Chapter I

Introduction

“There is only one boss – the CUSTOMER. He can fire anybody in the company from the chairman on down, simply by spending his money somewhere else”.

Sam Walton (Founder, Wal-Mart)

1.01 Evolution of retailing

Retail flourished in India since ancient times and urbanization of Indian towns has roots in the growth of retail trade (Nehru, 1946). Evidences of ornaments, designer apparels, foot wares, handicrafts, paintings and sculpture are found in the excavations at Mohenjo-Daro and Harappa. Since ancient period the diversity exist in food and clothing habits in India. In the ancient period the diversity in clothing and food habits largely depended upon the climate, physical features and traditions in the respective regions. The common is about the retailers who were selling in ancient period and who are selling in modern times also. In both the times they are found catering to the demands of the customers. Various studies show that the in ancient times too, retailers were having an exact idea of what is to be made available to the target market so as to have assured sale. In medieval times the customers were found more commanding. The customers in medieval India were found to be worthy of setting the rules of marketing (Chartier and Johnson, 2011)

1.02 Origin of retail

Retail means selling goods and services to final consumers. Retailing consists of the sale of goods or merchandise, from a fixed location such as a department store, in small or individual lots for direct consumption by the purchaser. Purchasers can either be individuals or businesses (www.newworldencyclopedia.org).

Retail comes from the old French word “tailler”, which means "to cut off, clip, pare, divide" in terms of tailoring. It was first recorded as a noun with the meaning of a "sale in small quantities". Like in French, the word retail in both Dutch and German also refers to the sale of small quantities of items (Wikipedia, 2013). According to the a report of International Labour Organization retail is universally understood as the
final step in the distribution process, in which retailers are organized to sell merchandise in small quantities to the public.

“Retailing includes all the activities involved in selling goods or services to the final customers for personal, non-business use” (Kotler and Keller, 2009). It indicates that retailing deals with end users and it is for personal purpose and not for business purpose. Retailing consists of the sale of goods or merchandise, from a fixed location such as a department store, in small or individual lots for direct consumption by the purchaser. Purchasers can either be individuals or businesses. A retailer purchases goods or products in large quantities either directly from manufacturers / importers or through a wholesaler, and then sells smaller quantities to the end-user (Childers et al., 2001).

Retail is the sale of goods and services from individuals or businesses to the end user (Wikipedia, 2013). The sale of goods to the public in relatively small quantities for use or consumption rather than for resale (Oxford Dictionary). Retail is the sale of goods to end users, not for resale, but for use and consumption by the purchaser. The retail transaction is at the end of the supply chain. Manufacturers sell large quantities of products to retailers, and retailers attempt to sell those same quantities of products to consumers (Farhan and Adeel, 2013).

1.03 Global economy and retail industry: an overview

The economic conditions in the global market are very tough to deal with. Started with sub-prime crisis and the fall of Lehman Brothers in 2008, each time it appears that the global economy is about to recover and will accelerate soon, something happens to create a hurdle into the path of growth (Estrada, 2012). Sometimes it may be the economic crisis in Euro zone, or sometime it may be Iraq crisis which leads to destabilization of the world economy. In the past few years, we have seen the decline in the speed of economic growth of United States, China, Japan, India and Brazil (IMF, 2013). These countries count for the major chunk in the world economic pie and the decline in the speed of growth rate is a cause of concern for every industry at global level and retail is not an exception.

In recent times, the retail sector has undergone significant changes. Due to deregulation of foreign investment policies, monopoly / competition policies, and change in land usage policies, alongside broader new economic reforms in various
countries affecting consumer markets and trade, large retailers have managed to strengthen their power and have expanded globally. While small retailers still dominate in various parts of the world (Wrigley and Lowe, 2010), international corporations are grabbing larger shares of the market. As large companies seek to maximize their profits, they have managed to reduce the risks of investment by various alternative channels like franchising and subcontracting. These trends have not only impacted smaller firms, but consumers, suppliers and employees also. These changes in the retail industry have developed larger labor market trends, where employers are trying to shift the risks and cost of employment by adopting “flexible” work practices (Luceri et al., 2013). This includes decreasing the number of full-time jobs, and increasing part-time, temporary, and on-call workers. More retail workers have become workers with little job security, low wages and less hours of work. This step was also backed by broader labour laws and elimination of employee unions in many countries.

Retail is one of the largest sectors in many economies. Countries differ in how they define the industry, but according to the International Labour Organization, “Retail is universally understood as the final step in the distribution process, in which retailers are organized to sell merchandise in small quantities to the public.” This differs from wholesale trade, where one firm sells to other firms. The retail industry counts for more than US $15 trillion in global revenue and is expected to maintain strong growth in the coming years (Ramaswami et al., 2007). The retail industry is very diverse, with small retailers still in majority in developing countries, but increasingly, large firms are dominating. A study conducted by Deloitte (2012), a consultant firm estimated that the world’s largest 250 retailers had revenue of US $4.3 trillion in 2011. This means that the top 250 firms accounted for approximately 40 percent of retail revenue in 2011. The industry is highly globalized, with large retailers operating in almost every country. The top 250 retailers are based in all regions (though dominated by European and U.S. firms). While the industry has seen the largest growth in the least developed economies, the bulk of goods are still sold in Europe and North America. According to the ILO, 60 percent of goods are sold in these two regions although they account for only one-fifth of the global population. While small stores are still dominating in some regions, the industry is increasingly concentrated,
as large corporations have bought smaller companies and retail chains have replaced small independent stores.

Despite challenging global economic conditions, consumers continued to spend in 2011 and the retail industry kept rolling—extending the rebound that began in 2010. Retail revenue rose 5.1 percent for the world’s Top 250 retailers in fiscal 2011. More than 80 percent of the Top 250 retailers posted an increase in retail revenue. A major share of the companies that experienced decline in revenue were Japanese retailers whose revenue drops can be credited to the economic impact of the earthquake and tsunami (Deloitte, 2011).

