Chapter 1
Introduction

1.1. Introduction to Consumers Buying Behavior of Apparels

In the era of liberalization, one is moving from a local to a global economic paradigm, hence the role of consumers in these global economies cannot be neglected. A free market economy assumes informed and educated consumers with the power to influence the market through their rational decisions, when confronted with choices in the market. Thus, consumer decision-making, is of great interest for consumer educators and marketers interested in serving the consumer. Businesses in a global economy need to know more about consumer behavior in different societies, in order to effectively market their products and services. This is very evident in India, the second most populous country in the world and the number one contributor to world population growth of potential consumers (Population Reference Bureau, 2000). Given the huge market potential but highly diverse consumer demand for clothing in India, it is certainly reasonable to enquire about the motivations of the consumers regarding where they shop and what they buy. Traditionally, retailers have often relied on intuition and demographic information such as age, sex, income level, and occupation for identifying the potential areas. [1]

Tauber’s seminal research paper (1972) highlighted that consumers shop for both personal and for social motives. Westbrook and Black (1985) expanded upon Tauber’s findings by suggesting that individuals shop for three major reasons: to acquire a product, to acquire both a product and satisfaction with non product-related needs, or to attain goals not related to product acquisition. Research by Dawson, Bloch, and Ridgway (1990) later highlighted that consumers often enter marketplace exchanges fueled by experiential desires, such as the need to experience the components (i.e., sights, sounds, and aromas) that comprise a retail setting’s servicescape (Bitner, 1992), while Arnold and Reynolds (2003) uncovered that consumers also shop owing to hedonic, or spirited, adventure-seeking motives. [2]


Schiffman and Kanuk define consumer behavior as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individual consumers and families or households make decisions to spend their available resources (time, money, effort) on consumption–related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after purchase, the impact of such evaluations on future purchases, and how they dispose of it. [3]

According to the Five–Stage model of consumer buying process, consumers undergo the following five stages while purchasing any product:

(i) Need Recognition,
(ii) Information Search,
(iii) Evaluation of Alternatives,
(iv) Purchase Decision, and
(v) Post purchase Behavior.

Clearly, the buying process starts long before the actual purchase and has consequences long afterward. Consumers don’t always pass through all five stages in buying a product. They may skip or reverse some. [4] Purchase decisions are further influenced by personal, psychological, and social factors. Marketers need to study the thought process undergone by consumers, to compare it with their demographic data, and use the resulting information to market their products.

The relation between dressing and the idea of individual expression is complex. It may be perceived in people’s daily life through recurrent use of the same clothing colors, brands, fashion tendencies etc. Many people use contrasts and colors that express feelings according to their state of mind. Thus, the products’ properties, like design, comfort, individuality, have a decisive role on apparel’s buying behavior, which may vary depending on a set of factors, mainly on sex. [5]

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There is a widespread recognition that consumer behavior is the key to contemporary marketing success. Knowledge of consumer behavior directly affects marketing strategy. This is because of the marketing concept, i.e., the idea that firms exist to satisfy customer needs (Winer, 2000). For this reason, marketing strategies must incorporate knowledge of consumer behavior into every facet of a strategic marketing plan (Solomon, 2002).

Like many other items, apparel products are composed of many physical characteristics, which are perceived differently by various consumers. When considering a product purchase, consumers tend to compare and contrast alternative products made up of different attribute combinations. Their preferences for items of apparel may depend on the joint influence of price and product attributes such as quality, style, and brand. \[6\]

In the past few decades, consumers have been undergoing a major transformation from passive buyers to active enhancers or creators of new consumption experiences, proactively taking part in the process of collaborative marketing. The experiential paradigm of consumer behavior views consumption as a holistic expression of symbolic meanings, hedonic (emotional) responses, and sensory pleasures (Hirschman and Holbrook, 1986; Holbrook and Hirschman, 1982). Shopping involves diverse facets of shoppers’ experiences requiring a substantial level of interactions among shoppers, salespeople, and the store’s atmosphere. Given this characteristic, the shopping process entails sensory, emotional, and rational experiences that shoppers may encounter in an interactive fashion. For instance, shoppers, upon entering a store, come into contact with store atmospherics that stimulate their sensory appeals, such as the store’s merchandise display, interior, aroma, lighting, and background music. Such sensory stimuli can then evoke emotional responses such as joy, delight, and excitement, among others. \[7\]

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1.1.1 Situational Effects on Consumer Behavior

Making a purchase is often not a simple, routine matter of going to a store and quickly choosing something. As Figure 1 illustrates, many personal factors affect consumer’s choice, such as mood, whether consumer feels time pressure to make the purchase, and the particular situation or context for which the consumer needs the product. In some situations, such as when the consumer buys a car or a home, the salesperson or realtor plays a pivotal role in his final selection.

Today shoppers are using the Web to arm themselves with product and price information before they even enter a dealership or a store, which puts added pressure on retailers to deliver the value their customers expect. But the sale doesn’t end at the time of purchase. A lot of important consumer activity occurs after we bring a product home. After we use a product, we have to decide whether we’re satisfied with it. The satisfaction process is especially important to savvy marketers who realize that the key to success is not selling a product one time, but rather forging a relationship with the consumer so that he will keep coming back.

**Fig. 1.1: Issues Related to Purchase and Post purchase Activities**

<table>
<thead>
<tr>
<th><strong>ANTECEDENT STATES</strong></th>
<th><strong>PURCHASE ENVIRONMENT</strong></th>
<th><strong>POSTPURCHASE PROCESSES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Situational Factors</td>
<td>The Shopping Experience</td>
<td>Consumer Satisfaction</td>
</tr>
<tr>
<td>Usage Contexts</td>
<td>Point-of-Purchase Stimuli</td>
<td>Product Disposal</td>
</tr>
<tr>
<td>Time Pressure</td>
<td>Sales Interactions</td>
<td>Alternative Markets</td>
</tr>
<tr>
<td>Mood</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping Orientation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.1.2 Social and Physical Surroundings

A consumer’s physical and social environment can make a big difference in affecting his or her motives for product purchase and usage and also affect how he or she evaluates products. Important cues include the person’s physical surroundings, as well as the amount and type of other consumers also present in that situation. Dimensions of the physical environment, such as decor, smells and even temperature can significantly influence consumption. The use of scents in the retail environment can increase the pleasure and hedonic values derived from shopping.

1.1.3 Shopping: Motivations and Experiences

People often shop even though they do not necessarily intend to buy anything at all, whereas others have to be dragged to the shopping centre. Shopping is a way to acquire needed products and services, but social motives for shopping also are important. Retailers need to understand the variety of shopping motivations because these all affect how consumers evaluate different aspects of their retail experience such as atmospherics, promotion and marketing communications.

European research identified the following hedonic shopping motives: [8]

- **Anticipated utility**: Desire for innovative products, expectations of benefits or hedonistic states which will be provided by the product to be acquired.
- **Role enactment**: Taking on the culturally prescribed roles regarding the conduct of shopping activity, such as careful product and price comparisons, possibly discussed with other shoppers.
- **Choice optimization**: Desire to find the absolutely best buy.
- **Negotiation**: To seek economic advantages and sports-like pleasure through bargaining interactions with sellers in a ‘bazaar atmosphere’.

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• **Affiliation:** Shopping centers are a natural place to affiliate. The shopping arcade has become a central meeting place for teenagers. It also represents a controlled, secure environment for other groups, such as the elderly.

