Chapter - 1

INTRODUCTION

1.12 Introduction 01
1.13 Retailing in India 03
  1.13.1 Retail Industry – An Early history 04
  1.13.2 Unorganized Getting Organised 05
  1.13.3 Organised Retailing – Recent Developments 07
  1.13.4 Nature of Indian Retail Industry 09
1.14 Need for the study 09
  1.14.1 Changing Demographics of India 10
  1.14.2 Woman Flattering QUEEN of Shooing 12
  1.14.3 Consumer Empowerment: A new ‘mantra’ of differentiation 13
1.15 Research Gaps 13
1.16 Statement of Research Problem 16
1.17 Research Questions / Specific Questions 17
1.18 Research Objectives 19
1.19 Scope of the Research 20
  1.19.1 Theoretical Scope 20
  1.19.2 Industry and Format Scope 20
  1.19.3 Geographical Scope 20
  1.19.4 Demographics Scope 21
1.20 Limitations of the Study 21
1.21 Outline of the Dissertation 21
1.22 Summary 23

References 23-26
Chapter 1

Introduction

"Consumer Empowerment is a mental state usually accompanied by a physical act which enables a consumer or a group of consumers to put into effect their own choices through demonstrating their needs, wants and demands in their decision-making with other individuals or organizational bodies in the marketplace."

–Len Tiu Wright

1.1 Introduction

Indian retailing is a vital business to the socio-economic equilibrium of the country. It’s really captivating to know that about 4 percent of the total Indian population (1.2 Billion, census 2001) is engaged in retail trade (Guruswamy Mohan et al, 2005). Retailing in India is broadly divided into organized and unorganized retail sectors; total market for the Indian retail industry was worth Rs. 10 Trillion in 2005. The Indian retail industry is the largest source of employment, after agriculture, in the country and generates about 12% of the Indian GDP (RNCOS Report, 2008).

The Indian retail industry is predominantly fragmented through the owner-run "Mom and Pop outlets". The organized sector commands just three to five percent of the total retail industry is valued at about $300 billion and is expected to grow to $427 billion in 2010 and $637 billion in 2015 (Purushottam K, 2008). The increasing percentage of this sector has given rise to different retail formats in the country such as Hypermarkets (Giant, Reliance Mart), Supermarkets (Reliance Fresh), Department Stores (Shoppers’ Stop), Specialty Stores (Music World, Bata), Discount/Convenience Stores (Subhiksha stores) and Malls (Forum, Sahara).

The increasing trend signifies the presence of huge and untapped consumer market. According to McKinsey and company, India’s middle-class is the next big spenders segment in the consumer market. The middle class currently numbers some 50 million people, but by 2025 will have expanded dramatically to 583 million people which accounts to some 41 percent of the population. These households will see their
incomes balloon to 51.5 trillion rupees ($1.1 billion)—11 times the level of today and 58 percent of total Indian income (Farrell Diana and Beinhuckee Eric 2007). The Indian consumer market is estimated ten-fold increase in middle-class population and three-fold rise in household income, aggregate consumer spending is likely to more than quadruple from around US$ 428.69 billion in 2005 to US$ 1.76 trillion in 2025 (IBEF Report. 2008).

Given the complexities of the Indian retailing scenario such as millions of retail outlets, changing lifestyle of consumers, price sensitivity of consumers, modern retailing formats and the cluster of retail outlets in metros etc., understanding the Indian consumer and their buying behaviour becomes very important. Along with the evolving consumer market, the participation of women in family purchase decision making is seen at the increasing trend (Kathy Matsui 1999). But according Lou Manfredini (2002) women have always been the decision makers, “but nobody gave it any thought until 10 years ago. This indicates that women in the world are getting noticed now. A study on US women consumers concluded ‘Women consumers as the spending engines that drives the U.S economy and even that of the world too’ (Marti Barletta 2006). In the context of growing participation of women consumers in the shopping decision making (Kameshwari Moorthy et al 2001), the word ‘Customer’ can be redefined as QUEEN and no more as a KING (Menon Sreelvsan et al 2006). These and many other studies on women and shopping (Campbell Carol 2006), gender role in shipping (Davis, Harry L. 1970), women as Family Financial Officer (FFO) (Ferber Robert and Lee Chao Lucy 1974) etc., makes the retailers understand that women consumers – Just can’t be ignored. So this compels the retailers to redefine their overall marketing activities and strategies keeping this fairer section of the gender into account.

Retailing is the only industry viewed closely knitted with the consumers and hence it will not be personified if said, retailing can be democratised as - by the customers, for the customers and of the customers. So it makes sense for the retailers to involve consumers in their retail activities and work closely to understand and serve them better. This in turn can result in lifetime relationship and an unrelenting overall profitability for the business.
1.2 Retailing in India

1.2.1 Retail Industry – An Early History

'Retail' is derived from a French word ‘retaillier’ which means ‘to cut a piece off, clip and divide or ‘to break bulk’ in terms of tailoring in 1365. It was first recorded as a noun with the meaning of a “sale in small quantities” in 1433 in French. The literal meaning for retail was “to cut off, shred, paring”. The word gives the same meaning in both Dutch and German. In simple terms retailing can be stated as “first hand transaction with the customer”. According to Michael Levy and Barton A. Weitz, retailing is the set of business activities that adds value to the products and services sold to consumers for their personal or family use. Retailing today is not only the sale of physical products in stores, but retailing also involves the sale of services: overnight lodging in motel, a doctor’s exam, a haircut, a videotape rental, or a home-delivered pizza. Retailing is the final step in the distribution of merchandise - the last link in the Supply Chain in connecting the bulk producers of commodities to the final consumers (Vedamani Gibson 2004).