The top 10 retailers worldwide, 2011 counted for US $1.24 trillion as their retail revenue with a growth of 4.4%. The net profit of these top 10 retailers was 2.9%. The table 1.01 is helpful in understanding these retailers in a better manner:

### Table 1.01: Top ten retailers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name of the company</th>
<th>Country of Origin</th>
<th>Retail Revenue (US $ Million)</th>
<th>Countries of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wal Mart</td>
<td>US</td>
<td>4,46,950</td>
<td>28</td>
</tr>
<tr>
<td>2</td>
<td>Carrefour</td>
<td>France</td>
<td>1,13,197</td>
<td>33</td>
</tr>
<tr>
<td>3</td>
<td>Tesco</td>
<td>UK</td>
<td>1,01,574</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Metro</td>
<td>Germany</td>
<td>92905</td>
<td>33</td>
</tr>
<tr>
<td>5</td>
<td>Kroger</td>
<td>US</td>
<td>90374</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Costco</td>
<td>US</td>
<td>88915</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Schwarz</td>
<td>Germany</td>
<td>87841</td>
<td>26</td>
</tr>
<tr>
<td>8</td>
<td>Aldi</td>
<td>Germany</td>
<td>73375</td>
<td>17</td>
</tr>
<tr>
<td>9</td>
<td>Walgreen</td>
<td>US</td>
<td>72184</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>The Home Depot</td>
<td>US</td>
<td>70395</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Deloitte, Top 250 global retailers, 2011

### 1.04 Indian retail industry: an overview

Retail in India has seen a lot of phases from barter system to online shopping and has evolved to support the unique needs of the country. Melas (village fairs), haats (weekly markets in villages) and mandis (local markets) have always been a part of
the Indian retail landscape. These are still prevailing in the most parts of the country and form a very important part of life and trade in various areas.

If we look at the size, the public distribution system (PDS) would emerge as the single largest retail chain in India. The evolution of the public distribution system in India has got its origin in the ‘rationing’ system introduced by the British during World War II. By the year 1946, about 771 cities were covered under this system. The system was abolished post-war on attaining independence; but India was forced to reintroduce it in 1950 due to inflationary pressures in the economy (Westfall and Boyd, 1960).

Further, the Indian retail story will be incomplete without mentioning canteen stores departments (CSDs) and the post offices in India. CSDs are Government of India undertakings and come under the Ministry of Defense. These stores are committed to welfare of troops of the army, navy and air force and their families through easy access to quality products. These stores have pan-India presence (www.csdindia.gov.in, 2011). All these systems are still being run by Indian government to cater the needs of various citizens of India.

The Khadi and Village Industries (KVIC) was also set up post independence. Today, there are more than 7,050 KVIC stores across the country. The KVIC is working with objectives to provide employment, produce saleable products and building up a strong rural community spirit (www.kvic.org.in, 2009). The co-operative movement was championed by the Indian government, which set up Kendriya Bhandars in 1963. In Maharashtra, Bombay bazaar, which runs stores under the Sahakari Bhandar and Apna Bazaars run a large chain of co-operative stores. These stores were brought up with an objective to obtain, distribute and market food stuffs, essential commodities and other consumer goods at reasonable prices. These stores are primarily for the benefit of central government employees and employees of subsidiary/ autonomous organizations set up by the Government of India or Union Territory Administration and other consumers within its area of operation, and were established to undertake wholesale and retail trade in consumer goods and essential commodities and to establish departmental stores, super markets and fair price shops (www.kendriyabhandar.org, 2014).

In the past decade, the Indian marketplace has transformed dramatically. However, from the 1950’s to the 1980’s investments in various industries was limited due to the
low purchasing power in the hands of the consumer and the government’s policies favoring the small scale sector. Initial steps towards liberalization were taken in the period of 1985-90. It was at this time that many restrictions on private companies were lifted, and in the 1990’s, the Indian economy slowly progressed from being state led to becoming ‘market friendly’ (Kumar et al., 1993).

Indian retail sector looks very promising on ground of recent economic developments like increase in per capita income, young work force, flourishing consumerism, change in life style of people, nuclarization of families, urbanization, growing preferences for branded products, mall culture and above all the higher aspirations of the Indian consumers. Today, Indian retail sector is one of the fastest growing sector in the economy with a CAGR of 15% per annum (including both organized and unorganized sectors) and it is likely to reach at Rs. 47 lac crores by FY 2016 – 17 from a level of Rs. 23 lac crores in FY 2011-12 as per a study conducted by ASSOCHAM and Yes Bank (2014).

The major characteristic of Indian retail is that it is largely dominated by unorganized sector (which largely consist of small kirana shops, vegetable shops, dairy shops etc.) and it counts for around 94% of total market share (Singh and Tripathi, 2012). The main reason behind the growth of these traditional outlets is proximity to customers, ability to manage old and personal relationships with the customers, flexible working hours, bargaining habits of Indian customers, home delivery, selling of loose items (customized products) and credit facilities extended without any collateral security (Tyagi, 2004). The unorganized retail sector is second largest employers in Indian economy after agriculture and it counts for around 10% of total employment in the country.

With the dawn of the 21st century, India has seen entry of the mall culture especially in metro and big cities. By the end of last decade, malls have started making a foothold in Tier 2 and Tier 3 cities too and it has also changed the way for shopping in the country. Though organized retail has entered and expanded in all cities of India, yet the share of organized store is around 7% only. But the organized retail is growing much faster as compared to the unorganized sector (Joseph et al., 2008) and it is estimated to grow at a CAGR of 24% per annum and will probably acquire 10.2% share of total retail sector by 2016-17. The major business houses have entered into the business of organized retailing in India such as: Tatas, Reliance, Future group,
Landmark group, Vishal Mega mart, etc. The Indian retail sector can be characterized by several types and formats. These are:

- **Traditional formats:**
  - Itinerant salesman
  - Haats (Weekly markets in villages)
  - Mela (Village Fairs)
  - Mandis, etc

- **Established formats:**
  - Kirana
  - Convenience / Department stores
  - Company / Multi brand showrooms
  - PDS / Fair Price shops
  - Co-operative stores
  - Pan / beedi shops

- **Emerging formats**
  - Exclusive retail outlets
  - Hypermarkets
  - Malls / Specialty malls
  - Multiplexes
  - Rural oriented formats
  - Fast food outlets
  - Service galleries
  - Internal retail etc.

These can be broadly divided into the following categories:

**1.04.01 Rural retailers and road-side hawkers**

*Haats, mela* and mandi are the distinct features of rural Indian retailing. *Haats* are the weekly markets organized in rural India. In rural India, annual *mela(s)* organized with a religious or festive significance are quite popular and provide a very good platform for distribution. Rural markets come alive at these *mela(s)* and people visit them to make several purchases. According to the Indian Market Research Bureau (1990), around 8000 such *mela(s)* are held in rural India every year. Rural markets have the practice of fixing specific days in a week as market days when exchange of goods and services are carried out. This is another potential low cost distribution channel available to the marketers. *Haats* serve a good opportunity for promotion after brand building has been done at *mela(s)* (*www.managementparadise.com*, 2010).