• **Power and authority:** Entering a power game with the sales personnel and maybe feeling superior to the personnel. As every salesperson knows, some people love the experience of being waited on, even though they may not necessarily buy anything.

• **Stimulation:** Searching for new and interesting things offered in the marketplace – shopping just for fun.

### 1.2. Introduction to Retail

Retailing encompasses the business activities involved in selling goods and services to consumers for their personal, family, or household use. It includes every sale to the final consumer. The distribution of consumer products begins with the producer and ends at the ultimate consumer. Between the producer and the consumer there is a middleman-the retailer, who links the producers and the ultimate consumers. Often people think of retailing only as sale of product in stores. But retailing also involves sale of services, medical facilities, boarding, lodging, services of food, after-sales service for repair, etc. Retailers attempt to satisfy customers by selling right product/service/merchandise mix at right price, at the right place when the consumer wants it. Retailers provide assortment of products and services, break the bulk produce by holding adequate inventory with additional services. Retailing is a dynamic industry- constantly changing due to shifts in the needs of the consumers and the growth of technology.

Opening up of the Indian economy, Market liberalization, growing purchasing power of middle-class, increasing number of rich, and increasingly self-confident consumers are sowing the seeds for a retail transformation that will bring more Indian and multinational players on the scene. The Indian retail industry has strong linkages with the economic growth and development of the economy. It is primarily characterized by its hierarchical growth structure, high working capital requirements etc. The factors such as rising urbanization, growing consumer class, growing per capita expenditure, greater interest evinced by the Venture capitalists / Private equity firms in the industry etc. have been driving the growth of organized retail. The retail environment in India is
highly competitive, being the second largest employment provider after agriculture the sector also the second largest untapped market after China. There are some 14 million retail outlets deeply penetrated across the country. Indian retail market is the 5th largest retail destination globally and owns the credit of being ranked as an attractive market for retail investment by A.T. Kearney’s 8th Annual Global Retail Development Index. [9]

The sector is witnessing a radical change as traditional retail markets are being replaced with new formats such as departmental stores, hypermarkets, supermarkets reflecting the western style. The malls have begun appearing not only in metros but also in Tier II cities giving the Indian consumer a new shopping experience. The growth of the sector is largely driven by changing life styles, favorable demographics, increasing disposable incomes, usage of plastic money, growth of middle class and an opportunity to tap the rural India.

Indian retail market is estimated to grow from $427 billion in 2010 and expected to reach $637 billion by 2015. [10] Indian apparel retailing is the country’s largest opportunity for the organized retailers after food retailing. The clothing market is highly fragmented, with numerous organized and unorganized players operating across a wide variety of formats. Branded apparel accounts for only 20 percent of the total apparel market. Men’s clothing currently accounts for about 42% of all branded apparel sales as compared to 36% of women’s wear and 22% of children’s wear. The structure of apparel retail has changed dramatically in the recent past with the growth of large multi-brand apparel outlets and manufacturer brand-led chains. The increase in organized retail reflects a rapidly growing middle class with higher disposable income that demands higher quality shopping options and global brands.

Retailing can broadly be classified into:

1. Organized,
2. Unorganized retail.


Unorganized retailing refers to the traditional form of retailing with the retail outlets situated near the residential areas. While organized retailing refers to the modern form of retailing with trading activities undertaken by licensed retailers generally located in commercial establishments/high-street areas. Globally, the retail industry has grown at a brisk pace. The fast growth of top global retailers has ensured globalization of the industry; however the opportunity for growth of organized retail is immense in countries such as India, S. Korea and Vietnam etc. where organized retailing is still at a nascent stage. The Indian retail industry has witnessed a massive transition during the last few decades.

The Indian retail has grown at a CAGR of 11.2% during the period 2007-2009 with food and grocery accounting for the major share. [11] Despite the industry being dominated by the unorganized retailers, the organized retailing revenues have soared at a CAGR of 19.5% during the period 2007-2009. [11] The apparel and footwear segment occupies the major share in the organized retail pie. The trends show that it is not only the consumers of the metro and other big cities of India but also those of the small cities who are experiencing this retail revolution. They show that many more consumers in various cities are eagerly waiting for the opening up of the shopping malls. According to the India Retail Report 2007, the organized retail sector accounted for ₹55,000 crore ($12.4 billion) business at current prices in the calendar year 2006 increasing its share to 4.6 percent of the total Indian Retail Value that stood at ₹12,00,000 crore ($270 billion). According to the same Report, organized retail in India has the potential to generate some 2.5 million direct jobs through retail operation and over 10 million additional jobs in retain support activities including contract production and processing, supply chain and logistics, retail real estate development and management etc.

The study relating to retail sales (Rusch, 2003) reveals 45% of the products sold in Europe and 75% in US are fed by organized retail outlets. But there remains another edge leaving organized retailing at an interesting crossroad. While retail sales remain at the highest peak in the history on one hand (Berman and Evans, 2002); the retailers face numerous challenges on the other.

Nevertheless, the shoppers have a choice that they did not enjoy earlier due to strong desire for stores’ private level brands. In fact, two-third of the consumers surveyed admits they buy certain brands of clothing because these reflect their personality and lifestyle. Thus, organized retailing, especially apparel sector, crossed the threshold of doubts to illuminate its existence globally. While organized retailing is gaining pace globally, India cannot remain non-responsive to the beckoning of its peak touching success. This recognition within the reckoning of retailers, manufacturer brand owners and consumers made private level brands a reality. And there has been no looking back pulling some Indian business giants into the arena of organized retailing.

Various retailers from across the world have been visiting India with a view to establish their presence in a market that is expected to witness exiting developments. The well established corporate houses of India like Godrej, Tata’s, Reliance etc have already tied up or are in the process of having a tie up with the world top retailers to launch their retail chains in India. Reliance Industries Ltd. has already launched its retail stores all across India with a name “Reliance Fresh”. Since 100% Foreign Direct Investment (FDI) is not allowed in the multi brand retail sector, the international players in India are entering indirectly, via the licensee/franchisee route.

Organized retail in India has the potential to generate some 2.5 million direct jobs through retail operation and over 10 million additional jobs in retail support activities including contract production and processing, supply chain and logistics, retail real estate development and management etc. [12] Organized sector growing at a blistering pace is overshadowing the unorganized sector and alongside, Indian cities are witnessing a paradigm shift of retailing to the vibrant organized sector. Clothing and fashion accessories stand to be the largest category followed by food and grocery, footwear, and consumer durables in organized retailing. Changing lifestyle, increased rate of literacy, growing number of working women, excessive urbanization, high rate of media penetration, growing young population, tendency to ‘spend now’ and favorable demographic patterns act as the key in the recent spurt of the organized retail sector in India. In this booming retail market in India it became inevitable for the companies to learn how

to retain their market share as well as to enhance it. With the entry of bigger players, the retail market is getting more and more organized and structured. Competition will soon be very intense. It is a generally accepted fact that the cost of retaining customers is one-fifth of the cost of acquiring new ones. Existing customers generate larger margins and profits (per customer) than the new ones.