In India, the definition of retail trade is still evolving with changes in technology, integration of the various modes of operations, etc. As of now, the definition is very broad and open-ended and is applied on a case-by-case basis. For instance, three computers sold to a hospital is not retailing but if a doctor buys them, it is retailing. There is still confusion underlying in defining retailing based on one factor. For, bulk commodities such as gas turbine or heavy machineries, the volume/quantity of goods sold cannot determine whether it is wholesale or retail trade.

Hence, in order to make the study more precise, meaning, definition, types and different formats of retailing in the Indian context are considered from exclusive research report developed by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India (GoI), in collaboration with Indian Council for Research on International Economic Relations (ICRIER) New Delhi (Muhkarjee Arpita and Patel Nitisha, 2001). According to which, retailing is defined as “all activities involved in selling goods or services directly to final consumers for their personal, non-business use via shops, markets, door-to-door selling, mail order or over the internet, where the buyer intends to consume the product through personal, family or household dues.”
1.2.2 Unorganised getting Organised

India, like Britain is also a nation of shopkeepers. With over 15 million retail outlets (Ramesh Kumar S. 2009), India has one of the highest retail densities in the world with one retail outlet for nearly 90 persons (Gupta Pankaj, 2004). Observing the retail journey in India it can be construed as unorganised retailing ruled the country for centuries. Even after the independence in 1947 there was not even a single modern retail outlet existed in the country (Westfall R and Boyd, H.W Jr 1960). This was primarily because, India at the time of independence was in the vicious circle of poverty- characterized by very low per capita consumption and having one of the lowest income levels in the world (Ramesh Kumar S. 2009). As a result the entire focus of the nation was on producing and making things available to the consumers and not on setting modern retail formats. Secondly, retailing was focused more on the basic necessities rather than on luxury (Sengupta Anirban 2008) in those days. But, the retailers were found budding in all over the country slowly in their traditional (low volume, individual run) formats after 1947. Even in the fifties, there were only 0.25 million retail outlets in India (Vedamani G. Gibson 2004). Even in the early 1960s, it was reported that “there is not a single supermarket in the whole of India” (Westfall R and Boyd, H.W Jr (1960). It was for the first time in the Indian retailing history, a modern retail format of self service store Nilgiris was setup in 1971(Nilgiris, 1905). Things started to change slowly in the 1980s, when India first began opening its economy. Textiles sector (which companies like Bombay Dyeing, Raymond’s, S Kumar’s and Grasim) was the first to see the emergence of retail chains. Later on, Titan, maker of premium watches, successfully created an organized retailing concept in India by establishing a series of elegant showrooms. For long, these remained the only organized retailers, but the latter half of the 1990s saw a fresh wave of entrants in the retailing business. This time around it was not the manufacturer looking for an alternative sales channel. These were pure retailers with no serious plans of getting into manufacturing. These entrants were in various fields, like - Food World, Subhiksha and Nilgiris in food and FMCG; Planet M and Music World in music; Crossword and Fountainhead in books (Chakrabarti et al 2007). As of the year ending 2000 the size of the Indian organized retail industry was estimated at around Rs. 13,000 Crores. India became the ninth largest retail market in the world with annual retail sales of Rs. 35,000 Crores in 2005 (India Retail Report, 2009). The organised
retail market is estimated to triple its size (from its existing size as in 2005) and reach a market share of around Rs. 109,000 crores (nearly USD 24 Billion) by the end of 2010 (Fibre2Fashion, 2009).

This dramatic change in the Indian retail formats can be contemplated as a result of the changing attitude of Indian consumers and their overwhelming acceptance to modern retail formats. With the raising curtains of the economy to the world market, the domestic consumption market in India is estimated to grow approximately 7 to 8% with retail accounting for 60% of the overall retail segment. Even though the organised retailing accounts for a low percentage (nearly 5-6%) of the total retail industry, Indian textile industry has grown noticeably in organized retailing of textile products. The negative phase in exports may have compelled the Indian textile retailers to explore the opportunities in the domestic market substantially causing the outstanding growth in the concerned segment. These indications give a positive notion that organized retailing has arrived in the Indian market and is here to stay. The following table 1.1 describes the value of organised retail trade (2004) with respect to eight product categories viz. food and grocery, apparels, durables, food services, home improvement, jewellery, footwear, books and others and their estimated future values for the year 2015.

