Chapter: 4

Conceptual Framework

4.1 Research Problem - A Foundation of Research
4.2 Purpose & Focus of the Study
4.3 Skeleton of Variables
4.4 Research Questions
4.5 Significant Contribution of Research
4.6 Potential Beneficiaries
Presented literature in the earlier chapter helps to understand the depth pertaining to the Indian retail industry and its market volatility and it has also generated the set of consumer behavioural dimension that support in the process of problem identification and conceptual development as a base to undergo the research to derive problem resolving output.

4.1 Research Problem - A Foundation of Research

4.1.1 Problem Identification

Year 2007 to 2008 - Opportunity inception phase of Indian retail Landscape

Indian retail industry had been found the most promising emerging market for investment according to the 8th Annual Global Retail Development Index (GRDI) of A.T. Kearney. The retail trade in India had a share of 8-10% in the GDP (Gross Domestic Product) of the country in the year 2007. It rose to 12% in the year 2008. As per KPMG report on retail 2009, in the past few years India’s retail journey showcased picture perfect with the most attractive stops unexploited and under penetrated. Favourable demographics, steady economic growth, easy availability of credit and large scale real estate developments were fuelling the growth of organized retail.

The opportunity was there for all to see and India was the destination of choice for top global retailers. In this environment India’s own blue chip companies like Reliance, Bharti and RPG diversified to add retail to their sector portfolio. All such happening signalled good time for Indian retail and organized retail started making its presence.
Late 2008 - Struggling phase of Indian retail, Recession clout

Problem Strat-up phase

The inception year 2005 to 2007 for organized retail remained a good attraction for consumers. But economic downturn post mid-2008 adversely touched consumers’ sentiments by restricting the consumption power and slowed down new stores roll out. As per KPMG report 2009, Quarter-3 growth numbers of the FY2008-09 were 10-12% as against 35% of the previous year. It impacted the retailers’ revenue adversely and the market grew at a very slow pace. Thus survival of organized retail into all product categories was looked from the confronting angle as consumers started shifting back to the traditional formats.

4.1.2 Problem Statement

The organized retail in India is into volatile phase. The future of organized retail formats will be a boom or a bubble …..is questioned as the recession has brought the challenge for organized retailing to create a “customer-pull” environment in India and to make the operational model fit for India

Opportunity V/S Questioned survival

The opportunity which was foreseen for organized retail got converted into the questioned survival. Organized retail is facing challenges (Ch-3,Table 3.2) to survive in India. International models have been proved unfit in the Indian context. In this scenario it has become a need for the hour to identify a surviving structure for organized retail in India by making operational model fit through localization into retail mix.

4.1.3 Problem Significance & suggested action-plan to derive Problem

Resolution framework -By Industrial consulting organizations

Problem signified by A.T.Kearney, 2009 report

Report has described the recession year as the turbulent year for retail industry. Historically shaky economic conditions, a real estate bust and a credit crunch have changed the environment rapidly. Still they have banged that developing markets offer a
golden opportunity to expand and grow. Despite the global slowdown, India remained one of the fastest growing countries in the Asian region, reflected by 67% GDP growth between 2003 and 2007.

Till date, domestic retailers are struggling to find the model that works with Indian retailers and if they continue to struggle, opportunity gate will get opened up for global retailers to overtake the market. Report has concluded that the situation is alarming to have a hold over Indian retail industry instead giving it in the hands of the global players. Windows of opportunity are still there to expand the reach. They have given the following problem solving framework.

Table 4.1 : Problem Resolution Framework given by A.T.Kearney (2009)

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Indian retail requires the right knowledge and right strategy</td>
</tr>
<tr>
<td>2 Understanding right dimensions of the retail industry in the current scenario based on consumers preferences</td>
</tr>
</tbody>
</table>

Source: - Compiled by the researcher from A.T.Kearney, 2009 report on retail

Thus A.T.Kearney signifies the problem faced by Indian retail industry and need of research to retain the stake of Indian retailers as a contributor to the Indian GDP.