Garnishing is taking place rapidly to reface the shabby look of the retail stores by snazzy, slender outlook. The accessibility of the customers has also been magnified by creating a customer-friendly ambience in the stores. The assurances of similar quality with larger ambit of price differentiation, more variety within the product category have made retail shopping more delightful. A trusted retail name provides comfort of shopping to the consumer. So, it cannot be denied that the organized retail sector is going to play a major role in shaping the competitive scenario of Indian consumer goods and service markets in near future.

1.2.1 Retail Development: Indian Context

Goldman Sachs (2005) has estimated that the Indian economic growth could actually exceed that of China by 2015. We all know that India has been a nation of dukandars (shop-keepers). Retailing is in our blood, either as shopkeepers or as a shopper. Retail contributes to 10% of our GDP. Table 1 shows the share of retail in Indian employment.

Table 1.1: Country wise Share of Retail in Total Employment

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of Retail in Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>6-7%</td>
</tr>
<tr>
<td>China</td>
<td>6%</td>
</tr>
<tr>
<td>Poland</td>
<td>12%</td>
</tr>
<tr>
<td>Brazil</td>
<td>15%</td>
</tr>
<tr>
<td>Korea</td>
<td>18%</td>
</tr>
<tr>
<td>USA</td>
<td>11.7%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>7%</td>
</tr>
<tr>
<td>UK</td>
<td>11%</td>
</tr>
</tbody>
</table>

The organized retail industry in India had not evolved till the early 1990s. Until then, the industry was dominated by the un-organized sector. It was a seller’s market with a limited number of brands and little choice available to customers. Lack of trained manpower, tax laws and government regulations all discouraged the growth of organized retailing in India during that period. Lack of consumer awareness and restrictions over entry of foreign players into the sector also contributed to the delay in the growth of organized retailing. Foundation for organized retail in India was laid by Kishore Biyani of Pantaloon Retail India Limited (PRIL).

A number of factors are driving India's retail market, these include:

- Increase in the young working population,
- Hefty pay-packets,
- Nuclear families in urban areas,
- Increasing working-women population,
- Increase in disposable income and customer aspiration,
- Increase in expenditure for luxury items, and
- Low share of organized retailing.

India's retail boom is manifested in sprawling shopping centers, multiplex-malls and huge complexes that offer shopping, entertainment and food all under one roof. But there is a flip side to the boom in the retail sector. It is feared that the entry of global business giants into organized retail would make redundant the neighborhood kirana stores resulting in dislocation in traditional economic structure. Also, the growth path for organized retail in India is not hurdle free. The taxation system still favors small retail business. With the intrinsic complexities of retailing such as rapid price changes, constant threat of product obsolescence and low margins, there is always a threat that the venture may turn out to be a loss making one. A perfect business model for retail is still in evolutionary stage. Procurement is very vital cog in the retail wheel. The retailer has to fight issues like fragmented sourcing, unpredictable availability, unsorted food provisions and daily fluctuating prices as against consumer expectations of round-the-year steady prices, sorted and cleaned food and fresh stock at all times. Trained human resource for retail is another big challenge. The talent base is limited and with the entry of big giants there is a cat fight among them to retain this talent. This has resulted in big salary hikes at the level of upper and middle management and thereby eroding the profit margin of the business. All the companies have laid
out ambitious expansion plans for themselves and they may be hampered due to lack of requisite skilled manpower, but retail offers tremendous for the growth of Indian economy. If all the above challenges are tackled prudently, there is a great potential that retail may offer employment opportunities to millions living in small town and cities and in the process distributing the benefits of economic boom and resulting in equitable growth. Based on the projections, the top 5 organized retail categories by 2015 would be food, grocery and general merchandise, apparel, durables, food service and home improvement. According to the 8th Annual Global Retail Development Index (GRDI) of AT Kearney, India retail industry is the most promising emerging market for investment.

2010 was the year of consolidation of the Indian retail industry. Many major retailers including Reliance, Aditya Birla Retail, Spencers, and Pantaloon Retail closed down several unprofitable super markets, medium and small format shops and concentrated on their existing operations. This was in sharp contrast to 2008 and early 2009, when all the major companies went into overdrive to open new stores across cities and towns in India. Among the various elements that characterize this phase are: a renewed focus on increasing existing store profitability, negotiating lower rentals and reducing operating costs like human resources, administration, supply chain, and lowering advertising expenditures. Many retailers are trying new ways to increase profitability at a minimum cost. One of the ways which seems to have worked well is to bring global brands with existing customer equity into their stores, thereby reducing advertising spends. A few of them have entered into joint ventures with foreign partners who are more experienced but a number of them have embraced brands via the licensing route.

1.2.2 Rise of Private Label

Private labels currently constitute 10 to 12 percent of the organized retail industry and are growing very rapidly. Among the key players who are betting big on private labels are Westside (Trent), Shoppers Stop, Spencers (RPG Group), Future Group, Reliance and Bharti Walmart. Of these, the highest penetration of private label brands is by Trent at 90 percent, followed by Reliance at 80 percent and Pantaloons at 75 percent. Big retailers such as Shoppers Stop and Spencers have a penetration of 20 percent and 10 percent respectively. Globally, store brands constitute nearly 17 percent of retail sales. In fact, international retailers such as Wal-Mart and Tesco have 40 percent and 50 percent of in-house brands in their stores. Spencers at 10 percent
of private labels is believed to have around 6000 SKUs covering all segments from food to apparels and electronics. [13]

Just as in matured markets, retailers in India have realized the importance of building private labels. To this end, getting a licensed brand is the most cost effective approach. A direct tie-up between a retailer’s private label and a licensed brand is a win-win for both the partners. The immediate benefits to a retailer are exclusivity of the licensed merchandise, quicker turnaround of range because retailers are in full control of the production and depth of merchandise, higher foot traffic because of the popularity of the licensed brand, and a rub-off effect of the licensed brand on the private label brands. For a licensed brand, the benefits are more rapid and greater exposure of the brand, more control on the display and depth of the licensed merchandise.

1.2.3 Continued Entry of Global Brands

Global brands continue to bet on India and are entering India in a major way. While some have set up their own operations here, many have taken one of these routes: joint ventures, franchisees, or through licensing agencies. Entry of global brands started in a significant way in 2008 with brands such as Cartier, Giorgio Armani, Kenzo, and Prada targeting the luxury or premium segment. 2009 saw the entry of Beverly Hills Polo Club, Fruit of the Loom, Izod, Polo U.S., Mustang, Tie Rack, and Timberland. Exposure to such global brands, not only when Indians travel abroad, but closer to home in their own markets has had an impact on the acceptance and demand of international brands and how Indians shop. The entry of global brands has taken various routes as stated above. A few brands have entered India through the joint venture route; examples being the Italian sportswear brand Paul and Shark (Joint Venture with Reliance); and Hamleys and MandS (Joint Venture with Reliance).

