Abstract

India presents vast opportunities and openings to the world at age, to use as a hub. The Indian retail sector is in a transformation mode and has evolved dramatically from traditional village fairs, street hawkers to resplendent malls and luxurious outlets, mounting a growth ladder of strength. Standing on the edge of a retail rebellion and witnessing a fast changing retail landscape, India is all set to experience the phenomenon of global village. India is well-thought-out as the “Promising land” for global brands and Indian retailers as “A vibrant and pulsing economy”. The retail sector has been at the rudder of India’s growth story.

But rising sun of Indian retail sector is confronted due to diverse causes like volatile macro-economic fundamentals and resultant changing socio-economic scene which has left the industry into very sensitive 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 eventually slowed down new stores roll out.

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 and to make the operational model fit for India. International models of organized retail have been found unfit in Indian economy. The opportunity which was foreseen for organized retail has got converted into the questioned survival from the time of recession which prevails till present, as confirmed by professional retail consultants’ reports.

EVEN SO,

WINDOW OF HOPE IS STILL OPEN !!!!!!!!!!!!!!!!!!!!!!!!!!!!

Hard hit of time cannot ruin the lushness of the industry which was foreseen. A right strategic fit as per the changing scenario can open the doors the opportunities any time, strongly banged by Technopak, KPMG and A.T.Kearney. They laid down the path as an
action plan for researchers as “Decode consumer behaviour by investing in consumer research and paying attention to Indian diversity to be more sharper in delivery, Re-evaluate store viability and expansion plans by classifying stores clearly into categories profitable to unviable and take actions accordingly and Take care of the harc stuff to make your operating model fit”. They whished for such research initiative to hold the future of the industry on a safer side.

“Problem facing industry still gives a shine of hope if gets the right direction” presented the striking opportunity to the researcher to address the need of the hour with the hope to become the contributor in making the sun rise again. Predominant existence of the problem, established practical relevance of the research and development of problem resolution framework became the impetus of the study.

The researcher has taken the initiative to step on the laid path of research by understanding consumer preference and behaviour towards organized and unorganized retail formats with the aim to develop the surviving structure by providing the operational framework to the organized retailers in the Indian context.

Most future promising categories Grocery, apparel and consumer durable have been taken as the scope of the research as these product categories have shown major attraction by grabbing top three positions amongst all other categories consistently on the parameters of revenue generation, consumers spending and market size capturization from the year 2006 to estimation of 2016 on the retail index. From the indicative list of emerging destinations for retail in India provided by earnst and young report on retail, Gujarat is found as the emerging destinations for future retail with potential in cities namely Ahmedabad, Vadodara, Surat, Rajkot and thus taken as the geographical scope of the research which ensures proper amalgamation of parameters like emerging destination of retail, Highest in population density amongst cities of Gujarat and enjoying presence of organized retail

Different frameworks have identified different set of consumer behavioral dimensions. Store attributes and shoppers’ attributes are mainly covered in all frameworks followed by consumer attributes (characteristics). Further it is extended with situational variables.
But through literature it was found that product type (Merchandise items) available in the store does play a crucial role in the preference towards the format. Even professional researchers emphasized upon identifying consumers preferences for product categories specific items preferred from different formats to segregate viable and unviable products specific to formats. Thus it necessitated a need to incorporate product category specific items dimension which in turn developed five dimensional consumer behavior framework which is not yet studied and laid a research gap. Thus through literature and empirical evidences, consumer behavioral dimensions driving preference for retail formats organized and unorganized have been found as shopping oriented temporal aspects, Consumption Preference for Product Category Specific Inventory Items/Merchandise Mix, Store Attributes, Situational Variables and consumer characteristics and have been taken as the constructs for the presented research.

All five dimensions of consumer behavior have been studied with descriptive research design as a predictor of consumer preference for organized and unorganized retail formats for all three product categories separately to derive the surviving operational framework for all three categories. Field survey method has been adopted with the total sample of 900 across the selected cities of Gujarat. The respondent has been taken as the family influencer (Adult consumer above age 19) who holds major responsibility of shopping of the house and having exposure to organized and unorganized retail formats (element) of the selected houses/residences (unit) in the cities Ahmedabad, Vadodara, Surat and Rajkot (Extent). The organized retail formats cater their offerings towards the needs of the family be it grocery, apparel or consumer durable by keeping merchandise addressing the family need than only individual and thus are positioned as family shopping destinations. The influencer can certainly be the buyer also. But the buyer might or might not be the influencer and decider of the shopping destination. And as the research has aimed at identification of preference towards particular format, who drives and guides the preference becomes more important to identify than to only concentrate on who undergoes the buying process. Thus family influencer is selected as the respondent. The respondents are identified through Judgmental convenience sampling.
The analysis of the collected data has been derived with the help of descriptive statistical analyses as per its applicability by using Microsoft office- Excel and Statistical Package for Social Sciences (SPSS Software). For Grocery, apparel and Consumer durable data analysis is performed and shown separately to derive separate results. 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. 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 has elaborately discussed and considered various implications of the findings to the organized retailers. Based upon consumers’ preferences, the research has derived the output that has embarked localization into the few dimensions of current retail mix namely,

- **Product**- 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

- **Physical evidence**- 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. The resulting structure has presented downsizing mechanism which may work as a yardstick for surviving 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 current reach of most preferred store into the same segment

➢ People- A set of consumers preferring organized retail formats based upon demographic and socio-graphic background has been derived along with potential base of consumers for future target

➢ 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 which are identified as latent to the existing offerings. This may help retailers to concentrate on demanding attributes instead overall set of attributes.

➢ Promotions and Publicity- Insights have been given 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.

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 framework into Indian economy.

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”