Problem signified by Deloitte, 2009 report

Report stated that Post-recession, retailers are likely to find that many of the chess pieces have moved and that the strategic and competitive landscape has been reset. In order to navigate this new playing field, retailers must adapt their strategies to several new realities. As a planning for retail recovery they have suggested below strategies.

Table 4.2: Problem Resolution Framework given by Deloitte(2009)

<table>
<thead>
<tr>
<th>Suggested Problem Resolution Framework- Deloitte, 2009 report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Take care of the hard stuff; make your operating model fit</td>
</tr>
<tr>
<td>2 Understand the shifts in your customer’s value criteria and decision-making</td>
</tr>
<tr>
<td>3 Refocus on business model innovation.</td>
</tr>
<tr>
<td>4 Accept uncertainty and volatility as part of new reality and make business adaptable</td>
</tr>
</tbody>
</table>

Source:Compiled by the researcher from Deloitte (2009), After the storm: Planning for a retail recovery
The presented research work is keeping line with the suggested strategies thus, signifies depth of the problem and its resolution as a recovery measure of Indian retail Industry

**Problem signified by KPMG, 2009 Report**

Report on consumer market of Indian Retail has revealed that it is the time to Change lanes. The report has given consensus that restructuring exercise of organized retail may continue till the retailers bring another serious round of expansion. After restructuring the long term expansion plan are still very attractive and the relatively low rate of penetration of organized retail coupled with sheer attractiveness of India’s demographic and economic environment is expected to continue to add momentum to overall prospects of retail sector in the long term. KPMG suggested the following two strategies as a restructuring process

**Table 4.3: Problem Resolution Framework given by KPMG(2009)**

<table>
<thead>
<tr>
<th>Suggested Problem Resolution Framework , KPMG, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Re-evaluate store viability and expansion plans –Classify stores clearly into categories profitable to unviable and take actions accordingly</td>
</tr>
<tr>
<td>2. Decode consumer behaviour-Invest in consumer research paying attention to Indian diversity to be more sharper in delivery</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher from KPMG in India (2009). Consumer markets Indian Retail: Time to Change lanes,

KPMG has quoted it alarming situation to change the lane indicating severity of the problem

**Problem signified by Deloitte, 2010 Report**

Report has suggested that Indian retail market has to change its way with changing times. Globally, retail dump and shrink is approximately around 1 percent of the turnover and in India it is about 3 to 4 percent of the turnover. Lot of efforts and time have to be channelized by retailers. They suggested below mentioned strategies
Table 4.4 : Problem Resolution Framework given by Deloitte(2010)

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To streamline processes</td>
</tr>
<tr>
<td>2. To reduce wastage, especially for perishable products</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher from Deloitte(2010), Indian retail market: Changing with the changing times

A significant breakthrough is yet to be achieved. This in turn signifies the research contribution that reduces the wastages

Problem unresolved

Confirmed by Technopak, 2012 Report

Technopak release in 2012 has shown that Indian market is moving beyond the classic segmentation of Metros, mini Metros, capitals of large states, and then tiered definition of cities. Conventional model of modern retail will not be able to all consumer groups in these hotspots.

As India is undergoing several fundamental shifts (economic, demographic, ambitions and aspirations, economic activity hotspots), the industry as a whole should come together to invest in a very comprehensive consumer insights study and then use the findings to identify new trends, segments, and develop specific strategies

As per Technopak 2012,

Problem identification phase 2008.......... Problem in- continuation till date........

Due to this they suggested the first action as,

*Invest In Better Understanding of Consumer & Market*
4.2 Purpose & Focus of the Study

It is a known fact that organized retailing is trying to make its presence felt in many parts of India's growing economy. With rapid change and expansion in the retail environment, it has become all the more necessary to identify the different parameters that drive overall preference of consumers for organized retail formats and unorganized retail formats. Fast changing consumer attitudes about products have encouraged retailers to develop new positioning strategies to enhance consumer loyalty (Gwin and Gwin, 2003). New retail formats and stores are being continuously introduced but getting challenged on one or the other way and thus organized retail formats need to find ways to retain consumers (Uusitalo, 2001).

