried to identify different aspects of retail marketing as it is going in Indian context. Dr. Gupta has tried to identify the reasons of changes that have equipped in the Indian market, factors responsible for growth of retailing and influence on marketing activity competitive strength, changes in the competition structure, marketers approach to markets as well as consumers response to these new trend growing in Indian context. According to the author, Indian markets are witnessing revolution, since the liberalisation of the economy there has been a tremendous growth in the variety of services and also in their form and context in which they are offered to Indian consumers. This growth is backed by huge volumes mainly due to sudden risks in the quantum of business activity. Internet penetration and aggressive marketing strategies of the retail sector, the services have changed the entire spectrum of retail. But within, retail sector has certain crucial concerns, particularly the security, legal and official issues, controlled entry regulations, etc. Global retail players have made it clear that they want to enter this industry.

‘Retail Management: Principles and Practices’ book written by R. Sudarshan, S. Prakash & M. Sharma. This book basically deals with what are the implications of retail management in Indian context, what new things are happening and how they are influencing in theory and in practice, the overall retail industry and marketing in Indian Environment. Indian retail business is undergoing dramatic transformation. The retail sector is characterized by a high degree of fragmentation with over 5 million outlets. Due to their small size, and unlike retailers in developed countries, Indian retailers have very little bargaining power vis-a-vis the manufacturers. In the emerging scenario, traditional formats of retailing (like hawkers, grocers, and paan
shops) are now co-existing with modern formats like supermarkets and non-store retailing channels, such as multi-level marketing and teleshopping. The structure of India's retail sector has an enormous influence on marketing strategy and marketing activities of firms. The Indian retail sector has arrived at a very critical stage. Stores in modern formats have emerged in the metropolitan cities, but the bulk of the retail sales still take place through traditional retail formats. The development of modern retailing is of great interest to marketing scholars, practitioners, and policy makers.

Suja Nair in her book ‘Retail Management’ has tried to explain the growth of retailing in Indian context especially in the context of new economic policy, global economic development, changes in the marketing and economic system as well as changing pattern and classification of economic activity. The author has tried to stress that there is a significant effect of liberalization and privatization policies on development of retail format. According to author, retailing has come to occupy a prominent position in today’s modern society. Inspite of the Indian retail revolution, it is said that over 90% of the 20% urban India are still towards the traditional retail. Now some worthy modern organized retail format is slowly gaining acceptance and can easily be seen to be emerging as a strong contender. The author has tried to make an attempt to communicate various development occurring in retail market especially on account of evolving consumer behaviour typically the evolution of retail. It can be studied by having a look at 4 tier component i.e. consumer behaviour, trade structure, retailer-distributor-manufacturer relationship and the competition. The profile of today’s customer can be easily described as an affluent one with a higher and most disposable income, frequent visits & makes a longer investment and time to explore a detailed shopping experience. However the consumers have also revealed a willingness to pay a premium provided they are offered better service quality at a retail counter. In addition to these, modern consumers will also appreciate additional facilities such as ATM, parking and in-store attendance. The main features of the book includes emphasis on case study of 12 major retail format wherein the author has tried to find out what are the new trends that are introduced by these various retail players, how they influence the overall market structure and the marketing environment in India, how they have
changed the retailers approach towards consumers and how consumers have responded to these new changes in the growing context of economic development.

‘Retail Management’ is another book written by Bajaj Chetan, Tuli Rajnish and Srivastava Nidhi V, which also deals with various new formats and packages related with retail industry in India as a result of liberal economic policies and boost given by the Ministry of Commerce and Trade to economic development in India. From the authors’ point of view, retailing consist of all activities involved in selling things and services to consumers for their personal, family and/or household use. It covers sale of goods, right from Automobile to Apparel and food products and services ranging from Hair cutting to Air travel and computer education. Thus the author has tried to examine the retailing from different perspective like manufacturers of white goods like Washing Machine & Refrigerators which have many options to reach to the consumers, i.e. through a different distribution format, the Manufacturer’s approach to exhaustive and exclusive distribution system or selection of selective distribution system, the consumer response to distribution & logistics practices followed by the retailers, the market response to different pricing and promotional policies adopted for popularizing a product or a service, the concept of brand loyalty and consumer loyalty to a shop or a distribution point and how it influences the consumer’s buying behaviour.