1.2.4 Major Retailers in India

**Pantaloon:** Pantaloon is one of the biggest retailers in India with more than 450 stores across the country. Headquartered in Mumbai, it has more than 5 million sq. ft retail space located across the country. In 2001, Pantaloon launched country's first hypermarket 'Big Bazaar'. It has the following retail segments:

**Table 1.2: Segment wise Retail Outlets**

<table>
<thead>
<tr>
<th>S.L. No</th>
<th>Segment</th>
<th>Retail outlet Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food and Grocery</td>
<td>Big Bazaar, Food Bazaar, KB’s Fairprice and Aadhar</td>
</tr>
<tr>
<td>2</td>
<td>Apparels</td>
<td>Central, Brand Factory</td>
</tr>
<tr>
<td>3</td>
<td>Home Solutions</td>
<td>Hometown, Furniture Bazaar</td>
</tr>
<tr>
<td>4</td>
<td>Consumer Electronics</td>
<td>e-zone</td>
</tr>
<tr>
<td>5</td>
<td>Sports</td>
<td>Planet Sports</td>
</tr>
<tr>
<td>6</td>
<td>E-tailing</td>
<td>Futurebazaar.com</td>
</tr>
</tbody>
</table>

**Tata Group:** Tata group is another major player in Indian retail industry with its subsidiary Trent, which operates Westside and Star India Bazaar. Established in 1998, it also acquired the largest book and music retailer in India 'Landmark' in 2005. Trent owns over 4 lakh sq. ft retail space across the country.

**RPG Group:** RPG Group is one of the earlier entrants in the Indian retail market, when it came into food and grocery retailing in 1996 with its retail Food world stores. Later it also opened the pharmacy and beauty care outlets 'Health and Glow'.

**Reliance Group:** Reliance is one of the biggest players in Indian retail industry. More than 300 Reliance Fresh stores and Reliance Mart are quite popular in the Indian retail market.

**Raheja Group:**

The Raheja Group promoted department store chain, Shoppers Stop, has lined up investments worth US$ 54 million to open 25 more stores in the next four years, as demand for lifestyle products picks up.
AV Birla Group: AV Birla Group has a strong presence in Indian apparel retailing. The brands like Louis Phillipe, Allen Solly, Van Heusen and Peter England are quite popular. It is also investing in other segments of retail.

1.2.5 Retail formats in India

Table 1.3: Description of Retail Formats

<table>
<thead>
<tr>
<th>Format</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyper marts/supermarkets</td>
<td>Large self-servicing outlets offering products from a variety of categories.</td>
</tr>
<tr>
<td>Mom-and-pop stores</td>
<td>They are family owned business catering to small sections; they are individually handled retail outlets and have a personal touch.</td>
</tr>
<tr>
<td>Departmental stores</td>
<td>They are general retail merchandisers offering quality products and services.</td>
</tr>
<tr>
<td>Convenience stores</td>
<td>They are located in residential areas with slightly higher prices goods due to the convenience offered.</td>
</tr>
<tr>
<td>E-tailers</td>
<td>They are retailers providing online buying and selling of products and services.</td>
</tr>
<tr>
<td>Discount stores</td>
<td>They are factory outlets that give discount on the MRP.</td>
</tr>
<tr>
<td>Vending</td>
<td>It is a relatively new entry in the retail sector. Here beverages, snacks and other small items can be bought via vending machine.</td>
</tr>
</tbody>
</table>

1.2.6 Broad-Basing of Licensees and Brands

Licensees have become more broad-based. In the earlier years of licensing in India, only a select few companies and manufacturers were participants in the licensing industry. Today, as the industry has grown, Indian retailers and manufacturers understand the value of licensing and how licensed merchandise can be a new revenue stream. In many cases, smaller manufacturers and retailers use the more popular licensed brand to gain entry into big retail chains and enhance the perception of their products in the eyes of the customers. It is a known fact that with licensing, the quality of merchandise offered by a small time manufacturer increases due to the quality control standards strictly enforced by the licensor and their agents. The exposure to international design and styling, trendy artworks and colors, international samples and best practices shared by the licensors has an overall positive impact on the licensee and how they conduct their business.
Many times, for small scale manufacturers, the only way to reach the next level in the brand development curve is via the licensing route. Even for big retail chains and big companies, licensing comes with their own benefits. The range of licensed merchandise becomes a differentiation point from competition and a talking point. For companies who want to target a different age group or a different set of customers, these companies soon realize that licensing is the swiftest and most cost effective route. The licensee recognizes this and hence is aware that such a brand will instantly sell among the right target segment. At the same time, the licensee gets the opportunity to bring in the “cool factor” in their existing brand or product without any major investment. Similarly, licensees also have started going for brands such as ‘Born To Shop’ which targets a niche segment. ‘Born To Shop’ is about today’s modern woman who is juggling a hectic schedule among work, play, family, and friends. Even though the brand is targeted at the female 25 to 35 age group, licensees can see that this age group is one of the fastest growing segments with significant disposable income. These women are not averse to loosening their purse strings if it helps them to assert their independence and individuality. Hence, a brand only for women that communicates the constant demands of maintaining this balance in a funny way is likely to find takers.

1.2.7 What after Apparels?

Licensors and licensees are also recognizing that there is life beyond the basic categories of licensing. Today, consumers want to express their individuality everywhere and trade is happy to provide all kinds of customization. Be it credit cards, desktops, mobile phones, or home ware goods, we are seeing and will continue to see a lot of licensed products in unusual categories in India. FMCG is the latest industry to be bitten by the licensing bug. Any shopping aisle today is loaded with a bunch of products such as jams, toothpastes, toothbrushes, and diapers happily sporting licensed properties. Bicycles sporting Popeye, for example, immediately breaks the clutter in a store. The home segment has seen a lot of interest in recent years. Only 6 percent of the home furnishings market is currently organized. Most of the organized players are focused on the bed and bath segments.

In spite of the fact that organized bed and bath is miniscule and licensing is highly dependent on an organized market, the entry of licensed brands in the home segment clearly shows the growing demand from customers. Today, it is no longer enough for customers to express their
individuality through personal products such as apparels, footwear, bags, etc. They want to express their independence and individuality through their homes and the easiest way to do so is through home furnishings. To cater to such a growing demand, Tommy Hilfiger, Benetton, and various character licenses from Disney, Nickelodeon, King Features, etc. have launched their bed and bath range via the licensing route. This is just the beginning of the trend as newer brands from art licensing such as Van Gogh, Claude Monet, Leonardo Da Vinci, and icons such as Marilyn Monroe are set to launch branded merchandise in the home range.

1.2.8 High Street Fashion

An international trend that has hit Indian shores is the lucrative relationship between a property and a high end fashion house. Such tie-ups only show the versatility of the licensed properties and their appeal cutting across all strata of society. It is purely on popular demand that Mango retails Olive Oyl t-shirts or that Olive Oyl endorses the skinny jeans of Miss Sixty. Manish Arora, one of the top fashion designers has joined with Reebok to launch a line of designer shoes translating the unique signature kitsch style of Manish Arora on to a pair of sneakers. Similarly, Absolut Vodka launched a collector series of Absolut vodka bottles with Manish Arora and a Manish Arora Disney collection on the runway in India is certainly conceivable. Other top Indian fashion designers are quickly jumping into licensing their labels and names. For example, Rohit Bal has entered into a licensing agreement with Hidesign, a leather bags and accessories manufacturer and retailer to launch a premium line of handbags designed exclusively by Rohit Bal sporting his label and his signature.