<table>
<thead>
<tr>
<th>Product Categories</th>
<th>2004 (value in crores)</th>
<th>%</th>
<th>2015 (values in crores)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, Grocery &amp; General Merchandise</td>
<td>2950</td>
<td>10</td>
<td>102546</td>
<td>42</td>
</tr>
<tr>
<td>Clothes, Textile &amp; Fashion Acc</td>
<td>10900</td>
<td>39</td>
<td>40605</td>
<td>16</td>
</tr>
<tr>
<td>Durables &amp; Mobiles</td>
<td>3340</td>
<td>12</td>
<td>28891</td>
<td>12</td>
</tr>
<tr>
<td>Food Service</td>
<td>2000</td>
<td>7</td>
<td>24351</td>
<td>10</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>2500</td>
<td>8</td>
<td>16346</td>
<td>7</td>
</tr>
<tr>
<td>Jewellery &amp; Watches</td>
<td>1960</td>
<td>7</td>
<td>8770</td>
<td>3</td>
</tr>
<tr>
<td>Footwear</td>
<td>2500</td>
<td>9</td>
<td>6508</td>
<td>3</td>
</tr>
<tr>
<td>Books, Music, Toys &amp; Gifts</td>
<td>800</td>
<td>3</td>
<td>3722</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>1350</td>
<td>5</td>
<td>14692</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,000</strong></td>
<td><strong>100</strong></td>
<td><strong>2,46,431</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Tata Strategic Management Group (TSMG) Analysis, 2009*

It can be analysed from the above table that the organised market share for the food, groceries and general merchandise is going to increase from 10% (in 2004) to 42% by 2015. Followed by, the apparel industry (16%), durables and cellular segment (12%) and food services (10%). Some of the other product categories such as jewellery,
footwear, books etc., are still a major part of unorganised sector but predicted to get slowly evolved into organised.

1.2.3 Organised Retailing – Recent Developments

The retail sector in India is estimated at US$280 billion and organized retailing is estimated at US $ 14 billion, accounts for a meagre 5 % of the total market in India. Organised retailing is getting evolved witnessing a series of experiments across the country with new retail formats; the old ones tweaked around or just discarded. During the last 10 years, many retail start-ups promised a lot. A few folded up even before they really got started, few others struggled and then burnt out before they could develop a sustainable business model and others are still evolving. However, a significant number of new (and some are not new) retail businesses have broken rank and seem poised to surge ahead with renewed vigour, optimism, confidence and capability. The table 1.2 given below gives out the existing modern retail formats in the country and shops like Shoppers’ Stop, Lifestyle, Westside, Giant and Tanishq are the current torch-bearers of the modern Indian retail sector, flanked creditably by FoodWorld, Nilgiris, Big Bazaar and Pantaloon, and the Home Store.

Table No: 1.2.

<table>
<thead>
<tr>
<th>Retail Formats and their Value Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Format</td>
</tr>
<tr>
<td>Branded Stores</td>
</tr>
<tr>
<td>Speciality Stores</td>
</tr>
<tr>
<td>Department Stores</td>
</tr>
<tr>
<td>Supermarkets</td>
</tr>
<tr>
<td>Discount Stores</td>
</tr>
<tr>
<td>Hyper-mart</td>
</tr>
</tbody>
</table>
Organised retail sector is growing fast with the raise in the disposable incomes (especially among the middle class), increasing consumer base in urban areas. And a potentially strong rural consumer market will fuel the growth of organised sector with modern outlets entering into districts, tier I and II cities of the state. The following table 1.3 gives the growth trend (in %) for the organised retail sector in the past seven years from 2004 to an estimated figures for the year 2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Retail and Organised Retail Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organized retail</td>
</tr>
<tr>
<td>2004</td>
<td>28,000</td>
</tr>
<tr>
<td>2005</td>
<td>35,600</td>
</tr>
<tr>
<td>2006</td>
<td>47,500</td>
</tr>
<tr>
<td>2007</td>
<td>66,500</td>
</tr>
<tr>
<td>2008</td>
<td>96,500</td>
</tr>
<tr>
<td>2009</td>
<td>140,000</td>
</tr>
<tr>
<td>2010</td>
<td>203,000</td>
</tr>
</tbody>
</table>

It is very clear from the above table (1.3) that future for the organised retail looks flourishing. The above table provides the information on the sustainable increase in the organised retail market share for the seven progressive years: Organised retailing which was 28,000 crores by 2004 (3.0%), 35,600 crores by 2005(3.6%), 47,500 crores in 2006(4.6%) is estimated to reach 203,000 crores (15.5%) by the end of 2010.

1.2.4 Nature of Indian Retail Industry

Even though one can see the growing trends for the organised retail, unorganised sector still dominates and symbolises the nature of Indian retail industry. 

*The Indian retail industry is unorganized:* Two thirds of the nearly 15 million stores are in rural location. The vast majority of the twelve million stores are small "father
The "Retailing in India" report published by the Price water Coopers (PwC) Global Retail Intelligence Program; share of the unorganized sector is 98%.

**The Indian retail industry is fragmented:** Retail stores in India are mostly small individually owned businesses. The average size of an outlet is 50 s.q. ft. and though India has the highest number of retail outlets per capita in the world, the retail space per capita at 2 s.q. ft per person is amongst the lowest in the world.

**The Indian retail industry has rural bias:** Nearly two thirds of the stores are located in rural areas. The retail industry in rural India has typically two forms: "Haats" and "Melas". Haats are the weekly markets: they serve groups of 10-50 villages and sell day-to-day necessities. They are frequently used as replenishment point for the small village retailer. Melas are larger in size and more sophisticated in terms of the goods sold. Mela merchandise would include more complex manufactured products such as televisions.