Decline in the growth of organized retail post-recession area has shown restricted spending on organized formats when recession hit the market. This has left organized retailers with several issues like:

1. Does the consumer base getting open to the organized formats over convenient destinations of shopping?

2. Can the two formats co-exist given that the consumer may have different expectations on different occasions and which in result shows variability in the preference for the formats as per circumstances of buying i.e. situational buying?

3. What are the challenges for the organized formats given that the entire Indian market is penetrated by unorganized formats. Are the modern formats lacking in certain areas?

The present study is focused to answer the above questions. Suggested strategies by industrial research and consulting organizations, have laid a rationale foundation to undergo the study. The study has been aimed at development of action plan for the organized retailers as a key to survival.
The overall purpose of this research has been to study and understand the behavioral differences of consumers with respect to organized and unorganized retail formats. By this way to determine what drives the preference towards the retail format for specific categories of product purchase. Further it evaluates effectiveness of current offerings of organized retail formats and at the same time to understand requirements of consumers getting fulfilled by the unorganized market exclusively and incorporate the same in the organized formats to give value for money offerings.

The presented research has aimed at providing operational fit framework to organized retail formats by analysing overall preference towards organized and unorganized retail formats. It has focused on consumer behavioral dimensions that drive the format preference, which are emphasized by literature studied in the earlier chapter. It includes overall shopping oriented temporal aspects of consumers leads to preference towards a particular format, Consumption preference towards product category specific inventory items/merchandise mix offered in the store, Store attributes valued by the consumers, situational variables that drive preference towards a particular format. Along with it has aimed to cover segment of consumers preferring the specific format based on socio-demographic profile.

In nut shell the purpose of the study has been to bring the productive set of overall offerings getting valued by consumers. It will help to remove extra cost incurring offerings that are proved non-productive according to consumers’ angle. Further it has suggested to incorporate offerings that have become habit of the consumers preferring unorganized retail formats to make them switch.

*Thus the research has focused on converting international model of organized retail into national framework which may give operational fit to the Indian market. And at the completion of the study with the amalgamation of comparative study, purposive output of the research has brought feasible structure for organized retailers with new retail mix for future survival based on consumer’s study.*
Thus in nutshell,

**QUESTIONED SURVIVAL** of Organized retail in India with international framework

Conversion: Purpose of study

**SURVIVAL OPPORTUNITY** to Organized retail in India with new localized framework (Retail mix)

Source: Developed by the researcher

### 4.3 Skeleton of Variables

Based upon the literature review, it is necessary to closely look at the variables that play a larger role in determining preference towards retail format and ultimately reflects consumer's format choice behaviour. It seemed that consumer involvement in searching for type of format and showing difference preferences related to the same would be a realistic process to investigate in the context of retail consumer behaviour.

Consumer behaviour and preference for different retail formats has a vast scope for research and analysis as the retailing environment changes rapidly, leading to changed shoppers expectations and realignment of the choice set of stores. This phenomenon gains greater significance in the Indian market with the introduction of larger or more diverse retail formats. It is providing new experiences and options to shop to the consumers. Both retailers and shoppers are currently in an evaluation phase with no clear verdict as to what may drive their behavioural action as preference in the long term. Thus the construct is developed to study the consumer behaviour and preference towards the retail format and dependency of the preference is analyzed.
Studies on Retail format have focused on shoppers’ tendency to concentrate on the same store. Thus consumer behaviour and preference gets decided based upon the store patronage. In this section, those previously established patronage models are briefly reviewed, and then the important constructs are compared and discussed to build a conceptual framework of the study.