1.2.9 Mall boom

Mall development and boom in India is a subset of this booming retail. The common Indian definition of the shopping mall has evolved from one of the earliest forms of retail prevalent in India called the ‘Haat’ and the ‘mela’, which are temporary open-air markets generally held at a fixed site on a fixed day or at festival time. They could probably be considered the predecessors of ‘shopper entertainment’ in India. ‘Haats’ (markets) and ‘Melas’ (village fairs) still are, in rural India, markets which are also spaces for social and cultural contact. In the Indian ‘Avatar’, shopping centers are a cluster of stores under a common roof. Those that are typically enclosed and also include food and entertainment facilities are called Malls. By this definition,
large format stand-alone stores which include entertainment facilities themselves or more commonly as ‘store in stores’ are also understood to be Malls. But for the purposes of this study the definition provided by the International Council of Shopping Centers (ICSC) is used. ICSC states that ‘A shopping centre is a group of retail and other commercial establishments that are planned, developed, owned and managed as a single property’. It further states that malls, one of the two configurations of the shopping centre, are typically enclosed, with climate controlled walkways and parking in the outlaying areas.

Spencer Plaza in Chennai and Crossroads in Mumbai are considered to have pioneered the shopping mall in its modern format. The pace of development has been fast since then. For the Indian mass affluent, the call of the mall is proving irresistible. The packed parking lots, busy food courts and restaurants, crowded anchor stores and noisy gaming arcades at the malls bear testimony to this alluring call. The secret of the lure of the mall lies in its mass appeal — it has something on offer for everyone in the family. The fact that a mall offers an experience and not just goods is a major attraction. There is a wide range of shopping experiences — bargains and discounts or high-end brands for couples, gaming and other amusement facilities for kids, a large choice of cuisines for family meals and, of course, the multiplex theatres (Mitra, 2006).

In many ways, malls reflect the state of the society and act as agents of change. A comparatively young population, rising incomes and busier lifestyles are creating space for malls in the lives of the urban mass affluent. Leisure time is limited and a visit to the mall can do a lot for busy family. Domestic chores like grocery shopping are taken care of and food courts and restaurants save the bother of cooking dinner after hectic shopping, apart from keeping children entertained. Combine this with the consumer’s rising purchasing power and his increasing focus on value proposition rather than just price, and malls suddenly start becoming more relevant (Singh, 2005; Mitra, 2006). Malls are also becoming one-stop shops for the brand conscious. Malls house popular destination stores like Shopper ’s Stop, Marks and Spencer, Pantaloons, Big Bazaar or designer boutiques like Ritu Kumar, Ogaan and Mona Pali. Indian and foreign brands in apparel, consumer durables, home decor, cosmetics, shoes, luggage, etc, offer a wide range to the consumer and spoil them for choice. For the shopaholic, the factory outlet malls and a combination of branded and unbranded stores in many malls offer a value proposition. The food
courts offer an excellent mix of traditional cuisine and international brands like McDonalds or Pizza Hut, or even exotic foreign cuisine (Singh, 2005).

Multiplexes in existing and upcoming malls attract a whole country of movie buffs and is one of the most important source of footfalls for malls. In fact, Bollywood (the Indian equivalent of Hollywood) too has woken up to the multiplex reality and a whole new breed of cinema has come up to cater to the multiplex audience. Malls all over the country are also becoming serious destinations for fun and gaming. In-door cricket, bowling, pool tables, air hockey, go-karting, car racing, shooting, pinball and online multimedia gaming contests are just a few of the games on offer. This is premium entertainment and all of it in a clean, safe environment and perfect ambience (Singh, 2005; Gentleman, 2005). With 100 per cent FDI in construction and real estate, a spike in mall development can be presumed. In the first half of 2006, FDI inflow into the sector was a record US $ 3bn (INR 118 billion).

But all has not been rosy for malls in India. Malls in India have their share of issues that need to be addressed, such as high real estate costs, restricting licensing and tax norms, encumbrances on property, absence of single ownership and management and poor parking availability. As a result, the tenants in the malls feel they are faced with high lease rentals and costs towards common area maintenance.

1.3. Unique needs of Technology in Retail

The Indian retail sector is the potential goldmine, which requires a fast pace of scratching. This gave an impetus to tier I retailers to invest in Information and Communications Technology (ICT) for capitalizing on the opportunity offered by the retail boom. There are certain factors highlighting the complexity and uniqueness of retail operations which calls for a customized solution. These are:

First, there are multiple outlets at different locations, multiple hand-offs, high frequency of reorder all of which makes retail operations a complex task. Decisions on many important strategic issues impact on the supply chain: how to coordinate the production of goods and services, with suppliers from whom materials are brought? How and where to store inventory? and how to distribute products in the most cost effective and timely manner? how and when to
make payments. Second, most of the retailers suffer from financial and operational difficulties due to poor coordination of players in the value added chain. Multiple touch points require converged planning of every player. But, there exists a diversified planning with geographic dispersion of players adding to the complexity of the retail process. Third, with the multiplicity of seasonable goods, highly customized products, fashionable goods, availability of close substitutes and niche products, managing retail operations became a herculean task. A leading retailer manages about 4,00,000 products, which is a complex task to perform. 52% of India’s land is under cultivation, making it a food basket of the world, and yet food retailers are under the grip of product complexity because fresh fruits are wasted as much as they are consumed in a year. Finally, the changing demographic profiles and buying pattern of customers enhances the scale complexity of retail operations. Retailers experience millions of transactions per day and the situation becomes more challenging during particular festivals and occasions. These are some of the dimensions representing unique needs of ICT in the retail sector. The goal of ICT in retail is to develop technology and communication devices which enable retailers to provide just-in time products at the quality and quantity expected by customers with minimal shrinkage.

1.3.1 ICT tools used in Retailing

Today’s environment necessitates the use of wireless, seamless, cashless and above all everything more economically. One can get any information from anywhere using ICT and improves its operational efficiency. Various studies have stated that large firms, who invest a major portion of their capital in ICT, are benefited in terms of higher productivity and growth. Some of the tools that retails are using are:

**Barcode and Scanners**

Bar code readers are photoelectric scanners that read the bar codes or vertical zebra striped marks, printed on product containers. Barcode scanner reads the bar codes quickly, speed up the checkout and makes the pleasant cashier to transfer the positive energy to customers. Retailers now-a-days are increasingly using bar code system called the Universal Product Code (UPC). In the year 1974 for the very first time barcode scanner was used by a retail outlet in U.S.
**Business to Business (B2B) Collaboration**

B2B is pre-agreed technological information sharing mechanism and co planning process. Business to business collaboration is electronic marketplaces on the internet where suppliers and buyers interact to conduct transactions. B2B solutions are usually implemented through packages.

**The Database Management, Data Warehousing and Data Mining**

A single transaction at a retail outlet releases a handful of information. The use of systems to organize, retrieve, search and manage that data is referred as database management. A data warehouse is a collection of computer based information that is crucial to the successful execution of enterprise initiatives. The concept of data warehouse implies that the data stored for business analysis can most effectively be accessed by separating it from the data in the operational systems. A data warehouse is used for upgrading a retailer with important information regarding sales like color, size, and quantity of product. Data mining helps the retailers in extracting information from database about the existence of which the user was not aware. It discovers a relationship between customer behavior and variables that seems to be non-intuitive.

**Electronic Point-of-Sale:** This can be defined as a computerized system used to capture time and place of sale. It provides up-to-date information on sales of different brands, size, color, styles, prices etc. Under EPOS specialized terminals or desktops are combined with bar code readers, magnetic stripe readers, and cash registers for accurately and instantly capturing the sale transaction. Retailers investing in these systems can benefit by reducing their inventory investment by 15 to 30 percent.