The labelling of unorganised retailing is being slowly changed into modern or organised form with the introduction of various retail formats in the country. The upcoming formats such as malls, marts, supermarkets, hypermarkets etc are successfully creating a new image of organised retail trade in the minds of the consumers.

The unveiled contribution of the Indian retail industry towards the nation’s economy and job market made the industry attractive to both marketers and researchers. The emerging retail market demands the research and literature in the area of retailing and consumer market to understand the growing market, complex consumer buying behaviours in retailing, upcoming retail formats etc. The prevailing studies throw light on the past and present scenario and forecast the trends for the future changes. By doing so they guide the retailers in understanding the whole set of marketing activities. Literatures from the developed economies can guide and give lessons to the budding retailers about the do’s and don’ts in their due course of business journey. Looking into the growing interest of the industry, the following need for the study is considered important.
1.3 Need for the Study

It is the researcher who has to think about the outthought challenges and upcoming concepts of the future before the market and marketers. There cannot be single factor that gives rise to need for any research. In this case also there might be infinite factors contributing towards taking up this study. However it is felt that the following are the very strong factors that directly prompted the researcher to undertake this research work. Such factors in detail are discussed here under.

1.3.1 Changing Demographics of India

Versatile and youthful demographics are considered as the most attractive features of economically prospering country. Countries with remarkably diverse demographics magnetically attract the marketers in the world. Changing demographics of any country act as the potential ground for the upcoming industries. India is the second most populous country in the world with a population of approximately 1.17 billion people (National Commission on Population), which accounts for almost one-sixth of the world’s population. There are 638,596 villages (a unit of classification made for the rural areas by Census India, 2001 with a population of less than 3500) in the country that has 72.2 percent of the country’s population residing and predominantly employed in the agricultural activities (Census India).

Changing economic developments coupled with the changing demographics (population migration from rural to urban areas) has lead to a noticeable change in the rural and urban classification in the country. According to The Registrar General and Census Commissioner of India, the term urban agglomeration is used to describe cities, which could range from metropolitan areas (cities with a population of over one million – there are 26 such cities), to cities (population of over 100,000 – about 300 such cities exist), to towns (less than population of 100,000, numbering over 3,500 such towns). Metropolitan in India means a city with a population exceeding four million. A new classification ‘megapolitan’ is used to describe a metropolitan area with a population exceeding 10 million. The metros Viz. Mumbai, Delhi, Kolkata Banglore and Chennai are now considered as megapolitan cities (Joshi Dipta, 2007).
India’s demographic profile is one of its major strengths. The 15-64 years age group make up for 63.6 percent of its population and it has an adolescent population (age group 13-19) of 31 percent. It has 91.3 million households earning between US $ 1,969 to US $ 4,376 (Bijapurkar Rama, 2007). According National Council for Applied Economic Research (NCAER), 10.7 million households with an annual income of up to $23,000 reside in the smaller cities. The current small town boom also reflects India’s free market prosperity, powered by a healthy economic growth of 9.6 per cent for fiscal 2006-07. According to a study by McKinsey Global Institute, India is likely to leap-frog from being the twelfth largest consumer market to become the fifth largest in the world. Also the study reveals that, over 23 million Indians -more than the population of Australia-will number among the country’s wealthiest citizens. Increasing participation of women in the job market is resulting in dual income families with high disposable income. The Indian spending trends has already taken India’s consumption to around $428.69 billion in 2005, and it is expected to touch $ 1.76 trillion by 2025 (IBEF, 2008). The growing spending power, revolution in media and communication, exposure to the foreign markets, opening up of the market etc., are the major driving forces in bringing a dramatic change in the Indian demography. A chain link between the changing demographics causing change in consumer demand pattern and this in turn resulting in changing retail activities could be witnessed. Emerging organised retail sector with international standards have changed the definition of ‘shopping’ in the country. Today, shopping is no longer seen as a mundane chore, but it is now much more exciting and an engaging prospect (Anbalagan M. and Gunasekaran V. 2007). Retailers have redefined ‘shopping’ by providing exciting shopping environment. Conducive economic reforms and growing consumer expectations have accelerated the mushrooming of various retail formats in the country.

Hence, changing demographics of the country is considered as the primary indicator impacting the growth of retail industry and thereby creating strong need for the consumer empowerment study.

1.3.2 Woman flattering QUEEN of Shopping

Women have always been the focus of ‘empowerment’ studies in the academia. As they have always been treated as the ‘weaker’ ‘deprived’ and ‘minority’ section of the
society. The different roles played (daughter, mother, wife) and responsibilities (homemaker) taken by the women in the families are treated with no (or low) pride. But, the emerging education systems and job market opportunities have been successful in giving women folk a new hope and vision for life. Women of today, by virtue of their education and earning capacity have emerged as factors of ‘development policies’ for various nations. In fact a study conducted by Merrill Lynch and Capgemini’s Asia Pacific Wealth Report, India has been reportedly noted as the youngest high-net-worth individuals (HNI) populated country in the Asia Pacific region and interestingly Indian women in the age group of 25 to 45 are also in the HNI category (Bhattacharya Priyanka, 2007).