Road-side hawkers are the unique feature of Indian retail sector which is rare to be found in other part of the world. India has the countless number of road-side hawkers and mobile retailers. These can be seen in the metro cities as well as in far-flung
villages on a distance of every 10 – 20 feet and wherever more than 10 Indians collect may it be bus stand, railway station, and cinemas or even around traffic signals. These are very difficult to track, measure and analyze. But they know their business and their customers very well. As far as location is concerned, these retailers have succeeded beyond doubt. They are also known for the cost cutting as they do not possess much of overhead costs. Mobile retailers also known as rehri walas supply vegetables, fruits, FMCG products, other eatables etc. customers’ doorstep. These products not only compete at price with market but these are as fresh as in the market itself (Alexander and Freathy, 2008). These retailers have their own way to purchase and sell. They purchase and sell on daily basis. It is also possible that some of them is directly going to the field and purchasing directly from the farmers, removing all the middlemen in chain and thus having the cost cut they can sell even at the cheap price than market.

1.04.02 The kirana and public stores

After the road-side hawkers and mobile retailers, it comes to kirana stores in India. As far as presence is concerned, these kirana stores are having their presence as nearer to your house as your next door neighbor. They are having a superior system of distribution and are much organized in their buying and selling as compared to road-side and mobile hawkers. They are much more trustable and they provide service much beyond the imaginations of MNCs. They can open their store at midnight for their customers. They can sell the goods on credit just on the customers’ face value even without any collateral security. They can customize the quantity as per their customers’ requirement and they can exchange the used product and most important they know all their customers personally, their buying habits, their brand preferences and even have family relations with them. These kirana stores are considered to be employing maximum number of people after agriculture. It can be said that these kirana stores are in the nerves of Indian retail sector. Even as foreign retail chains are yet to embark on a journey to capture the Indian consumers, the next-door kirana stores have become more aggressive in the “battle” against their giant counterparts (Bala, 2013).

Paan-Beedi shops, generally referred to as khokha is the next distinctive form of Indian retailing. These can give 'multiplex' department stores a complex. Customers can get everything in these shops - from batteries to bananas to basic medicines to
bottled water to any other item of basic necessity. Many still call them paan-beedi shops but they have well emerged as mini-departmental store, occupying just about 10 sq ft of space, stock almost everything under the sun (Baker et al., 2006). But today they too have jumped on to the brandwagon. These no longer sell 'anonymous' or unbranded chocolates or cigarettes only. These shops have graduated to branded products. They have become a major distribution channel for organised consumer goods companies. The paan-beedi retailer has realised the criticality of his business, the fact that he occupies a slot in a locality that gives enormous convenience to the people looking to buy basic things (John, 2003).

Long opening hours, no licences to obtain, no taxes to pay, all make for a good business proposition. And that's something companies too are turning to their advantage.

1.04.03 Modern trade

In recent times, the Indian retail sector has seen a vast change and with the dawn of 21st century MNCs have entered in the business of retailing. Today Indian retail sector is witnessing the tremendous growth of malls and it is grabbing tier II and tier III cities in its fold. There are so many factors which are helpful in the growth of modern trade in Indian society such as: growing nuclearization, increase in per capita income, young work force and urbanization. These malls have changed the way Indians used to do shopping in last ten years (Choi, 2006). A large number of Indian consumers can be seen standing in bill queue in these retail stores. The shopping from these malls has become a status symbol nowadays. The tremendous growth in recent times of these stores is sufficient to tell the growth story.

Not only mall culture but the growth of e-retailers in the recent years has changed a lot in Indian retail sector. There are a number of players who have entered into e-retailing business and the increased consumer base of internet users especially on smart phones have proved a boon for these e-retailers (Dickinson, 2005). There are various formats operating in India such as:

- **Malls**

Malls are the largest form of organized retail. Malls are located mainly in Tier I and Tier II cities, with a close proximity to urban areas. Though some of the malls which were opened in the outskirts of these cities have become the part of these cities due to
geographical expansion. The size of these types of stores ranges from 60,000 sq ft to 7,00,000 sq ft and above. These malls have changed the shopping environment in India in last decade and today they are leading the organized retail. Not only size but also the product range offered by these malls is also very large. They deal in all kind of products and services and they lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof (Bloch et al., 1994). People visit these malls not only for shopping but also for fun and whiling away their leisure time. Examples of malls include Shoppers Stop, Piramyd, and Pantaloon etc.

• **Specialty Stores**

Specialty stores provide exclusive range of products to their target audience, but for a single product line only. They are working on the concept of niche marketing and they have their special set of target customers. Most of the players in this area are running their chain of stores such as Chains of Bangalore based Kids Kemp, the Times Group’s music chain Planet M, , RPG’s Music World and the Mumbai books retailer Crossword are targeting on specific market segments and have established themselves strongly in their sectors (Baker et al., 2002).

• **Discount Stores**

As the name suggests, discount stores or factory outlets are those stores which offer discounts through selling in high volumes, reaching economies of scale or clearing excess stock left over at the end of the season. These are the stores which sell at a significantly lower price than the maximum retail price printed on the products (Nowlis and Simonson, 2000). The factory outlet stores which sells the product only of a particular factory is also kind of discount stores. The product category in these type of stores can range from a variety of perishable/ non-perishable goods.

• **Departmental Stores**

Departmental stores are large stores with a geographical area ranging from 20000-50000 sq. ft. These stores cater to a variety of consumer needs and offer a large range of products and services. These stores sell the products of various manufacturers under a single roof. There may be many sub-stores within a departmental store (Zimmer and Golden, 2007). Departmental stores can be classified further into localized departments; such as clothing, toys, home, groceries, etc. Departmental Stores are expected to take over the apparel business from exclusive brand
showrooms. Among these, the biggest success is K Raheja’s Shoppers Stop, which started in Mumbai and now has more than seventy large stores across India (Shoham and Brencic, 2003).

- **Hyper marts/Supermarkets**

These are the large self-service outlets and cater to varied needs of a large consumer base. These types of store are located in or near residential areas. These stores contribute to 30% of all food and grocery organized retail sales in India. Super Markets can further be classified into mini supermarkets typically 1,000 sq ft to 2,000 sq ft and large supermarkets ranging from of 3,500 sq ft to 5,000 sq ft. having a strong focus on food & grocery and personal sales (Baker et al., 1994).