**Electronic Data Interchange:** EDI is the exchange of business information through standard interfaces, by the use of computers. In simpler terms, EDI is defined as the exchange of electronic documents between organizations. It allows retailers to place instantaneous, paperless purchase orders with suppliers. EDI is not only efficient but also reduces the time needed to supply products to customers, by ensuring quick and accurate transaction. By using this technique human intervention can be minimized and employees can focus on key business areas.
Radio Frequency Identification: Radio frequency identification (RFID) is an enabling technology that allows organizations to synthesize and integrate end-to-end information about assets. RFID is a non-contact, non line-of-sight technology that uses radio waves. The technology involves tagging items with a chip, which contains all the relevant data and transmits it without using a wire to a reader.

1.4. Apparel Retail Industry in India Overview

The apparel retail industry consists of the sale of all menswear, women’s wear and children’s wear. The menswear market includes men’s active wear, casual wear, essentials, formalwear, formalwear-occasion and outerwear. The women’s wear market includes women's active wear, casual wear, essentials, formalwear, formalwear-occasion and outerwear. The children’s wear market includes baby clothing, boys active wear, boys casual wear, boys essentials, boys formalwear, boys formalwear-occasion, boys outerwear, girls active wear, girls casual wear, girls essentials, girls formalwear-occasion, girls outerwear and toddler clothing.

The apparel retail industry in India has grown rapidly in recent years and although the growth rates are forecast to decelerate, will remain very strong. The Indian apparel retail industry had total revenue of $28,102.6 million in 2009, representing a compound annual growth rate (CAGR) of 9.9% for the period spanning 2005-2009. Sales of menswear proved the most lucrative for the Indian apparel retail industry in 2009, with total revenues of $11,864.4 million, equivalent to 42.2% of the market's overall value. In comparison, sales of women’s wear generated revenues of $10,202.4 million in 2009, equating to 36.3% of the industry’s aggregate revenues. However, Apparel market in India was estimated at US$ 35 Billion in 2011 and is expected to grow to US$ 50 Billion by 2016, at CAGR of 7.5%. The organized Apparel retail market in India was estimated at US$ 5.5 Billion in 2011 and is expected to grow to US$ 8 Billion by 2016, at CAGR of 8.5%. [14]

1.4.1 Market Segmentation I

Menswear is the largest segment of the apparel retail industry in India, accounting for 42.2% of the industry's total value. The women’s wear segment accounts for a further 36.3% of the industry.

Table 1.4: Indian Apparel Retail Industry segmentation I: % by share

<table>
<thead>
<tr>
<th>Category</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Menswear</td>
<td>42.20%</td>
</tr>
<tr>
<td>Women’s wear</td>
<td>36.30%</td>
</tr>
<tr>
<td>Children’s wear</td>
<td>21.50%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Datamonitor, 2012

1.4.2 Market Segmentation II

India accounts for 10.7% of the Asia-Pacific apparel retail industry value. China accounts for a further 38.9% of the Asia-Pacific industry.

Table 1.5: Indian Apparel Retail Industry segmentation II: % by share

<table>
<thead>
<tr>
<th>Category</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>38.90%</td>
</tr>
<tr>
<td>Japan</td>
<td>36.80%</td>
</tr>
<tr>
<td>India</td>
<td>10.70%</td>
</tr>
<tr>
<td>South Korea</td>
<td>5.80%</td>
</tr>
<tr>
<td>Rest of Asia-Pacific</td>
<td>7.90%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Datamonitor, 2012
1.4.3 Competitive Landscape

Despite the current global economic downturn, the apparel retail industry continues to grow at a healthy rate and this, coupled with the absence of switching costs for consumers and great product differentiation, means that rivalry within the industry is no more than moderate. The Indian apparel industry is of great importance to the economy in terms of trade, employment, investment and revenue for the country. This particular industry has short product life cycles, vast product differentiation and is characterized by great pace of demand change coupled with rather long and inflexible supply processes. Clothing is essential to consumers who are individuals. Where brand loyalty exists, it is more likely to be towards the designer rather than the retailer, although this is usually towards the top end of the industry. Key suppliers in this industry are clothing manufacturers and wholesalers, with retailers able to source from both. Although clothing manufacturing remains a significant part of total manufacturing in certain developed economies the ability of retailers in a given country to source from foreign manufacturers means that the effective supplier fragmentation is made greater. The apparel retail industry is still fragmented, in spite of the ongoing consolidation process and there is room for large numbers of smaller players.

Virtually all buyers are individual consumers and this fact weakens buyer negotiation power. Retailers can differentiate themselves quite strongly through the styles of clothing that they offer. This fragments consumers as style is an abstract concept that defines individuals, to an extent, and may be used as an expression of personality and therefore it is highly individualized, which further weakens buyer power. Although there are other possible sources of apparel, such as home-made clothing, generally the demographic and psychological significance of retail garments is highly important to consumers, further weakening buyer power. However, buyers have negligible switching costs. However, increasingly there is growing demand for discount apparel retail with stores providing, low-cost mass consumer apparel. Here, the retailers’ strategy is to recognize the price sensitivity of their target customer segment, and compete intensely on price, selling clothes as cheaply as possible from their own suppliers. Here brand loyalty is associated with the retailer, and switching costs are low, strengthening buyer power to an extent. The position of retailers at the end of the value chain, making it impossible for them to integrate
forwards, means that they are obliged to offer buyers what they want, further strengthening buyer power.

As products in this industry are determined by designers or subcultures, they are subject to sharp and unpredictable changes. This can offer a competitive advantage to those retailers that can source fashionable merchandise quickly, thereby differentiating them and weakening buyer power. Overall buyer power is assessed as low to moderate. The wholesale and clothing manufacturing sectors are fairly fragmented. Although clothing manufacturing remains a significant part of total manufacturing the ability of retailers to source from foreign manufacturers means that the effective supplier fragmentation is made greater. As international trade liberalizes, supplier power in the Indian industry decreases as they compete with other manufacturers in low-wage regions, most notably China (Apparel manufacturing is almost always labor intensive, due to the difficulty of automating processes such as the sewing of garments). Switching costs for retailers are not very high: they include the risk that choosing a low-cost supplier involves a more extended supply chain that may not be able to cope with sudden changes in demand in an industry susceptible to changes in fashion. Suppliers are further weakened by their lack of diversity, which makes the apparel retail industry highly important to their business. Overall, there is low to moderate supplier power in this industry.

The Indian apparel retail industry has shown significantly strong rates of growth in recent years, which increases its attractiveness to new entrants. Entry to the apparel retail industry does not require large capital outlay; setting up a single, independent apparel retail store is within the means of many individuals. The large incumbents' scale economies include the ability to build brands in multiple retail outlets, and greater buying power when negotiating with suppliers. Negligible switching costs for consumers mean that they are free to transfer their custom to a new player. Industry entrants face some barriers. Retaliation by existing players, such as the launch of a price war, is a possibility, especially where a new entrant moves into a more concentrated segment. The emerging brand strength of the major 'discount' chains is considerable, which may negate much of the effect of low switching costs. Overall there is a strong likelihood of significant new entrants to this industry. Clothing has more functions than just keeping the wearer warm: for example, it also acts as a signifier of socio-economic class and a way of displaying individual identity. Most consumers obtain clothes from apparel retailers and
they are typically offered a diverse range of products that allows them to fulfill these various needs. This makes some alternatives less beneficial from the buyers’ perspective. Substitutes for apparel retail include buying directly from manufacturers, which is facilitated by the growth of online sales.