The framework for the variable to study has been derived from the models referred in literature review. (Monroe and Guiltinan, 1975), (Shim and Kotsiopoulos 1992), (Sinha and Triipathi,2008) mainly emphasized upon store attributes and shoppers attributes. (Sinha and Banerjee ,2004) concluded that product type available in the store does play a crucial role in the preference towards the format.

Further (Rama Krishna Prasad, Y, 2011) studied consumers’ retail format choice by adopting and modifying the conceptual model given by (Monroe and Guiltinance,1975). His modified model described consumers characteristics, store attributes, situational variables and temporal aspects determining store choice and patronage towards traditional kirana stores and super markets. He found all the variables significantly determine the store choice and store preference of consumers.

- The researcher has taken the opportunity to extend developed framework of Ramakrishna prasad with one more dimension as product type available in store
- The research is further extended with the comparative assessment of all the dimensions with respect to organized v/s unorganized

4.3.1 Variables Identification

Several variables lead to the genesis of consumers’ preference towards the retail format which are presented below.

Skeleton of variables

Empirical evidence indicates that the consumer behavior and preference for retail formats organised and unorganized is often a result of shopping oriented temporal aspects, Product category purchase, Store Attributes, consumer characteristics and situational variables.
Figure 4.2: Skeleton of Variables

### Shopping oriented Temporal Aspects
- Purchase Pattern/Frequency
- Elasticity to travel distance
- Purchase planning
- Purchase pal

### Consumer Characteristics
- Demographic variables
- Socio-economic variables

### Consumer behavioral action and preference for Retail Format

### Store Attributes
- Common attributes offered in Organized & unorganized retail formats
- Category specific attributes
- Customized Format specific attributes

### Consumption preference for Product category specific Inventory Items/ Merchandise Mix
- Merchandise Mix/Items

### Situational variables
- Task definition

### Organized formats

### Unorganized formats

Source: Developed by the researcher from duly mentioned above (in 4.3) references

The set of variables tries to establish coherence in understanding the aggregate impact of such variables in the decision of selecting the retail format type.
4.3.2 Development of Constructs for Research

Consumers’ behaviour and its impact on preference for organized and unorganized retail formats is studied for selected product categories namely Grocery, Apparel and Consumer Durable separately. For the presented research, below mentioned constructs have been developed based on the past literature. A brief on these constructs helps to examine various variables in the manner intended by the researcher.

4.3.2A Dependent Construct:

Consumers’ behavioural action as preference towards retail format organized or unorganized is considered as a dependent variable. As shown in the literature there, is a structural relationship among influencing variables of retail format choice (Monroe and Guiltinan 1975). According to (Monroe & Guiltinan,1975), (Arnold, Ma & Tigert 1978),(Arnold, Oum & Tigert,1983), (Mason, Durand & Taylor,1983), (Keng & Ehrenberg,1984), (Louviere & Gaeth,1987), (Spiggle & Sewall,1987),( Dawson, Bloch & Ridgway,1990), (Burke et al.,1992), (Arnold, Handelman & Tigert,1996) store preference is influenced by store attributes, situational factors, households demographics, shopping patterns, product category of purchase etc.

As Indian consumers have different reasons for preferring different store formats, either modern or traditional (Sen 2000) dependency of consumers’ preference towards the retail formats for the purchase of Grocery, Apparel and Consumer Durable has been developed and analysed as a dependent construct.

Table 4.5(Content presented as figure): Dependent Construct design

<table>
<thead>
<tr>
<th>Shopping oriented temporal aspects</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption Preference for Product Category Specific Inventory Items/ Merchandise Mix</td>
<td></td>
</tr>
<tr>
<td>Store attributes</td>
<td></td>
</tr>
<tr>
<td>Situational variables</td>
<td></td>
</tr>
<tr>
<td>Consumers’ characteristics</td>
<td></td>
</tr>
<tr>
<td>Dependent construct</td>
<td>Consumers preference for retail format</td>
</tr>
</tbody>
</table>