1.04.04 Online retail

In the last five years online retail (both direct and through marketplaces) has had a helluva ride, reaching to masses from nowhere. It has grown is such a pace that today it is threatening to the traditional brick and mortar shops. Recognizing the danger, many traditional retailers have started to establish their online presence. India’s online retail industry has grown at a rapid speed in the last 5 years from around Rs 15 billion turnover in 2007-08 to Rs 139 billion in 2012-13, with a CAGR of over 56 per cent. The meteoric rise was possible only because of increasing internet penetration and changing lifestyles. The major part of this growth was driven by books, electronics and apparel. It is estimated that the market will grow at a CAGR of 50-55 per cent and will touch Rs 504 billion by 2015-16 (Diamond and Diamond, 2003). The probable entry of new players in niche segments such as jewellery, grocery and furniture along with huge investments by existing players in the apparel and electronics segments will be the drivers of growth. In terms of size, India’s online retail industry is very small as compared with both organized and overall (organized + unorganized) retail in the country. This itself speaks volumes of its potential. It is expected the industry’s revenues to more than double to around 18 per cent of organized retail by 2016 from around 8 per cent in 2013 (CRISIL, 2014).

**Product-wise distribution of Indian retail sector**

Indian retail sector is largely dominated by food and grocery products and the market share of these products are about 60%. This is followed by clothing and fashion
industry which counts for around 10% market share. Figure 1.01 depicts product-wise distribution of Indian retail sector.

![Pie chart showing product-wise distribution of Indian retail sector]

Source: Ernst & Young, 2014

**Figure 1.01 – Product-wise distribution of Indian retail sector**

- **Food and grocery**
  
  India is known for its traditional food and grocery retail stores. Though in the recent times, various players have experimented in this format of retail market but they had only a limited success till date. This format still have a huge untapped potential which requires sustainable efforts and planning for selection of appropriate store location as well as trained staff, right product mix along with supply chain consistently delivering every day low pricing (EDLP) (Mitchell and Kiral, 1999). Especially for ready-to-eat product market can have a wonderful business growth due to the current trends in the Indian social life such as growing nuclearization, urbanization and movement of youngsters for studies/jobs have created a vacuum for these products. These factors along with high disposable income is leading to good opportunities for the marketers. Food and grocery counts for maximum share in pie when it comes to spending on various items in Indian retail sector. It counts for around 60% of the total spending on retail items (Deloitte, 2011), which clearly indicate the importance of this sector.

- **Apparel**
  
  After food and grocery, apparel is the most prominent sector in Indian retailing and counts for around 10% of overall spending. This the fastest growing category in India and in recent times various factors have contributed a lot to the growth of this category. Initially this category was limited to men’s apparel only but with growing
urbanization and brand conscious behaviour of Indian consumers it has now caught the women’s apparel line as well (Means, 1981). Traditionally Indians were known for ‘buy and stitch’ but now shift is changing gradually to readymade wear and all the major readymade players have their presence in Indian market. Especially when it comes to exclusive brand outlet, readymade garments are the most prominent product in these outlets. As far as display and store space is concerned, this category has gained the maximum share within any retail store (Stanforth and Lennon, 1997).

- **Electronics**

With the revolution in technology, electronic market is the rapidly changing market in any part of the world and India is not an exception. Historically Indian electronic market had been dominated by branded stores of high value items such as TV, Refrigerators etc, which recently has broadened its concept and has included low value items such as water purifiers, hand blenders, mobile phones etc. This market is growing rapidly in India due to high technology acceptance by Indian youth, everyday newer product categories and upgradation of technology and easy availability of consumer finance. Major international players are having their presence and well establishment in this category (New Media Age, 2000). The important success factors in this category include store’s brand image, product and technology knowledge of sales/procurement staff and a concept of ‘one point solution’, discounts and offers and after sale service.

- **Furniture and furnishing**

This category faces tough competition from traditional retailers as well as individual carpenters. As they provide the product according to the individual needs of the customer and they can deliver the highly customized products (Mattila and Wirtz, 2008). The working style of individual carpenters in India is such that they go to the doorstep of their customer with their tools and make the product at the home of their customers according to the specification provided. This kind of customized product delivery is a huge challenge for the organized retail stores. Under this category, modern retailers are setting up home furnishing sections in their hypermarkets or starting specialty stores. The main factors to be successful in this category are store layout, providing a ‘one stop solution for home and office requirement’, introducing
new/ innovative concepts and designs and competitive pricing (Desai and Talukdar, 2002).

- **Beauty, wellness and pharmacy**

This category is female oriented category and various MNCs have entered into this category as there is a huge market available in India. Historically, the companies have targeted only female customers for these kinds of product leaving a huge untapped men’s market. But the trend is changing in recent times and companies have launched exclusive men’s products. When it comes to pharmacy, this category is by and large dominated by traditional / local chemists only (Holbert and Stephenson, 2003).

**Following are some facts on the retail sector in India**

- The retail sector in India is estimated to have annual sales of around $500b, with about 90% of the market owned by family-run small shops.

- Organized or large chain retailers make up nearly 10 percent of the total retail market, but are expanding at a rate of 20% per annum. This is driven by the emergence of shopping centers and malls, and a huge population in middle class of 300 million people.

- India has allowed 100% FDI in cash-and-carry or wholesale retail sector. Restrictions on foreign investment in multi-brand retail exist mainly due to the political approach of the ruling parties and opposition from millions of small shopkeepers. (Source – profit.ndtv.com, 2012)

**Local companies**

- Pantaloon Retail, India's largest listed retailer and part of the Future Group, runs apparel and electronics stores under its lifestyle brands Central, E-Zone, Hometown. Future group also operates the Big Bazaar hypermarket chain and supermarket brand Food Bazaar. The group has over 1,300 stores across formats, and occupies a total retail space of 16.5 million square feet in India. Future has for long been linked to France's Carrefour for a partnership in hypermarkets. It has recently sold controlling stake in its flagship clothing brand Pantaloon to bring down its high debt.

- Second-ranked Reliance Retail is part of Reliance Industries, India's largest listed group headed by Mukesh Ambani, India's richest man. Reliance Retail operates
1,300 stores across neighbourhood stores, supermarkets, hypermarkets and lifestyle stores. It has said it doesn't plan to partner with any global retailer.

- Shoppers Stop, part of the K Raheja Group which operates in real estate, has about 265 stores across brands and formats including 12 hypercity hypermarkets. It operates 4.58 million square feet of retail space and its loss-making hypercity is open to partnerships with foreign groups.

- Trent, part of the sprawling Tata Group, operates 106 stores across formats and runs the Westside range of apparel stores, and hypermarkets under Star Bazaar. It signed a franchisee agreement with Tesco Plc under which Star Bazaar shops use the British firm's supply chains and infrastructure.