According to the author the retail sector in India is highly fragmented with organized retail comprising only 2% of the total retail sale. The retail sector in developed countries is on the contrary highly developed and has changed overall format as a pattern of retailing. In the last century there was a fragmented retailing in most of the western countries which has been changed because of emergence of Walmart, Spinach, McDonalds and have caused a rapid growth of organized retailing, as well as consolidation of retail industry in these countries. The rapidly rising income level and accompanied by change in lifestyle greatly lead to the growth of organized retail in the west. Today, something is happening in India, there is increase in purchasing power, growth of middle class which follows the western style of living. Hence, conditions are conducive for rapid development of organized retail in India. According to author, the Indian environment is different
from the western countries in many reach. The Indian cities are congested and large part of public is still concentrated in rural area. The Indian houses are smaller and Indian consumers still not use to buy bulk. The Indian retail scene is hence, very different from that prevailing in the developed countries. As organized retail grows retail formats are evolved in the west. It needs to be modified and new format suitable to Indian conditions have to be evolved. Even as organized retail grows, a large part of Indian retail is still likely to be unorganized. Hence, it is necessary that one should understand different practice of retailing from the Indian point of view, try to understand the engine of growth of retail industry, practice, scrolling the speed and the hindrances that are responsible for restricting its growth and development.

2.7. REVIEW OF RESEARCH PAPERS IN NATIONAL JOURNALS

Arpita Khare and Sapna Rakesh have highlighted that organised retailing in the form of malls is poised to develop exponentially in India. Malls are transforming the landscape of Indian retailing and consumers’ attitudes towards shopping. The upsurge of mall activity poses a question of how much malls are responsible for generating sales and consequently generating profits. The paper was directed at retailers with stores in the malls and describing their opinions about what generates consumer traffic and profits in malls. The retailers’ selection of malls is driven by the business potential offered by malls. The findings of research demonstrate that an assortment of factors is responsible for mall traffic. These may be categorised under entertainment facilities, services, ambience and mall management.

Piyali Ghosh, Vibhuti Tripathi and Anil Kumar have written that the phenomenal growth of retail in India is reflected in the rapid increase in number of supermarkets, departmental stores and hypermarkets in the country. However, this unpredicted growth trend has been challenged by the shadow of the current economic slowdown, which has raised a fear of dip in consumption and slowdown of growth for Indian organized retailers. At a time when consumer spending is on decline, success will lie with those retailers that can drive customer loyalty by responding to the demands of the consumer. This paper is an attempt to address issues related to store attributes and their relevance in the store selection process.
Eleven variables (store attributes) have been identified in this article based on theory and judgment. Factor analysis has yielded three factors: Convenience & Merchandise Mix, Store Atmospherics and Services. The factors identified and recommendations made in the article would be of use to retailers in designing their outlets with store attributes that would meet the expectations of shoppers and thus motivate them towards store patronage decisions.

Sujana Krishnamoorthy have discussed that developing economies, specifically India, are appearing on the world retail industry radar due to the size and potential of their markets. As organised retail presents enormous business opportunities, big names such as Reliance, Birlas and Tatas along with the foreign supermarket chains (in partnership with Indian companies), have been making an entry into this sector. Fearing loss of business and employment, traders and hawkers have held large-scale protests in various parts of the country. In the light of this, the Ministry of Commerce and Industry commissioned the Indian Council for Research on International Economic Relations (ICRIER) to analyse the impact of organised retailing on unorganised retail, farmers and intermediaries as a possible input to future policy-making.

Srivastava Ruchi described India as the most attractive retail market today with abundance of opportunities. The Indian retail market is growing with a rapid pace of about 25–30%. This paper provides detailed information about the growth of retailing industry in India. It examines the growing awareness and brand consciousness among people across different classes in India and how the urban and semi-urban retail markets are witnessing significant growth. It also highlights the recent trends in retail industry along with the opportunities available for both the national and international players. It is also prudent to acknowledge the deficiencies and problems as well along with listing out the opportunities that India presents for various types of retailers.

Anu Singh and Kaur Tripat explained the strategies adopted by retailers to keep pace with the changing moods of the shoppers. In the past few years, there has been a shift in India from individual retail outlets owned separately and managed
distinctively to professionally managed retail stores. The retail formats commonly analyzed are stores located in the malls. The study addressed how factors within and outside the stores affect store-level shopping decisions. The six main indicators on the basis of which retailers decide to go for a specific type of retail format are: Price, Sales Personnel, Quality of Merchandise, Assortment of Merchandise, Advertising, Services and other Convenience Services.