Source: Developed by the researcher from literature review consumer behavioural dimensions 3.3.2 and from duly mentioned above references in 4.3.2A
4.3.2B Independent Constructs:

Store preference in the changing context is explained by changing consumers’ behaviour which is influenced by Consumers shopping oriented temporal aspects. Consumption preference for product category specific inventory items/merchandise mix, Consumers’ characteristics, offered store attributes and Situational influences. These forms the set of independent construct as a predictor of retail format preference and selection

➤ Shopping oriented Temporal attributes

Indian market has become the major attraction for global retailers. The shopping is found as the habit of Indian culture. Orientation towards shopping has become a core value of Indian culture. Thus how consumers undergo the shopping activity becomes a need to understand day by day. Literature has identified below mentioned temporal aspects playing the important role in deciding the consumer’s preference towards retail formats

Table 4.6: Independent Construct design: Shopping oriented temporal aspects

<table>
<thead>
<tr>
<th>Shopping oriented Temporal aspects</th>
<th>Purchase Pattern/Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Elasticity to travel distance</td>
</tr>
<tr>
<td></td>
<td>Purchase planning</td>
</tr>
<tr>
<td></td>
<td>Purchase pal</td>
</tr>
</tbody>
</table>

Source: Developed by the researcher from literature review consumer behavioural dimensions 3.3.2 Dimension A

➤ Consumption Preference for Product Category Specific Inventory Items / Merchandise Mix

(Broniarczyk, Hoyer, 2006) Emphasized upon selection of assortments to offer the consumers. Retailers’ goods strategy refers to the variety a retailer chooses to offer to its consumers. The inventory items/Merchandise mix is taken as below

➤ Table 4.7: Independent Construct design: Inventory Items / Merchandise Mix

<table>
<thead>
<tr>
<th>Inventory items/ Merchandise mix</th>
<th>All Grocery and Household items offered in organized formats</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Apparel and Fashion Accessories offered in organized formats</td>
</tr>
<tr>
<td></td>
<td>Consumer Durable and Accessories offered in organized formats</td>
</tr>
</tbody>
</table>

Source: Developed by the researcher from literature review consumer behavioural dimensions 3.3.2 Dimension B
Store attributes

a. Common attributes offered in Organized & unorganized retail store formats

The objective of studying store attributes is the identification of key attributes that influence consumers’ retail format choice. These important attributes have repeatedly been discussed as “determinant attributes”. Identification of importance of basic attributes and its influence on consumers’ preference towards the retail format needs the common address as there are prime reasons for consumer retail format choice towards organized or unorganized.

b. Product category specific attributes

Product category plays very important role in deciding upon the format as the shopping destination. Findings from one store are not, necessarily, applicable to another store as attributes of the store usually have different importance ratings and are considered as different variables by shoppers (Mittal 2009). The presented research has incorporated category specific store attributes.

c. Customized Format specific attributes exclusively offered in organized and unorganized formats respectively

Retailers face a challenge of positioning themselves through the customized store offerings and its service attributes. Offerings of organized retail like centralized air-Conditioned environment covering spacious floors, soothing music, a tempting visual display of products with self-selection facility and a variety of products priced with occasional heavy discounts are some of the features which affect the choice of selection of store (Sharma, S.R., Tiwari, Prakash & Verma, Hemraj 2008). On the other hand, Proliferation of small retail outlets in every nook and corner offer customized services like free home delivery, taking orders through telephone, assisting the elderly to shop and making friendly approach to customers getting followed by a majority of retailers in India creates the pull of consumers (Khare, A., Parveen, C., & Rai, R. 2010). Thus the presented research has incorporated format specific customized attributes as well.
Based upon the identified versatility amongst various dimensions of store attributes and its influence on consumers' preference, the present research has tried to incorporate all variations in the attributes to find its intensity in different sectors under study as below.