- Aditya Birla Retail is the unlisted retail arm of India's telecoms-to-cement conglomerate Aditya Birla Group headed by Kumar Mangalam Birla, ranked the seventh-richest Indian by Forbes in March 2012. The company operates around 500 supermarket and hypermarket stores under the More brand. (Source - in.reuters.com, 2011)

**Major foreign companies**

- Wal-Mart Stores Inc has a cash-and-carry operation with Indian partner Bharti Enterprises, the parent of leading mobile provider Bharti Airtel, and will add 12-15 new cash-and-carry stores this year to its 17 existing stores.

- Tesco, Britain's largest retailer, has a tie-up with Trent's Star Bazaar hypermarket chain. Tesco is also looking to enter the wholesale market through the tie-up.

- Germany's Metro AG operates 11 wholesale stores in India. The company plans to open 5 cash-and-carry stores every year.

- Carrefour has 2 cash-and-carry stores in India. The world's No 2 retailer has been seeking a local partner to enter the hyper or supermarket sectors. (Source - in.reuters.com, 2011)

The retail landscape has seen a major shift in the recent years. The scenario in the retail store, especially in metro cities, is altogether different as compared to ten years ago. The way consumers used to make purchase decisions has changed dramatically: they stand in stores, using the smart phones in their hands to compare the prices and product reviews on various e-tailing websites and recommendations of family and friends through social media. When they are ready to buy, chances are that some
online retailer will deliver the same cheaply direct at their doorstep, may be the same
day. These kinds of unpredicted shifts have changed the viewpoint of the industry
experts and some of them predict the end of retail as we know it (Grewal et al., 2003).
Some of them predict that retail will change more in next ten years than it has
changed in the last hundred years. Though that is not to suggest that malls, chain
stores and big name brands will not continue in the foreseeable future but it indicates
that new players will rapidly emerge and will lead the market. The trend of weekend
shopping is also a major shift in retail industry. Shopping has become much more
than only buying and selling of goods (Machleit and Eroglue, 2000). People visit the
retail stores to have fun (eating out, watching movies, enjoy good time with family
etc.). Today’s consumers have more choice and far more product information than
ever before which makes the job of the retailer quit tough in keeping the consumer in
his fold.

1.05 Point-of-purchase display

Today, retail stores have everything from shoes, clothes, toys to electronics. It is
therefore important for store owners to have the necessary tools for showering a wide
variety of items in the most efficient manner within their stores to help promote
merchandise. As the retail stores develop visual retailing, display of products is
becoming a source of concern for business owners. Retailers must be in tune with all
the different types of store displays and fixtures available for store displays that are
available for their stores’ merchandise.

Point-of-purchase is the place where a customer is about to buy a product. Point-of-
purchase display refers to how a retailer should display various brands so that they are
most likely to be noticed and purchased by the customers. It is a well-recognized fact
that many of Indian customers make their final decision with respect to purchase of a
product/brand at the last minute. The point-of-purchase display derives its power out
of this phenomenon. The point-of-purchase display not only presents the last minute
reminder but also invites the customers to buy it. Effective display backed by
recommendation of the retailer can do wonders to a brand. The underlying assumption
is “jo dikhta hai vo bikta hai”. In today’s hyper competitive world, the marketers
offer the customers with a wide variety of brands at any given point of time (Russo et
al., 1975). On an average, a customer looks at more than 100 brands in a single
moment during his / her visit to any shopping mall. In the entire process of purchase,
the most crucial point is the role played by the display when the customer is actually making the purchase decision. It is the display by the retailers, which makes the various choices available to the customer. Many times it happens that the customer while having money in their hand to purchase a particular product changes his / her mind just by having a glimpse of competitor’s product. So the role of display is very important in retailing (Zielke, 2006).

1.06 Point-of-purchase advertising

Point-of-purchase advertising is an essential part of any sales promotion strategy for products sold through stores. Point-of-purchase advertising provides a final step in the process of capitalizing on brand awareness and influencing individual purchasing decisions. Point-of-purchase advertising is both a part of the integrated marketing mix and an impulse stimulant (Simons, 2002). What sets point-of-purchase advertising apart from other forms of promotional activity is its ability to influence the purchase decision at the very moment the consumer is selecting a product. Point-of-Purchase Advertising Institute (POPAI) has clearly hinted that displays, signs, structures, and devices that are promotional, and are used to identify, advertise, or merchandise an outlet, service, or product and serve as an aid to retail selling. The figure 1.02 depicts various formats commonly used for display.

Figure 1.02 –Various formats commonly used for display
1.06.01 Types of point-of-purchase advertising

There are many types of point-of-purchase advertising which include:

- Window signage
- Shelf displays
- Floor stands
- Banners
- Cash registers
- End aisle displays
- Trash cans
- Lighted signage
- Motion displays
- Custom logo floor mats
- Cart advertising
- Directories
- Customized door mats

In-store point-of-purchase displays serve to trigger recollection of items that are missing on the shopping lists (Stern, 1962). Point-of-purchase advertising is an essential part of any sales promotion strategy for products sold through stores. It provides a final, all-important step in the process of capitalizing on brand awareness and influencing individual purchasing decisions (Bergeron, 2008). Ramaswami and Namakumari (2007) have observed the importance of point-of-purchase display can be well understood from the fact that the environment, the manner in which the brands are displayed at the counter and the ambiance surrounding the brand are as important as the product itself. Further in the words of (Kotler and Keller, 2007) the appeal of point-of-purchase advertising lies in the fact that in many product categories, the consumers make their final buying decisions in the store itself. In fact, point-of-purchase is the moment when consumers are actually buying the products and making their final decisions. Further, their study has explained that in-store advertising is designed to increase the number of spontaneous buying decisions. There are so many items for which consumers make on the spot decision means those items are not pre decided. In such case, point-of-purchase display can leads to selling of the product.

Point of sale is a very well established and sophisticated retail marketing function. It is deliberately used in all sectors to influence both pre-planned and impulsive consumer behaviour. Point of sale can act as reminder and also stimulate ‘opportunistic purchases’ if a good deal is being flagged up (The Centre for Tobacco Control Research, United Kingdom, 2008). Point-of-purchase areas are places in the
store where customers can purchase merchandise. Because many customers go to these areas and may wait in these lines to make a purchase. These areas are often used to display impulse items (Tirmizi et al., 2009). The marketers are known for grabbing every opportunity and it has been well explained that the best place to display a product is when the customers are standing in billing queue. As all the customers will have to go to billing counters, the product displayed there are bound to get the maximum attention and as it is the closest time when customer is ready to pay for the purchased items, the probability of buying from the displayed products increase manifolds (Kerfoot et al., 2003).