Subhashini Kaul evaluated the retail service scale developed in US and considered valid across a variety of formats and cultural contexts.

Joji Alex N & Dr. P. T. Raveendran discussed that a major area of concern in marketer-consumer relation is the growing influence and utilization of the credit market, an outcome of compulsive buying, which has negatively affected the consumers, leading then to unmanageable debt levels.

B. B. Goyal & Megha Aggarwal highlighted that the retail sector and its environment have experienced radical changes in the last decade. Most of the challenges are due to changing demographic, social, political, business climate and changes in the retail sector including the addition of Walmart, Carrefour, K-Mart, etc. The author examined the relative importance of the various products purchased at organized retail outlets and the choice of format, the consumer has when purchasing a product.

Ranjith P V & Rajesh Nair discussed service quality is perceived as a tool to increase value for the consumer; as a means of positioning in a competitive environment to ensure consumer satisfaction, retention and patronage. Despite its strategic importance, the Indian retailers do not have an appropriate instrument to measure service quality. The paper discusses use of Retail Service Quality Scale to assess overall service quality levels of retail stores. Personal Interaction, Appearance, Reliability, Problem-solving and policy are five factors which define service quality.
Deepak Devgan & Mandeep Kaur discussed that factors such as rising per capita income, emergence of nuclear families and entry of multinational companies offering huge variety of products have raised the demand of household products. This has been an opportunity for the ushering organized retail sector that is growing by leaps and bounds in India. Even in the middle and small cities, the shopping malls have been successful to snatch the customers of small kirana stores at a very pace, hereby, making it imperative to locate the factors that contribute in forming changing attitude of customers’ towards shopping malls.

Shilpa Kokatnur analysed the impact of new retail formats on traditional/unorganized retailers’ strategies. Service & promotion are the major strategies affecting unorganized players. The impact of organized stores differs for different category stores. Service and technology upgradation are the major strategies adopted by small players to retain customers. Traditional retailers need to redesign their business models.

Surajit Ghost Dastidar & Biplab Datta tried to assess whether the consumers’ demographics have any influence on their exploratory tendencies. The males are more risk taking/innovative than females and younger consumers are more prone to indulge in interpersonal communication about purchases. Education & income have no influence on any of the exploratory tendencies.

Babu P George & Manoj Edward examined how the degree of personal involvement in a purchase decision affects the information needed to reduce cognitive dissonance associated with that purchase. The authors argue that, highly involved individuals, because of their high involvement in purchase decisions, are rigid in their preconceived cognitions that led to the purchase. Consequently, they tend to downplay the new cognition and actively look out for purchase supportive information, rather than changing the old cognition that led to the purchase decision.

Sumeet Gupta, Kavita Jain & Divya Jain discussed that organized retailing is growing at a rapid pace in India. Although the Indian market is very large and
seems very promising, organized retailers are finding it tough to be profitable while traversing the unknown territories of India. One of the marketing strategies is to focus on retaining the existing customers as they are five times more profitable than new ones. In this study we examine the factors that influence customers' intention to continue purchasing from an organized retailer. Looking at an example of a supermarket, conclusions can be drawn for these organized retailers to stay in the semi-urban markets of India. The results show that customer's perceived value is an important indicator of customer continuance intention, as are the loyalty incentives provided by the store. Moreover, convenience is more important for customers in these markets than enjoyment.

2.8. CONCLUSIONS BASED ON THE REVIEW

The above review helps in drawing following conclusions:

1. At global scenario, there is a growing awareness regarding growth patterns of retail formats.
2. Most of the authors are concentrating on understanding consumers responses to different retail formats and marketing strategies.
3. Studies are being conducted to analyze and explain marketing strategies and trends of organized retailers.
4. The researchers are trying to identify the factors that are responsible for changes in approaches of global retail players towards consumers and advancement in developing countries.
5. In India, researches are being conducted to know about emergence of organized retailing and its impact on consumer behaviour.
6. Many researchers are trying to find out implications of organized retailing on local and domestic players, socio-economic changes as they influence the economy & the social structure.
7. Researches are also being conducted to identify implications of FDI on retailing in India as well as changes in the economic policies of government on retailing as well as marketing environment.

The researcher got insights into how the study needs to be conducted in the given scenario. The opinions, comments and work achieved by others lead the researcher to arrive at conceptual analysis of retailing, which is discussed in the next chapter.
References


