Chapter 9:

Ending Annotation & Future Scope of Research to Address Limitations of the Study
CHAPTER NINE

ENDING ANNOTATION &
FUTURE SCOPE OF RESEARCH TO ADDRESS
LIMITATIONS OF THE STUDY

Since inception.......till present, organized retail in India is going through a high level of volatility in Indian economy. Favourable demographics and higher disposable incomes are providing the necessary impetus to the growth of modern retailing formats. But there are several challenges that continue to throttle this growth. And as a result, opportunistic future of organized retail is seen from the confronting angle. Success of the international models of the organized retail has seen a questioned fit in Indian consumers market.

Since its inception till present the struggling phase of organized retail has established practical relevance of the presented research. Situation is found alarming and questioned survival of organized retailers in need of a directive to move ahead. Identification of the specific requirements of consumers of India and accordingly designing of all the offerings that can give value to the consumers and become a right fit to the Indian market has become an urgent requisite for survival and sustainability. In line with the raised need of the hour, the presented research has laid its foundation.

The presented research has identified problems faced by the organized retailers since its inception and accordingly has undertaken the research with an aim at deriving the operating framework for organized retail in India so as to ensure in the long run a surviving foundation to the organized formats to overcome from the challenging phase in Indian economy.
The importance of consumers’ preference and behaviour in the framework gets well justified in this study. The research has looked at the format preference for the product categories grocery, apparel and consumer durable and it has also integrated consumers shopping behavioural dimensions emerging as the core affecting decision of purchase destination.

The in-depth investigation of consumers’ preference and consumer behavioural dimensions have concluded that consumers’ preference towards retail formats is dependent upon shopping oriented temporal aspects, items to be purchased into the product category, store attributes, situational variables and characteristics of consumers. It is evident from the study that even the organized retailers are aware of the need to change with time and they too feel that local differentiation with downsizing is the way to future.

Global v/s local differentiation which was seen as the major hurdle towards the acceptance of organized retail formats, is concentrated in the research.

The research output stresses upon the saying,

“Today winners have to adjust to today’s market realities”

And so as organised retailers too………..

In line with the above saying research output recommends localization as a market reality instead globalization. Based upon consumers’ preferences, the research has derived the output that has embarked localization into the few dimensions of current retail mix of organized retail and are presented below.
Product

Inventory is one of the most significant investments in the retail sector. Resulted output of the presented research has generated set of productive inventory for organized retailers on the bases of consumers’ consumption rate and preferred purchase destination for the same. It ensures that extraneous inventory investments are kept to the minimum.

Inventory being the major function of retail business and a major contributor towards the cost, such analysis may help to lay effective control over inventory. Rationalization of inventory based upon its productivity may help maximize the Return on Investment (ROI).

Physical evidence

Huge cost driven models have negatively contributed towards the profitability. Inventory consumes maximum space into the retail store. Optimization of inventory has given insights into the overall space requirement. Space allocation and requirement has been identified based upon derived SKU’s of products. Along with inventory and other areas of space allocation, overall space requirement of the store set up is derived. The resulting structure in terms of square feet requirements in all three product categories is almost half than the present structures of organized formats.

Thus the research has presented downsizing mechanism which may work as a yardstick for sustainable future of organized retailers.

Place

Based upon the downsizing framework that has been suggested, overall feasible reach in terms of number of stores has been identified by comparing it with the reach of most preferred store into the same segment.
People (Target segment)

Indian consumer base is highly fragmented on its demographic and socio-economic front. Preferences of consumers are highly scattered in terms of shopping destination. Due to huge presence of unorganized retail, mass class is targeted. But organized retail having its different positioning into the market with specific offerings, needs a consumer base who can understand and value such offerings. Instead organized retailers have taken the same route and made their offerings open to all. In turn organized retailers are unable to convince consumers about the differentiation between organized and unorganized retail format offerings. The presented research has derived the set of consumers’ preferring organized retail formats based upon demographic and socio-graphic background. It may enable retailers to design value driven offerings. Along with potential base of consumers for future is also suggested along with necessary changes to be made in the offerings to grab their preference.

Thus presented target segment may give direction to the organized retailers to go for concentrated marketing instead mass marketing.

Processes

The presented research has identified processes getting valued by the consumers and processes getting overlooked /indifferent to the consumers and processes to be incorporated identified as latent to the existing offerings. This may help retailers to concentrate on demanding attributes instead overall set of attributes. It may contribute towards consumers’ satisfaction and along with it may enhance productivity of the designed processes.

Promotions and Publicity

The presented research output has given insights into the situation that drives the preference towards organized retail formats and the motivational source behind the same. It may help retailers to promote their offerings addressing the situation specific requirements. It may induce situational preference at the initial phase and may get converted into regular preference towards the organized formats.

In nut-shell, the research output has provided local retail mix as against global retail mix for Indian economy.
It can be wished that suggested localization into retail mix may help organized retailers to overcome the service gap between consumers’ expectations and organized retail offerings and may help to develop a strategic fit of the organized retail model into Indian economy. It may further help to develop profit driven models instead only huge cost driven models to survive in the Indian market.

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 stores. The above identification may 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.

**At the ending annotation it is wished that,**

*The presented research work may provide*

*“Answer key to the questioned survival of organized retailers of India”*

**Future Scope of Research to Address Limitation of the Study**

While this research may provide greater understanding to the organized retailers to survive with the suggested operating framework, further research is encouraged to address some limitations of the presented research

- The scope of the study is limited as it focuses only on the preferences and buying behaviour of the consumers leaving the other gamut of activities associated with retailing such as supply chain aspects, logistics aspects, financial aspects, environmental aspects etc that can be analysed to derive other dimensions pertain to organized retail operational framework

- The geographical scope of the study has covered major cities of Gujarat, the same can be explored with respect to all other cities addressed by organized retailers. The similar study can be done for other states and metro cities
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- The current study has explored top 3 ranked categories on the index of organized retail namely grocery, apparel and consumer durable retailing. It can be extended to other categories to develop the survival framework for organized retail in India like food retail chain, footwear retail chain, jewellery retail chain etc.

- The presented retail mix is based upon consumers’ perspectives as suggested by professional research bodies and the same can be extended and studied from the retailers perspectives mainly PRICE. How the pricing gets derived based on supply chain can be studied and suggestive can be presented to reduce the same.

- Other left over format types can be further studied to get insights into the overall retail sector.