**Table 4.8: Independent construct design: Store attributes**

<table>
<thead>
<tr>
<th>Variable Store attributes</th>
<th>Common attributes offered in Organized &amp; unorganized retail formats</th>
<th>Category specific attributes</th>
<th>Customized Format specific attributes (This is a consolidated list of all attributes taken from all three categories)</th>
<th>Organized format attributes</th>
<th>Unorganized format attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Store image, ambience, space/arrangement, quality, price, location, availability of brands, availability of sizes, variety, promotions, parking, packaging, relation with store person, exchange (Guarantee-warranty) facility, lighting &amp; brightness, cleanliness, mode of payment, recommendation of relative, in-store temperature, advertisement</td>
<td>Apparel specific attributes</td>
<td>Fashion simulation through stock reshuffling</td>
<td>After sales service assistance</td>
<td>Credit facility, bargaining, free home delivery, seating arrangements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changing room</td>
<td>In-store Alteration facility</td>
<td>In-store Demonstration</td>
<td>Unorganized format attributes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consumer Durable specific attributes</td>
<td>After sales service assistance</td>
<td>In-store Demonstration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Source: Developed by the researcher from literature review consumer behavioural dimensions 3.3.2 Dimension C
Situational variables

The preference gets questioned due to situational influences that are driving consumers towards specific selection over the regular purchase destinations. The situational effects are extensively documented to understand and predict the consumer preferences. At the time of shopping the retrieval of different store attributes depends upon the task in hand. Thus task definition is found most influencing and appealing situation as every shopping occasion has task associated with it.

Task definition is applicable to both purchase situation and usage situation. While the purchase situation refers to the circumstances of the purchase and usage situation refers to the circumstances of the usage of the product or service (Kenhove, Wule, and Waterschoot, 1999). Based on above, the following set of situational variables is taken:

Table 4.9 (Content presented as figure): Independent Construct design: Situational variables

<table>
<thead>
<tr>
<th>Situational variables</th>
<th>Purchase situation</th>
<th>Usage situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation:</td>
<td>Urgent need</td>
<td>Guests are invited</td>
</tr>
<tr>
<td>Task Definition</td>
<td>Gift giving</td>
<td>Occasion/festival</td>
</tr>
</tbody>
</table>

Source: Developed by the researcher from literature review consumer behavioural dimensions

3.3.2 Dimension D

Consumers’ characteristics

The demographic framework of India is rapidly changing. India’s demographic pattern generates a broad optimism but at the same time moving towards heterogeneity within the framework. This changing phase in turn brings lot many challenges to all businesses and retail is not an exception to it. It directly reflects changes into their spending pattern. Thus retailers need to be abreast with the such changes and accordingly target the consumer base that may be productive to build consumer pull.
Demographics are largely the personal factors influencing the preference towards the retail format. Shoppers’ attributes are significant predictors of their consumption behaviour and choice of retail format (Carpenter and Moore 2006).

Little research exists, which has analysed the shopping behaviour with a family or household as a unit. Demographic factors along with socio-economic factors exert enormous influence on choice of retail format in grocery retailing (Sinha and Banerjee, 2004).

Based upon the studied literature various dimensions of consumer characteristics taken into consideration have been summarized in the Table below

Table 4.10: Independent construct design: Consumers’ characteristics

<table>
<thead>
<tr>
<th>Variable : Consumer characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic and Socio-economic variables</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: Developed by the researcher from literature review consumer behavioural dimensions 3.3.2 Dimension E

4.4 Research Questions

While the purpose statement gives details of the general direction of the study, a research question states the specific line of enquiry the research will investigate and attempt to answer (Black 1993).

The variables identified and presented in the framework pose various questions which need to be answered through empirical testing.
The following research questions have been proposed for investigation.

1. Which of the two formats do consumers prefer more to buy grocery, apparel and consumer durable items?

2. How has the shopping oriented temporal aspects displayed consumers’ selection for formats in terms of overall shopping disposition?