Each point-of-purchase display provides shoppers with information, adds to store atmosphere and serves a substantial promotional role (Berman and Evans, 1998). Point-of-purchase display has got its inherent quality that it is a good source of information for the customers. Especially in the case of newly launched products, point-of-purchase display is an important tool for comparing the product with its competitors. Keeping newly launched products in point-of-purchase display works as stimuli and kindles a desire to purchase in the mind of consumers and thus acts as a promotional tool. Point-of-purchase display also create a better shopping environment within the store as in the most of the stores, the items are kept with a special focus of lightening or in glass counter or in any other creative way. This leads to creating a better and pleasant shopping environment. Eye catching display has always attracted attention of the buyers and it is helpful in informing about new launched product and special offer going on in the store (Hoffman and Turley, 2002).

Merchandise colour, presentation style, awareness of fixtures and furniture etc. are the themes that link most strongly to purchase intension (Kerfoot et al., 2003). As it is well known fact that most of the final purchase decisions are taken inside the store, the colour and presentation style has got a major role to play in such decisions. Final purchase decisions are taken after comparing various brands within the store. The point-of-purchase is the most suitable place and period to communicate with consumer since it is where they make their brand choice decisions. It is the time and place at which all the elements of sale (i.e. consumers, money and product) comes together (Quelch, 2006). Point-of-purchase display leads to increase in the sales as this is the time when consumers are exactly going to spend money on his purchase. Displays, signs, structures, and devices that are promotional, and are used to identify,
advertise, or merchandise an outlet, service or product and serve as an aid to retail selling (POPAI, 1997).

Consumers’ in-store behaviour has been described in the following terms that highlight the importance of point-of-purchase advertising: “shoppers are explorers, they are on safari, hunting for bargains, new products and different items to add excitement to their everyday lives. Three of every four are open to new experiences as they browse aisles of supermarkets and search for bargains in drugstores and mass merchandisers” (Fitzgerald, 2006). Display helps in exploring the various aspects of the product and as the study indicates, most of the customers visit the store for exploring the products, display helps them in doing so. This provides an opportunity to retailers to create impact of display just when consumers are most receptive to new product ideas and alternative brands. In-store environment is the most important tool of promotion. Point-of-purchase advertising is “materials set up at a retail location to build traffic, advertise the product and promote impulse buying” (Arens et al., 2008). This study has stated that it leads to increased traffic and footfall in the store. If the footfall is more, it automatically leads to increase in top line of the store. Materials may include window display, counter display, floor and wall display, colour ribbons and posters.

Point-of-purchase reinforces a brand’s advertising massage and the increase in sales volume can average more than 100% compared to advertising alone (Fitzgerald, 2006). It clearly indicates the importance of point-of-purchase display. The roll of point-of-purchase display comes into force when a customer is really visiting the store for making purchase. All other promotional efforts are done outside the store. When a customer looks the product in the store, it reminds him of the advertisement for the same product and chances of buying that product get increased manifold. Point-of-purchase advertising expenditures in the United States exceeds $17 billion annually. This investment is justified as in-store materials provide useful service for all participants in the marketing process such as manufacturers, retailers, wholesalers and consumers (Maynard, 2007). In fact this cost is very less as compared to other tools of promotion. Louis and Bucklin (1966) have expressed that retailers perform many distribution service output functions and these can be classified as decentralization, waiting time, lot size and variety. Retail communication helps the retailers generate sales by using any one or a mix of these outputs and inform, persuade and remind
customers about the retailer and its offers. Thus it leads to image building of the retailers.

Various elements of retail communication have been segregated into two groups – internal and external (Sinha and Uniyal, 2007). External communication is the aspect of retail communication that the retailer uses to attract their target customers towards the store and generate store traffic by using mass media vehicles such as television advertisement, newspapers and radio. This communication is also used to build and manage the store image so that it becomes a shopping destination for its customers. Today the external communication is the most prominent medium which is responsible for overall footfall of customers in the retail store. It is the external communication which builds the image of the store in the minds of customers before they actually visit the store. The internal communication reinforces the store premise by delivering the promise to the consumers. Stores use various tools such as visual merchandising, signage & graphics and point-of-purchase communication to achieve a combined effect of these two sets of communication for an effective strategy.

Point-of-purchase display work as a surrogate salesperson. It has been found that a high level of brand awareness need not always translate into sales. Customers take into consideration the information they acquire within stores, in addition to relying on out of store communication (Zeithaml, 1982). Advertising attracts the customers, but the success of all communication efforts in many cases depends on the last 5% of the effort i.e. at the point-of-purchase just before the consumers chooses to buy rather than the 95% that preceded it (Bultez and Naert, 1988). Shoppers find that displays and layout have more important role in high-end fashion apparel than that in other apparel stores (Rich and Portis, 1964). A lifestyle store tends to use point-of-purchase display store extensively (Sinha and Uniyal, 2000). Visual merchandise is the presentation of a store and its merchandise in such a manner that will attract the attention of potential customers. It involves decorating the store keeping the interior presentation the same as what is promised on the outside (The Economic Times, 2009). Besides quality and assortment of merchandise and sales persons, store atmosphere helps in building store image (Berry, 1969).

A point-of-purchase display is a specialized form of sales promotion that is found near, on, or next to a checkout counter. These are intended to draw the customers' attention to products, which may be new products, or on special offer, and are also
used to promote special events, e.g. seasonal or holiday-time sales (Wikipedia, 2013). Eye catching retail displays grab customers’ attention in reception areas, retail shops, airports and many other applications. Effective point of sale display promotions draws customers’ attention to new products and special offers (www.redcliffe.co.uk, 2013). Marketing materials or advertising placed next to the merchandise it is promoting are generally located at the checkout area or other location where the purchase decision is made (Waters, 2013). Point of sale displays that grab prospective customer attention as they are contemplating making a purchase might be the key to increasing sales. You cannot be there to make the sale, but your point of sales display can be (www.gaebler.com).

Point-of-purchase is a place where the sales are made. At a macro-level, a point-of-purchase may be a mall, market or city. At a micro-level, retailers consider a point-of-purchase to be the area surrounding the counter where customers pay. It is also known as "point of sale" (www.investopedia.com, 2012). Point-of-purchase marketing, also known as POP marketing or marketing at retail, uses in-store displays and other last minute marketing ploys to influence the customer to choose a specific brand or to make an impulse buy (Watkins, 2005). Point-of-sale displays are sales promotions that are placed where they can easily draw customer attention and trigger impulse buying. Point-of-purchase displays are intended to promote new products, make special offers, and/or capitalize on special events, such as holidays (www.boundless.com, 2013). Advertising that is built around impulse purchasing and that utilizes display designed to catch a shopper's eye particularly at the place where payment is made, such as a checkout counter. There are various types of point-of-purchase displays, including window displays, counter displays, floor stands, display bins, banners of any kind, and all types of open and closed display cases. Generally, these displays are created and prepared by the manufacturer for distribution to wholesalers or retailers who sell the manufacturer's merchandise. Often, a manufacturer will discount the cost of merchandise or in some other way compensate the retailer for using a point-of-purchase display (www.allbusiness.com, 2013). Point-of-purchase displays are usually posters, banners or back-lit signs used to catch the customer’s eye and stand out above all other displays. Many uses and advantages of Point-of-purchase displays include the window or counter top displays, floor stands and banners. Point-of-purchase displays engage and encourage an “impulse
purchase,” which easily increases revenue and establishes “Brand Awareness” (www.pixus.com, 2012).