Home-made and custom-made (couture) clothing are also niche alternatives to retail of ready-made clothes. Counterfeit clothing can be a significant threat to revenues in some countries. Overall the threat of substitutes to the apparel retail industry is assessed as weak. The Indian apparel retail industry is fragmented. As described above, there is room for large numbers of smaller players in this industry. Major increases in capacity may be fairly costly to smaller players, if they require the outlay of opening additional outlets, less so if they can be accomplished by taking on more staff on a flexible basis. While some retailers selling apparel are highly diverse, many retain a strong emphasis on clothing, which intensifies rivalry.

1.5. Retail Business in Bangalore

With the country witnessing a spiraling retail and consumer boom, the retail industry in Bangalore too has seen manifold growth when compared to its population density in the past decade. But the supermarket and mall culture has caught up pace only as late as 2008 and now it has grown to a sizeable number but no way comparable either to Gurgaon or Ludhiana.

The city saw the advent of organized retail even in the 1970s when Nilgiris (food), Viveks (consumer durables) and others started their operations while companies like the Tatas (Star Bazar), the Birlas (More), Ambani (Reliance Retail), RPG Enterprises (Food World), and mega retailers like the Crosswords, Shopper’s Stop, and Pantaloons raced to revolutionize the retailing sector hoping to turn the retail sector as an industry in the city.

However, the scenario in the organized retail sector in India is dismal as the average sales in such big outlets is below 20,000 dollars compared to 2.5 million dollars in the US. As per industry estimates, for every 100 household, there is more than one retail outlet in Bangalore which is not so in other cities of the country like Mumbai. Bangalore has more than 25,000 retail outlets supporting the livelihood of three to four lakh people.
On an average, a single outlet provides employment to three families or an estimated 10 people. Out of the existing retail outlets, 50 per cent of them are run by communities like the Setties, Marwaris, Kakas (Malabar Muslims), Shahs and a host of other communities where ownership and management are predominantly family controlled and they are basically in the business of selling groceries.

Way back in 1971 itself, the establishment of Nilgiris supermarket paved way for the starting of the food retail chain in Bangalore. As there were no new players entering in the next two decades, there was not much growth of food retail chains in Bangalore. But with the entry of Food World in 1996, there was a rapid expansion of organized food retail chains in Bangalore with many new players like Fab Mall, Subiksha, Trinethra, Namdhari Fresh, etc. entering the market and opening up their outlets in the city. The rapid rise in the supermarket chains can also be attributed to many international and national players showing interest in Bangalore to start their retail outlets.

A retail industry expert says, “In the past one and a half decade, with the advent of big retail outlets like Reliance, More, Big Bazaar, Spar, etc., the traditional retail shops like the Revanna and Co, Puttasiddappa and Co, Janatha Bazar, Balkedarara Kendra, Bangalore Cooperatives, etc. were adversely affected and some even shut shop. In fact, the traditional shops slowly faded out in the city as branded items were available in the big retail outlets with lot of discounts and schemes. These outlets that were earlier selling profit making products like soaps, oils, cosmetics and detergents lost out to the Indian supermarkets.”

A study conducted by the Rabo India Finance Pvt. Ltd. further says that south Indian states of Karnataka, Tamil Nadu and Andhra Pradesh have taken a lead role in establishing modern food outlets. The growth of organized retailing has shown particular vigor in Bangalore and Chennai where an estimated 40 per cent of the grocery requirements are met through modern retail formats. Today, Bangalore alone has more than 10 organized retailers with more than 100 outlets including Metro AG operating in the city. Due to increasing urbanization and expanding service sectors like software, banking, insurance and business process outsourcing (BPO) in Bangalore, the city has transformed into a metropolis and has ultimately led to increase in the income of the consumers.
With a decadal growth rate of 38 per cent, Bangalore is the fastest-growing Indian metropolis and is considered the hub of retail revolution and has different retail chains operating for a long period of time. Also many new retail chains have opened their outlets recently in the city and many retail chains have made Bangalore as their focal point of their managerial operations. [15]

1.5.1 Growing importance of Secondary Business Districts in Bangalore

The epicenter of Bangalore's retail activity is fast moving away from the traditional city-centre high streets of Brigade Road, Commercial Street, and MG Road to suburbs and malls. The trend is also a reflection of how secondary and peripheral business districts in the city have pulled residents closer to these locations, since people like to stay close to their workplaces. Significant residential activity in secondary business districts such as Bannerghatta Road, Jayanagar, Rajajinagar and Yeshwanthpur, and peripheral business districts such as Whitefield, ORR (outer ring road) to Sarjapur, Electronics City, and Tumkur Road has fuelled the development of shopping malls and has given rise to new high street locales.

In terms of gross lettable area, or GLA, secondary and peripheral districts today account for 48% and 42% of the total shopping mall space in the city, respectively. Central business district locations, such as MG Road, Richmond Road, Langford Town, Residency Road, Cunningham Road, contribute just 10% of the total mall space. [16]

1.5.2 Major Malls in Bangalore

As per a study done in 2013, there were 29 malls in Bangalore. [17] They made up for 8.347 million sq ft of mall space among them. Thirty-three new malls were waiting to be opened. Once operational, these 33 new ones were estimated to add an additional 17.18 million square feet of mall space. So all in all, Bangalore will stand to have 62 malls in another five years, with a total mall space of 25.529 million sq ft. [17]


1.5.3 Rapid expansion of Mall space in the near future in Bangalore

The new malls will be developed to the existing 29 malls in Bangalore in phased manner in the coming months. All the reputed real estate developers such as Purvankara, Century Real Estate, Prestige projects, Sobha Developers and Suraj Developers have already launched malls and they are also planning to launch new mall projects.

Recent study by Vestian Global Workshop Service Private Limited said that there are around 15 malls which are under construction and are expected to get completed very soon. On top of this another 16 new projects are in the pipeline. The study revealed that out of 15 malls, Suraj Cambridge mall and Embassy Galaxy Mall which are in central business district are currently being built. Four malls are coming up in the secondary business districts. The names of the malls are Vega Mall, City View, Orion Mall-2 and World GT Mall. The remaining nine malls Grand Mall and Towers, Virtuous Xander Mall, Salarpuria World Market, Neo mall, Gardens Galleria, Forum Shantiniketan Mall, MSR Regallia Elements, Vaishnavi Sapphire and RMZ Galleria are in the peripheral business districts.

The malls which are best performing are always in demand by retailers and are in a position to pick their tenants. Mall owners have options of improving the tenant as well as making strategic improvements to the centre. These kinds of strategies are mainly implemented either by the existing mall marketing manager or by professionals. According to a real estate expert, most of the retailers have shrunk the average size of their stores to reduce the rental burden. Nowadays any good property which is financial buyable are leased by the retailers easily.

1.5.4 Successful Malls in Bangalore

Orion Mall: It is one of the high street luxury shopping mall spreading over 850,000 sq ft and having more than 100 brands caters to everyone and every mood. The mall is designed by New York’s renowned architectural firm H.O.K, No doubt Orion is one of the best planned and well designed mall in Bangalore. The mall has wide range of shopping, food and entertainment. Many fine dining restaurants and cuisines including lake side al fresco service. For entertainment it has PVR cinemas and BluO the biggest cosmic bowling alley in with 27 lanes. Apart from this many events and live performance by different artists is carried out during festive season.
**Phoenix City:** It is the largest shopping mall located in Mahadevapura, Whitefield Road with an open courtyard area that is widely spread. It offers a wide range of shopping and sports top brands stores from all over the world. It has a big food court and many restaurants offering wide range of Italian and Indian delicacies. It also has spacious outdoor play area for kids. Apart from this Live Pianist performs every day to entertain the crowd during the evening time. This mall is one of the best shopping mall in Bangalore.