3. Which category specific inventory item/merchandise mix drives the preference towards the format?

4. Do the determinant attributes of the retail store/format exert any effect on retail format preference?

5. What are the variations in the retail format preference in the specific situation of buying and which reason drives the preference?

6. What is the composition of consumer base sets the preference for respective organized and Unorganized retail formats?

Along with presented research has attempted to get insights into,

- Till what extent store format determinants have rendered satisfaction by the retailers
- What is the top of the mind reason for having comparatively lesser preference for the other type of retail format than the preferred retail format

**4.5 Significant Contribution of Research**

From Technopak release 2012, it is found that since 2007 till date, Indian retail market is looking after strategic actions which are not yet developed to keep pace with the changing consumer behavior. Thus the future of organized retail is into the questioned survival. The presented research has taken initiative to work towards the demanded situation of Indian organized retail.
### Table 4.11: Areas of Research significance

<table>
<thead>
<tr>
<th>Suggested area of Research</th>
<th>Research Output</th>
</tr>
</thead>
</table>
| **Re-evaluation and restructuring of the current organized retail offerings - Innovation in the existing retail model** | • Research has identified consumers preferred factors/Services giving value from the organized formats and suggested set of offerings  
• Research has identified overall shopping orientated temporal aspects reflecting all convenience to prefer the format  
**Suggested Localised Retail Mix dimensions- Process, Place, Promotion and Publicity** |
| **SKU Rationalization- Identification of profitable categories** | Research has presented product category specific items preferences of consumers from organized retail and suggested overall inventory set up based upon movement of the products to direct efficient inventory management and thus minimization of space requirements and optimization of space utility  
**Suggested Localised Retail Mix dimensions- Product & Physical evidence(Layout)** |
| **Understanding of Consumer segments** | • Research presents cluster of consumers preferring organized retail with demographic, socio-economic variables. a se: of consumers preferring unorganized formats as future potential for organized formats  
**Suggested Localised Retail Mix dimension- People(Target segment)** |

Sources: Developed by the researcher from the reports duly mentioned in the table
Due to the questioned survival of organized retailers in India there was a need to identify the specific requirements of consumers of India and accordingly design all the offerings that can give value to the consumers.

A key contribution of this research has been the development of a comprehensive framework laid to understand the preference for retail formats organized v/s unorganized through buying behavior of consumers. The importance of consumers preference and behavior in the framework gets well justified in this study. The research has looked at the format preference for the product categories under study and it has also integrated consumers demographic emerging as the core dimension affecting decision of purchase destination.

Thus the study is likely to have relevance for the early stage retail evolution in emerging economy as the organized retail in India is at a struggling phase due to large presence of unorganized retail formats. The above modified dimensions of retail mix will allow organized retailers to go for concentrated marketing efforts. It will eliminate extra efforts and expenditure and will positively contribute towards laying a foundation to position the organized stores in the Indian market.

Thus amalgamation of comparative study has brought new localized framework for organized retailers which may become a key to future survival and can be said that it may provide a solution to the problem identification

**Figure 4.3: Research significance in accordance with problem recognition**

<table>
<thead>
<tr>
<th>QUESTIONED SURVIVAL of Organized retail in India with existing structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant contribution</td>
</tr>
<tr>
<td>Product, Physical evidence(Layout), place, Promotion and publicity,</td>
</tr>
<tr>
<td>Process, People(Target segment)</td>
</tr>
</tbody>
</table>

**SURVIVAL OPPORTUNITY to Organized retail in India with new suggested structure through localization into retail mix**

Source: Developed by the researcher
4.6 Potential Beneficiaries

The covered research curriculum has highlighted some new findings that will be useful to many related to retail trade. Some of the potential beneficiaries of this study are organized retailers (National & International both), Consulting organizations, Retail research organizations, Indian Government, Academicians, future researchers.