1.07 Material used in point-of-purchase display

Main materials used in point-of-purchase display is standees, posters, FSDU’s (free standing display units), dump bins etc.

Paper

Paper material is available in various compositions which ranges from coated and uncoated wood free papers to silk coated, matt coated and gloss coated products. Common usages of paper are:

- Leaflets
- Flyers
- Posters
- Shelf Strips
- Inserts
- Backlit Posters

Graphics boards

Graphic boards are a step up in thickness over paper, this type of card is available both as a single sided board or a double sided board. This refers to the coating on each side of the board for printing purposes for quality of finish and its usage is dependent on the application and type of product. Common usage:

- Counter top units
- Shelf barker
- Wobblers
- Hanging banners
- Cube displays
- Tent cards
- Hanging Light box Units
- Bus Stops
- Graphics Panels
- Swing Tags
- Mobiles
- Product Display Boxes

Display board

Display board is a solid heavyweight board comprising of a recycled material fixed between high quality boxboard liners. These types of boards are generally available with a grey centered material or a white centered material. Common usage:

- Header boards for CTU’s or FSDU’s
- Gondola End Headers
- Large Tent Cards
• Standees  • Hanging Banners
• Leaflet Dispensers  • 3D Displays
• Strutted Show cards  • Hanging Light box Units
• Large Bus Stops  • Mobiles

**Corrugated board**

Corrugated boards are lightweight but durable fluted board. These types of boards are available in many different configurations. The most commonly used in the point of purchase display are E Flute (approx. 1mm thick with close fluting), B Flute (approx. 4mm thick with wide fluting) and EB Flute (a combination of both E and B Flute for extra rigidity). Common usage:

• CTU’S (counter top units)  • Pallet wraps
• FSDU’s (free standing display units)  • Dump bins
• Standees  • 3D displays
• Product display boxes  • Stacking units

**Foam centered board**

Foam centered board is a layer of polystyrene foam lined both sides with matt white paper.

It is available in very large sheet sizes in various thicknesses. This material is incredibly lightweight but can also be quite fragile. This is ideally suited to indoor hanging applications. Common usage

• Hanging banners  • Mobiles

**Polypropylene**

It is a thermoplastic polymer available in a variety of colours, finishes and thicknesses.

Polypropylene is very durable and kinder to the environment as it is easy to recycle. This is also available as a fluted board. Common usage

• Exterior Signs  • Indexing Cards
• Folders
Self cling

Self Cling is a non-adhesive backed vinyl commonly used for window graphics. This material is re-usable i.e. it can be applied to a particular window for a period of time and then it can be taken down and moved to another window. It also has the benefit of not leaving any residue when stripping away from the window. It is available in transparent or white colour. Common usage

- Window decals
- Mirror decals

Self adhesive vinyl

It is available in transparent, white gloss, white matt, coloured and even a large range of specialty products. It is a self adhesive backed vinyl which can be used with a permanent or removable adhesive backing. Similar in application to self cling, the difference being this material uses an adhesive coating to stick on to the surface it’s applied to. This is better to use for more permanent graphics and stickers. Common usage

- Product stickers
- Over stickers
- Window decals
- Labels

Floor media

This is a specialist material for displaying graphics on all types of flooring whether inside or outside. There are two elements to this media kit – the first is the self adhesive vinyl. This is available in clear or white and is the substrate on which the graphic is printed to. On the reverse of this vinyl is the adhesive coating. The type of adhesive is dependent on the surface of which the graphic is to be applied. The second part to this is the over laminate. This is a rugged slip resistant laminate again with an adhesive reverse. This is applied over the printed graphic forming a protective layer. Common usage

- Indoor and outdoor floor graphics

Holographic and mirror papers and board.

These are specialist foils mounted on to various weights of card. The range of designs is broad and can add an eye-catching look to any type of point-of-purchase display. The mirror board range comes in a variety of different colours
with a smooth, glossy or silk finish. The holographic range includes rainbow effects, dotted effects, water effects and many more. Common usage

- All types of indoor point-of-purchase display

1.08 Point of purchase items

As the name implies, point-of-purchase display items attract the consumer’s attention and educate them on the benefits and uses of the product at the point of purchase. Many retailers find point-of-purchase items useful in creating attractive displays and interest in their stores (Amrouche and Zaccour, 2007). Point-of-purchase items may include

- Shelf talkers are small signs that hang underneath the product on the retail shelf. They are used extensively by grocery retailers to draw attention to the product. Shelf talkers are excellent promotional tools for new products consumers are not purposely searching for.

- Posters are most useful for in-store promotions or trade show exhibits. They may be hung in store windows or on walls but are used less frequently than other Point-of-purchase materials because of their size and cost.

- Neck hangers (also called product information tags) are attached to the product and have the potential to convey a great deal of information to consumers. Neck hangers can include recipes, more detailed product descriptions and price or percentage-off coupons. These tags are especially useful since they require no additional effort on behalf of the retailer.

- Recipe booklets are also useful for specialty foods which serve as ingredients. Novelty foods that are unfamiliar to consumers require product use education. Recipe booklets can be attached to the product or stand on their own.

1.09 Types of point-of-purchase display

Though, it is difficult to categorize point-of-purchase display, because there are many materials, designs and construction options plus hybrids that integrate different point-of-purchase displays. Point-of-purchase displays can be categorized on the basis of time span: the first distinction to make is between temporary point-of-purchase (in place for three months or less) and permanent (12 months or more). Anything in between is referred to as semi permanent (www.kdmpop.com, 2014). While on the
basis of product displays point-of-purchase displays can be divided into various categories such as – single product display, multiple products display, lighting displays, thematic display etc. The detailed explanation of both types of point-of-purchase displays is as:

• **Permanent point-of-purchase display**
  This type of point-of-purchase display is normally made with a life span of one year or longer. The results of permanent point-of-purchase display are more impressive and per piece price is very low. The advantages of permanent point-of-purchase display includes – can be helpful in creating new revenue opportunities for those retailers who are investing in new retail categories (With proper store testing these can offer first class merchandising and sale opportunities. Thus the permanent point-of-purchase display has an inherent quality of giving high ROI (www.blingblingpackaging.com, 2012).