Women are always been respected in India for their ‘responsible’ shopping. The activity of shopping was more of a responsibility (Elliot 1994) focused for the woman in the family. Women have often not had the financial resources to indulge in specific leisure activities but they have had personal control over spending for the family’s consumption and housekeeping as the “business executive of the home” (Nava, 1995). But, today with the changing social and economic conditions in the society, women have been seen as the potential target segments of the consumer market.

‘Shopping’ for a woman is not just an activity of ‘purchase’; it is indeed an opportunity for her social expression (Cross, 1993), social image and status symbol (Fischer and Arnold 1990), most importantly leisure activity (Jansen-Verbeke, 1987; Martin and Mason, 1987) and an excursion trip of joy (Helen R, 1997). Shopping for woman is an activity which she naturally likes to do (Kelly 1991). Whereas ‘shopping’ for their male counterparts is seen as an ‘forced’ ‘disliked’ ‘rational’ or just a labour of love activity (Fischer, Eileen and Aronld, S.J. 1990).

According to Manimala M. J (2005), “empowerment is a state of mind in which individuals are not forced or obligated to do the things unnaturally”. That means an empowered person performs the activities that they naturally like to do without anyone’s force, fear or obligation. This can also mean naturally liked activities can result in the experience of empowerment among the individuals. Hence it is more meaningful to study ‘women’ and their naturally liked activity ‘shopping’. An optimal blend of the Retailers’ effort and consumer involvement in creating an ‘experiential Shopping’ has the capacity to cause the feeling of ‘empowerment among women
shoppers'. This prompted the significant need for the study in the area of ‘consumer empowerment’.

### 1.3.3 Consumer Empowerment: A new ‘mantra’ of differentiation

Consumer Empowerment can be defined as "a mental state usually accompanied by a physical act which enables a consumer or a group of consumers to put into effect their own choices through demonstrating their needs, wants and demands in their decision-making with other individuals or organizational bodies in the marketplace" (Len Tiu Wright 2006). According to Luc Wathieu et al, (2002), consumer empowerment is a subjective experience of an individual aroused as a result of three specific elements viz., control of choice set composition, progress cues and information about other consumers. Empowered consumers are further studied as more satisfied and value creators to the retailers. It is vital to the marketers to understand that ‘Consumer Empowerment’ has a beneficial effect in the short and long-term of leading to improved business results (Wright et al 2006). Hence the concept of empowerment finds an important place in the marketing arena.

According to David BYRNE (2004), the ‘Consumer Empowerment’ is considered as a key concern in the current and future marketing conditions as, confident consumers, possessing all the elements needed to make informed choices and the ability to defend themselves and to promote their own interests in increasingly complex markets, are good for the competitiveness of the economy and therefore for business. Also, ‘empowering consumers’ results in very important outcomes for marketers such as **positive word of mouth** (Anderson and Sullivan 1993; Wangenheim and Bayon 2007), **loyalty** (Fornell et al, 1996; Olsen 2002), **Willingness to pay more among consumers** (e.g., Fornell et al, 1996; Homburg, Koschate, and Hoyer 2005), and can result in an **improved firm’s financial performance** (Anderson, Fornell, and Rust 1997). Hence, it makes sense for the retailers to ‘empower the consumers’ and enjoy the competitive advantage during the times of stiff competition. **It is also important to know that ‘empowered consumers’ act as ‘responsible buyers’ and contribute towards balanced and a strong economy.**

In order to understand concept of ‘Consumer Empowerment’ number of literatures were reviewed and the following gap analysis was given as under.
1.4 Research Gaps

Numerous national and international studies have contributed towards the generation of valuable theory in the area of evolution of retailing, retail formats and its retail industry growth prospects. Retailing in the west is studied as a major sector in driving the US economy and its consumers as the engine that drives it. The existing retail studies completely focuses on the existing retail formats, upcoming formats, FDI in retail etc. Also there are numerous studies on changing consumer buying behaviour, Indian consumer markets, gender studies in retailing etc. Some of the studies incline towards women shoppers and their decision making patterns in buying etc. From the overall analysis of the literature reviewed it can be concluded that studies go salient on discussing the concept of consumer empowerment among women shoppers. Women are considered as ‘serious shoppers’ only in the recent past with the advent of the organised retail set ups. Hence it is not uncommon to find the literatures focusing only on ‘attracting and retaining the customers’, ‘satisfying the customers’ and as an extension to satisfying ‘delighting shoppers’ as the major topics of discussion in the Indian retailing academia. Hence the topic of ‘consumer empowerment’ sounds new to the field of Indian retail research field. As a result it was a challenging task for the researcher to understand the topic of ‘empowerment’ in marketing especially in retailing. Hence various researches from the behavioural and social sciences were reviewed as follows.