**Collection UB City Mall:** UB city is India’s first luxury shopping destination located at Central Business District of Bangalore on Vittal Mallya Road, UB City. Spread across 3 level it has some of the 40 nationality and internationally best acclaimed brands, exquisite jewellery and accessories, culinary delights and hip night spots. This mall regularly hosts music concerts and fashion shows, art events. It is known for its high end exclusive stores. This mall is quite popular with tourists and window shoppers who make it a point to visit this mall. The main attraction is the presence of international luxury brands.

**Mantri Square Malls:** It is one of the biggest shopping malls in Bangalore situated at Sampige Road, Malleswarm spreading over 1.3 million square feet. It is a perfect place for fun, food and entertainment. It has more than 200 shopping brands, more than 2000 delicacies to savor and for entertainment scary house, Inox, Planet M and many more. Apart from this it provides many other facilities and services. But the only main concern is the parking problem.

**Forum Mall:** It is one of the best shopping malls in Bangalore. It is located on Hosur Main Road, Koramangala. The international brands like Swarovski Crystals, Tommy Hilfiger to traditional Indian Khadi is available at this shopping mall. This shopping mall covers an area of 6.5 lakh square feet. It houses PVR cinemas, Cafe Coffee Day, British style pub and many other services. This mall is known for its promotions including musicals, events and other live entertainment.

**Garuda Mall-** It is situated near Brigade Road, and is one among the popular malls in Bangalore spreading out over 280,000 sq ft. It has six floors and almost 180 store for shopping and entertainment. It has all the top brands collections, for entertainment it has the multiplex cinemas inox, scary house, food court and multi-cuisine restaurants to give you fine dining experience, offering delectable cuisines.
Bangalore Central Mall-There are many Central malls in Bangalore but the best one that is located at Jayanagar spreading over 2,75,000 sq ft. It is large departmental store with many retailers. It is one of the best place for shopping where you get all kind of fashionable clothes and accessories with reasonable price rates. It has food court, cinemax for entertainment and big grocery store where you can get all desired grocery items. It is the dream place for shopping lovers. [18]

Royal Meenakshi Mall-It is South Bangalore first complete mall with a hypermarket, retail, entertainment and multiplex. For Shopping it has wide range of latest designer dress collection, accessories and many more. It has many delicacies to savor starting from Italian pizzas to rajdhani thali, for entertainment purpose it has Cinepolis, dark house, adventure land and many more fun activities making it South Bangalore’s best leisure destination. [19]

1.5.5 Mall Culture in Bangalore

The City’s obsession with the mall culture just seems to be getting bigger and better, in proportion to its ever-growing population. “There is still tremendous scope for malls in Bangalore – malls are the best form of organized retail. C K Ramamurthy, Chairman of the BBMP Town Planning Standing Committee, said: “The number of malls is on the rise in the City unabated. There are so many commercial complexes and smaller malls. The trend of malls will always continue, as the city and its population continuously growing,” he said.

Bangalore city is one of the top cities in India and Bangalore city outskirts are sprouting with malls. These will cater to the lifestyle needs of people. The mall culture in India is surely rising, outskirts of cities like Bangalore, Chennai, Mysore, Hyderabad and others are experiencing an increased growth of malls. The mall culture seems to get bigger and better as days go. Since there is a lack of space in the core part of Bangalore, malls are flourishing in peripheral parts of the city.


1.5.6 Shopping trends in Bangalore

An analysis of shopping trends reveals that apparel remains the hottest-selling commodity lapped up by consumers today. According to a break-up from analysts: Average of 54 per cent of shops on Bangalore’s high streets sell footwear and apparel. The number of malls, which are likely to double, is all set to increase the commanding share enjoyed by apparel stores.

Furthermore, speaking about the concentration of footwear and apparel stores on high streets, the study points out that Commercial Street has the maximum concentration of footwear stores, constituting 74 per cent, compared to Brigade Road (53 per cent), Lavelle Road, Vittal Mallya Road (33 per cent) and Indiranagar 100-ft Road (37 per cent). In stark contrast, bookstores and stationery shops seem to be one of the least preferred businesses, constituting an average of only four per cent. The food and beverages sector occupies 16 per cent of space on high streets, followed by electronics and white goods (nine per cent), personal care/watches and jewellery stores (seven per cent), automobile showrooms (three per cent) and others (seven per cent).

1.6. Demographics of Bangalore

With an estimated population of 8.5 million in 2011, Bangalore is the third most populous city in India and the 18th most populous city in the world. Bangalore was the fastest-growing Indian metropolis after New Delhi between 1991 and 2001, with a growth rate of 38% during the decade. Residents of Bangalore are referred to as Bangaloreans in English and Bengaloorinavaru in Kannada. As per the 1991 census, the linguistic demographics of Bangalore were: Kannada (38.38%), Tamil (21.38%), Telugu (16.66%), Urdu (12.65%), Malayalam (2.99%), Hindi (2.64%), and others. The cosmopolitan nature of the city has resulted in the migration of people from other states to Bangalore.

Table 1.6: Population Growth

<table>
<thead>
<tr>
<th>Census</th>
<th>Population</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>406,760</td>
<td>—</td>
</tr>
<tr>
<td>1951</td>
<td>778,977</td>
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<td>1961</td>
<td>1,207,000</td>
<td>54.90%</td>
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<td>1971</td>
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<tr>
<td>1981</td>
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</tr>
<tr>
<td>1991</td>
<td>4,130,000</td>
<td>41.30%</td>
</tr>
<tr>
<td>2001</td>
<td>5,101,000</td>
<td>23.50%</td>
</tr>
<tr>
<td>2011</td>
<td>8,425,970</td>
<td>65.20%</td>
</tr>
</tbody>
</table>

Source: Census of India [21][22]


[22] "Provisional population totals", Census of India 2011 (PDF), Retrieved 29 November 2011.


1.7. Need of the study

Retailing has changed the fortune of several companies across the world. In this booming retail market in India it became inevitable for the companies to learn how to retain their market share as well as to enhance it. With the entry of bigger players, the retail market is getting more and more organized and structured. Competition will soon be very intense. Research reveals the cost of retaining customers is conservatively estimated to be one-fifth of the cost of acquiring new ones. Existing customers generate larger margins and profits (per customer) than the new ones (Smith and Taylor, 2005). In the present scenario, the researcher wants to foray into organized retailing in the Indian sector and to explore the different aspects that have impact on consumers’ buying behavior in the retail segment in India. Retailing covers a very wide range of products and services; hence the researcher has decided to focus only on the organized apparel segment. It is also relevant to mention here that the researcher will concentrate the whole analysis based survey that will be conducted in Bangalore. The agenda of the study is to know the factors that influence the consumers buying behavior while shopping for apparels. The aim of this research is to help the organized apparel retailers in Bangalore to understand their customers better and to attract prospective customers by understanding the factors that influence their buying behavior.