Organized Retailers (National & International both)

India like Britain is a nation of shopkeepers. With over 12 million retail outlets, India has one of the highest densities of retail outlets in the world with one retail outlet for ~90 persons. (Pankaj Gupta, 2006). Earlier Retail in India had been characterized by the presence of small shops, local neighborhood stores also called kirana shops, stalls, street vendors and hawkers. But currently Indian retail industry is at its revolutionary phase due to the entry of organized players. Global recession, penetration of huge unorganized retail spread and diversity in Indian market has laid lot many challenges to the organized retail players. They have tried to grab the opportunity of changing phase of Indian retail but stucked in the middle. Service providers gap is found into existence as all the offerings of organized formats are not valued by the consumers and few valued offerings are still into latent phase. As a result overall infrastructural and other costs turns out negative to generate profit for organized retailers. Thus there is a need to bridge the gap between consumers’ requirements and offerings of organized retail formats as complete International replica of retail format is not found promising in India.

The research findings are localized operational framework based suggestive to organized retailers to redesign their retail mix. It will provide a ground to Indian retailers to go for alteration in the existing retail mix which is of international model. Players like Reliance, Tata, Future Group, Aditya Birla and others will get insights into complete retail mix which is designed as per the consumers’ requirements identified in the presented research.
Global players have their deep eyes on growing Indian retail market. India’s sustained position in Global Retail Development Index (GRDI) has created attraction to enter in Indian market. As cultural diversity has been found as a major threat to entry, it is advisable for global players to enter with localization and reconstruct their operating framework in the Indian context. The Indian retail mix also lays foundation for such reconstruction.

**Consulting organizations**

Consulting organizations who are involved in the services related to restructuring of the organization may get insights from the provided research findings. As per the reports presented in the literature review, Indian retail needs a complete strategic move towards its format development. Consultants like Mc.Kinsey, PWC, Delloitte, KPMG who renders consultancy into strategic, operational, financial and organizational issues and suggests the cost-benefit model to the organization can use the research output that suggests areas to reduce the expenses and may help them to realize areas of cost cutting.

Retail consultants like Global retail consulting, Technopak consultants, Core consultants who cater their services in building and aligning sales organizations to achieve dramatic bottom line results, may get benefited from the presented findings. Suggested framework may help them to identify Key performance areas that can help consultants to put in the advisory forum to wok upon.

**Professional Retail research organizations**

Organizations like A.T.Kearney who are involved in Global Retail Development Index to guide global retailers with their strategic investments for more than a dozen years have rated India in top three positions since the year 2004 till 2010 with holding of first position three times. They have shown industry attractiveness to all global players in India. The presented research output may help them show the attractiveness with challenges and required redevelopment. Based on the findings they can even suggest attractiveness by showing strategic fit of the countries who can completely adopt localization framework.
CRISIL research and analytical company providing ratings of the industries performance may even get insights into the category specific performance of organized retail in India. Instead overall preference, category wise preference shown in the research findings may help them to present industry performance and its attractiveness from the niche and promising angle.

**Indian Government**

Foreign Direct investment is the major issue under the governance of Indian Government. Attractiveness of India has laid the foundation for foreign investment but their entry in the retail segment is seen from the confronting angle. FDI is needed to strengthen the Indian economy base but at the same time dominance of the global players may be threatening to the existing GDP. In such situation criteria specific permit may be the way out. Government has already taken step to work on brand specific permit, other criteria that gets derived from the research is product and inventory/merchandise item specific permit. The presented research may provide a reference with respect to product category specific business potential like grocery, apparel and consumer durable. Along with the productive set of inventory items/merchandise mix on the bases of its consumption preference and rate of its consumption.

**Academicians**

Retail academies who are imparting training on retail services may take a reference of the research findings related to services in demand and provide training to render services as per the consumer’s requirements. Academic institutions involved in development of retail forum may get insights into business know-how and expansion.

**Future researchers**

The research lays foundation for future researchers for other product categories, other geographical coverage and other additional service mix to enhance the service model. Academic institution and professional researchers who are doing research to set the base of Indian retail for organized retail may get a lead from the present research.
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