Social sciences pioneered the concept of ‘women empowerment’ and contributed a great amount of literature to the world of academics and research. Majority of the women empowerment studies in social sciences are discussed from two different levels, one is at the individual and secondly at the community level. This means unit of empowerment analysis in most of the social science research is the individual. But, from the vast literature on social exclusion that opportunities are not equally distributed but are stratified by social group. Hence it is essential to consider the individual within the historical, social, and political context of their social groups in order to correctly interpret the impact of development interventions (Narayan Deepa, 2006). And some of the other views of discussion are: empowerment: An end or a Means to an end? This means empowerment has intrinsic value it’s an end in itself. Feeling self-confident, walking with dignity, feeling respected, living without fear, is of value in itself. It is important to specify whether empowerment is conceptualized as
means or an end or both. Empowerment is a ‘means of achieving specific development outcomes’ for instance ‘participation in decision making can be viewed as a measure of empowerment’ (Narayan Deepa 2006). The other discussions were found on defining the state of the empowerment as either dynamic (process) or static (constant). Some studies consider it as a continuous process and so both the parties have to work consistently towards attaining it and the other arguments were found saying ‘once the state of empowerment is attained work is done and it remains on its own so it is constant’. Such rich studies provided an insightful understanding of the clear meaning, concepts and the existing dilemma in defining empowerment.

Further, the studies were found focusing mainly on gender discrimination, poverty, illiteracy, bargaining power, decision making power, basic necessities, food and nutrition, working status of women, children education decision etc., but the studies become salient on the women bargaining power with respect to shopping and decision making. Even though some studies touched upon the women’s role as a purchase decision maker, they were finally found unilateral in explaining the ‘purchase decision making as the responsibility towards family and not as a major factor contributing towards their autonomy and empowerment. Further it was concluded that concept of retailer empowering the women consumer itself is unearthed and a rarely discussed concept and provides wide scope for research.

Based on the international literatures from the West and European countries, researcher tried to explore the concept of empowerment in retailing. It was found that there has been an exorbitant literature available in the area of consumer empowerment, its evolution, models of empowerment etc., in the European retailing context. Predominant of these research works are carried out by studying the service sector. The service sectors such as travels and tours, healthcare, mental health services, financial services / banking, virtual gaming industries etc., being matured and sophisticated have provided vast research scope in turn contributing towards the literature. But the literatures reviewed above became arid in explaining the concept of ‘consumer empowerment’ with special reference to six retail formats (department stores, hypermarkets, supermarkets, malls, exclusive brand showrooms and traditional outlets) in the study. Also the ‘gender’ factor is not profoundly discussed in the existing international studies on ‘consumer empowerment’. Hence the topic of
‘consumer empowerment’ in Indian retailing context is considered as an unexplored area. Following are some of the unique thoughts of the present study or in other words the research gaps identified from the literature review:

(i) In the existing studies ‘retailers’ are just viewed as ‘business minded’. Their very purpose of being in the market is to ‘cheat customers and make money’. Hence the caveat ‘sellers beware’ always sounded high in the presence of consumer forums. But, contradicting to this common thinking, an effort is made to view ‘retailers’ as the ‘source’ of creating empowerment among consumers.

(ii) ‘Women’ have been a topic of debate in all behavioural and social science studies in India whereas; they are recently being seen as the potential consumer segment of Indian consumer market. This clearly indicates the underlying opportunity unexplored in discussing the research topic of ‘women consumer empowerment’ from the marketing point of view.

(iii) The concept of ‘Consume Empowerment Model’ being a innovative idea in the Indian retailing context can be an unique contribution towards the theory generation.

The research gap identified enabled the researcher to frame the operational definition for the study from the women consumers’ perspective.

**Operational Definition**

Consumer empowerment is defined as, “the process of getting consumers involved in retailing activities encompassing expansion of control over choice, conducive environment, convenience, and relevant communication to make them confident in their purchase decision making process while shopping- that they naturally like to do.”

**Definitions used in the study** (Source: A research report of Government of India (GoI) in collaboration with ICRIER, 2001)

**Modern/Organized retailing:** Any retail outlet chain (and not a one shop outlet/standalone) that is professionally managed, has accounting transparency (with
proper usage of MIS and accounting standards) and organized supply chain management with centralized quality control and sourcing can be termed as organized retailing in India.

**Unorganized retailing:** Any retail outlet that is run locally by one owner or the caretaker of the shop. Such outlets generally lack technical and accounting standardization. Kirana shops are categorized under unorganized retailing (Mukharjee Arpita & Patel Nitisha, 2001).

### 1.5 Statement of Research Problem

The study covers two dynamic areas viz. ‘Retailing’ and ‘Women Empowerment’ in the consumer context. Women, as consumers with their unique bargaining skills have successfully laid their impressions in the retail shopping arena. Their involvement in shopping goes unchallenged irrespective of the nature of products bought. Shopping plays a key role in the women’s activity list. Shopping happens to be of special significance to women because of its various kinds of activities such as browsing, bargaining, selecting, trying, rejecting and finally buying. In all shopping for women is a kind of pleasure trip for a day which they enjoy the most.

Shopping means a lot to women. ‘Shopping’ for women goes beyond the literal meaning of ‘task of simple buying’. In their view, shopping gives a ‘sense of freedom’ from the routine jobs of four walls. They perceive shopping as a means to get connected with the external world where in they get an opportunity for self expression. For most of the women shopping is also a responsibility towards the family. Women responsibly and knowledgably make their excursion (shopping – Helen R, 1997) enjoyable activity.

Increasing market knowledge backed by their unique bargaining skills have made them good decision makers both at the family and at the organisation level. The ‘feeling of being recognized’ both at family and organisation levels make them more confident and responsible. **Responsible, confident and empowered women consumers are an asset to family, marketers and to the society. Their responsible shopping attitude can contribute towards building an economically strong and**
socially responsible nation. Present study is an effort to fill the gap analysed. Hence the problem statement of the study is as follows.

The major problem underlying was to study ‘The Role of Retailing in Empowering Women Consumers’ from the unorganised sector of retailing in Karnataka state. Since it was challenging for the researcher to cover the entire state, Bangalore the capital of the state was considered as sample city. The major reason being, Bangalore is considered as the paradise of retailers (Parikh Darshan, 2004 and Kaul Shubhashini, 2007). So it provides an immense scope to carry out the research. This was further supported by the various literatures on retail industry growth studies in the state (KSCE-AR, 2000) and sample city selection (Malhotra K. Naresh 2004).

The city resembles the state retail density and format (i.e unorganised and organised composition). That means the retail density of Bangalore city is found in line with the Karnataka state retail density of nearly one shop for 100 people (KSCE-AR, 2000 and GoI and ICRIER 2001). Format wise also the city looks similar to the state (i.e 95% of unorganised retail format) (Mukarjee Arpita et al 2001). Observing the significant market share of unorganised retailing in the total retail industry, it was decided to limit the study to only unorganised retail sector. But, the increasing organised retail formats and their influence on the consumer buying behaviour forced the researcher to enlarge the scope of the study in terms of retail formats. Accordingly, organised retail format was also considered in the study. Further, the city under study being ‘megapolitan’ (city with more than 10 million populations) replicates the different city samples of the state. This made the researcher to narrow down the study from the Karnataka State to Bangalore city only.

The problem statement is divided into various Research Questions (RQ) and Specific Questions (SQ) to facilitate the development of objectives for the study.

1.6 Research Questions / Specific Questions

RQ1. Do the demographic and psychographics of the customers differ based on the nature of the outlet they visit?

RQ2. Whether women are the serious shoppers and decision makers related to household decisions making?
RQ3. Which major store factors contribute in the subjective experience of consumer empowerment?

RQ4. How might freedom of choice control result in consumer empowerment?

RQ5. To what extent the soothing retail atmosphere as a part of retail image can leading to experience of empowerment while shopping?

RQ6. What is the impact of relevant communication (product/service information) provided to the consumer on consumer experience of empowerment while shopping?

RQ7. How important is service convenience in bringing subjective experience of empowerment among the women consumers?

RQ8. What are the consequences subjective experiences of consumer empowerment on retail business?

RQ9. What optimal blend of the retail factors might result in the subjective experience of empowerment?

Specific Questions:

SQ1. How do women customers select the store for shopping?

SQ2. Is it the “Visual Merchandising/Physical outlook” of the store that attracts them to shop?

SQ3. Does “choice” is their top most priority in the store selection?

SQ4. Do women customers prefer knowledgeable sales clerks to attend / counsel them while they shop?

SQ5. Whether providing relevant retail information (oral and written) to women consumers encourages their shopping activity?

SQ6. Giving special prominence and attention to the women customers boosts their confidence while shopping?

SQ7. What is the role of convenient location / place, spacious shopping area, parking facility etc., in motivating women shoppers in case of patronizing store?

SQ8. Do the customers really feel confident gaining product and market knowledge by the retailers?
SQ9. Do woman customers feel high /confident by deciding on their own when they shop for the family and themselves?

SQ10. What is the importance of efficient customer care in making women consumers feel ‘considered or given importance’?

SQ11. Does the decision making factor in shopping makes women feel self reliant and empowered?

Following are the research objectives developed in order to focus and narrow down the study.

1.7 Research Objectives

The research problem was broken down into various researchable objective statements. The main objective of the study is to identify major factors contributing towards the subjective experience of empowerment among the women consumers.

Following are the sub-objectives:

1. To identify the various product categories those are shopped by the women consumers in two different retail formats viz. traditional outlets and modern / organized outlets.

2. To investigate the product categories those are independently decided and shopped by the women consumers on their own.

3. To assess the amount of time spent by the women shoppers in shopping per week.

4. To study the impact of demographics and psychographics of women consumers in considering shopping as their best free time activity.

5. To measure the impact of demographics and psychographics on the subjective experience of empowerment among women shoppers while shopping.

6. To explore the characteristics exhibited by the empowered women consumers.

Research objectives developed set the time and path to arrive at specific solutions in line with the problem statements. But while doing so it is very
important for the researcher to define specific scopes of the study in the interest of quality work with deep research thoughts. Hence following are some of the research scopes defined by the researcher in the study.

1.8 Scope of the Research

1.8.1 Theoretical Scope: The research was limited to the study of six major product categories viz. Groceries/Vegetables, Apparels, Furniture’s, Home Decorative items, Major Home Appliances, Electronic Items (like iPods, laptops etc) by the women shoppers. Hence the literature reviewed focused mainly on the studies related to women shoppers shopping the above mentioned product categories and their experience of Consumer Empowerment while shopping one or the other product/s categories mentioned above.

1.8.2 Industry and Format Scope: The scope of the study is limited to only retail industry. Since the percentage of unorganised retail industry dominates the entire retail trade in India, more of unorganised and a few upcoming modern/organised retail outlets are studied. Format scope: The study is limited to six retail formats that include Department stores, Malls, Hypermarkets, Exclusive Brand Stores, Supermarkets and Traditional (stand alone) stores. Operating in the five (South, North, Central, East and West) zones of Bangalore city.

1.8.3 Geographical scope: The geographical scope of the study is limited to Bangalore city the capital of in Karnataka state. The city being considered among the first cities in India to get introduced to organized retail formats in the country. With the introduction of large retail formats in the past ten years, the city has emerged as paradise of retailers. The ‘garden city’ is now getting recognized as the ‘shoppers’ city’, exhibiting greater degree of stability in consumer expectations as compared to other cities. This was to ensure that the study findings are not very ‘short-term’ retail evolution stage–specific (Woodruffe, Eccles and Elliot, 2002). The sample city was divided in to five zones such as South, north, Central, East and West Bangalore and further three areas from each zone are randomly selected for the study. And from each area two outlets of different formats are studied in all. This was done with an intention of covering diverse consumer base spread across the city.
1.8.4 Demographics Scope: The study was focused only on the ‘women shoppers’ of Bangalore city. The demographics such as age (18-50 years), marital status (Married/Single), working status (Working/Homemaker) and family type (Joint/Nuclear family) of the women respondents are covered in the study. This was the demographics scope set to focus the study only to women shoppers falling in this particular category.

1.9 Limitations of the study

The study was limited only to Bangalore city considering it as an experiment ground of modern retail players. As a result, comparative study was not possible with the similar other metros and with the other Tier I and II cities of interest to the retailers.

The study is limited to only women shoppers of Bangalore city and cannot be taken directly to study the male shoppers. Also, the comparison and application of the findings cannot be generalised to the women shoppers of other metros. This is because the buying behaviour of the women shoppers differs within the nation, state, district and even city wise due to the existence of diverse traditions and cultures prevailing in the country.

1.10 Outline of the Dissertation

This section provides an overview of how the various chapters in this dissertation are presented. Chapter 1 ‘Introduction’ presents a brief overview of the Indian retail industry with special reference to the ‘Women Consumer Empowerment’ while shopping. In this chapter, research gaps are also identified based on which objectives for the current study have been arrived at. Besides, this chapter also provides the boundary within which the current study is being carried out in the form of scope of the study.

Chapter 2 ‘Literature Review’ deals with the importance of literature review in the research in the first part. The second part carries a detailed survey of literature that has been used in the study. The survey of literature has been presented in four distinct sections. Section 2.2 presents the survey of literature pertaining to retailing and shopping in the Indian retail industry, different retail activities in practice, store formats etc. Section 2.3 provides the literatures related to ‘women empowerment’
from the social sciences perspective. This section focuses on gender studies related to family decision making, factors contributing to women empowerment etc. Section 2.4 contains the reviews of literature related to women and shopping, shopping and gender studies etc., from both national and international studies. Finally section 2.5 presents the literature reviews pertaining to ‘consumer empowerment’ in retailing services in developed economies like Europe and US.

In *Chapter 3*, ‘Retailing and Women’ three sub chapters viz. 3.1 Retailing, 3.2 Women Empowerment, 3.3 Woman-Queen of Shopping and 3.4 Consumer Empowerment are discussed in detail to provide the theoretical support to the research. Various Consumer Empowerment models were discussed and finally a proposed model is arrived in the sub chapter 3.4 and which is further put to study using SEM to arrive at the resultant model of consumer empowerment. Each of the sub chapters are provided with a vast bibliography referred by the end of respective chapters.

*Chapter 4*, ‘Research Methodology’, provides the research design adopted for the study. Besides listing of the hypotheses to be tested, the discussion in this chapter includes modes of data collection, demographic and psychographic profiles of the respondents, Measurement and scaling procedure, Confirmatory Factor Analysis (CFA), Structured Equation Modelling (SEM) etc., are discussed in detail.

*Chapter 5*, ‘Role of Retailing in Empowering Women Consumers’ being very important chapter discusses the outputs of various statistical analyses performed. The statistical analyses have been presented in two phases. In the first phase, reliability estimates, confirmatory factor analysis (CFA) both first order and second order results are provided for the all the 66 items used in the study. Testing of assumptions for Structured Equation Model (SEM) has been presented separately for 66 items which is a proposed model of consumer empowerment.

*Chapter 6*, ‘Consumer Empowerment Model’ theoretically explains the components of the proposed model and compares that with the final resultant model that has arrived as a result of reducing the items to 38 from 66 using Exploratory Factor Method of factor reduction (EFC). The relation between the retail activities are pictorially represented to see the relationship they share with the consumer empowerment construct.
Chapter 7, ‘Summary of Findings Suggestions and Conclusion’ explains the findings of the each research objectives with their respective findings, suggestions and relevant supporting hypotheses. Also, this chapter provides brief information on the managerial implications of the research, future research directions and concluding remarks at the end.

The appendix carries the A. Tables used for findings and suggestions, B. Bibliography, C. Expert opinion survey questionnaire, D. List of Outlets in Bangalore E. Scheduled Questionnaire and F. Glossary.

1.11 Summary

This chapter discusses in brief on changing demographics of India, Indian retailing, consumer (especially women), and consumer empowerment. The study and research undertaken are also covered with the objectives, operational definition, and research methodology.

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