• **Semi permanent point-of-purchase display**
  These are generally made for a time period of three to six months. Semi permanent point-of-purchase displays are made for seasonal items. These can be specific to the same product or can survive multiple promotional cycles with the same or different product with change out graphics. This type of point-of-purchase display more effectively represents the brand position and image of premium products. The main advantage of semi permanent point-of-purchase display is that it is cost effective and it is very flexible. It is helpful in positioning a brand (www.warpfive.eu, 2012).

• **Temporary point-of-purchase display**
  This type of point-of-purchase display is normally made with a life span of one to three months. Temporary point-of-purchase displays are the most affordable option and it can be used for a specific advertising campaign promotion or new product line release. It helps in maximizing appearance at the lowest per piece price. This type of display is usually made with a corrugated backing material and labels laminated or directly printed which hides the corrugation for the maximum eye appeal (www.timbar.com, 2011)

• **Free standing floor displays**
The freestanding displays are the most effective way to get a product off the crowded store shelves and out onto the floor where consumers will be sure to see them. This type of display gives a unique look to the product and makes it special. With a freestanding floor display, retailers are actually getting a separate store shelf with high graphic intensity. As the name suggests, it stands out on its own, it has super high visibility. This is exactly why these are so effective (www.teamameripak.com, 2011).

Advantages of Freestanding Displays

- These work well in any retail environment.
- These motivate impulse
- These stand-alone, therefore stand out in the aisle or store.
- These have high visibility and get attention.
- These are common and work very well in supermarkets and convenience stores

Retail displays are invaluable marketing tools for retailers. A good and subtle display affects customers buying decisions as it can make a product look appealing or in considerable demand. Attractive retail display creates a pleasant environment and helps in increasing footfall in the store. On the basis of product displayed point-of-purchase displays can be divided into the following categories:

- **Single product displays**

Creating a retail display using a large quantity of single product signals to customers that product is a popular one and is in large demands. When the once upon a toy store at Walt Disney World in Orlando removed miniature collectible figures from their boxes and put them in open display units that provided kids with a bird’s-eye view of their favourite characters, sales skyrocketed from 40 to 900 units per week (www.ehow.com, 2013).

- **Multiple product displays**

Creating a retail display out of different products that a customer might buy together is a way of suggesting a configuration of complementary purchases. For example, displaying gardening books next to gardening tools can lead to higher sale of both the products. Displaying such items together can also serve as a reminder to a customer to buy a complementary item that they might otherwise forget because it is located in
another part of the store. In addition, such retail displays can give customers ideas about how to use their purchases, such as wrapping a scarf around the neck of a blouse that it complements well (www.ehow.com, 2013).

• **Lighting displays**

Lighting can have a significant impact on every aspect of the retail store from change in atmosphere to theft prevention. Product displayed with special focus of lighting draws the attention of the customers and helps in creating an image of ‘high-end’ product in the mind of customers. A product kept with a special focus of lighting leads to higher attention and results in higher sale of the product. Sometime retailers use lighting the ‘new arrival’ products which excites the customers to buy. Thus a good lighting display leads to increase in top-line of the retailer (www.slstoredisplays.com, 2012).

• **Thematic displays**

Thematic retail displays create a mood that can push a customer toward buying a product (Berman and Envas, 1998), such as building a display representing a beach with sand and umbrellas in order to sell bathing suits. Customers see the display and imagine about being at the beach, and this may prompts them to buy a bathing suit. A thematic display also creates an attractive, fun environment in a store, especially if it is creative, entertaining and fantastic. Inventive displays can lure customers who might otherwise not be interested in a product and even on occasions, attract media attention (Oh et al., 2007).

• **Mannequin displays**

Mannequins are the oldest form of retail display and are being used since 15th century. These are the most effective display tools which a retailer can have in the retail store. Some items that look dull and uninteresting in the hanger come to life when displayed with mannequin. Mannequins help in understanding how to use accessories with the main product and leads to customer attraction. Thus use of mannequin displays is very helpful for retailers (www.genesis-display.com, 2011).

• **Grocery displays**

Grocery displays refers to the shelves which are used to display different products available in the retail store. In the competitive world, brands are fighting for the most
eye catching space such as - on the shelves at the eye level as well as for the corner shelves. These are the areas which get the higher attention of the buyers, the probability of sell well increases. Many companies use attractive stands or posters to make their brands stand out in the retail store (www.drip-marketing-expert.com, 2010).

- **Signs & shelf media**

Signs differ from displays in that the messages on sign boards are more general. These may serve notice that a given brand is being promoted or simply direct shoppers to an area of the store where a product is on sale. Signs attached to a display may include price or other information about the product. Thus sign plays an informative role. Shelf media such as shelf-talkers and shelf strips may be attached to existing furniture and fixtures, and they don't take up precious floor, wall, or counter space (Saraiya, 2013).

- **New media**

New media include video displays at checkout, electronic shopping-cart advertising, coupon dispensers, computerized interactive displays, and audio devices that speak to shoppers as they pass down a supermarket aisle. This type of media makes store more interactive and helps in involving the customers (Hendrix, 2014).

- **Display cases & hangers**

Display cases are great tools for drawing interest to some of the high-end products. Lighted display cases are glittery and clear and make the item look more attractive. These cases not only keep the items clean and perfectly organized but also help in preventing theft. These also help in interaction between customers and the retailer. The role of hangers is also very useful for retailers, especially for fashion display. There are wide varieties of hangers and their accessories are available which can accommodate any retail environment. Hangers can easily be adjusted in any retail store can be used for multiple purposes.

- **Trade show displays**

The display can be found in abundance in any of the trade shows. Trade shows are conducted for the purpose of displaying the products only. Exhibitors use different trade shows to display their products or services. They use elaborate fabric displays,
prominent hanging displays and one of a kind custom displays to catch visitors’ eye. Trade shows are a unique example of various kinds of displays used by marketers to attract the customers (www.ebdisplay.com, 2012).

- **Exterior display**
  
The quality of a store front is a major determinant for a customer, particularly a new customer. The exterior appearance of one store, a block of businesses or a cluster, silently announces what customers can expect inside. A good exterior visual merchandising attracts attention, creates interest and invites the customer into the retail store. The exterior presentation can lead to conservative, progressive, lavish or discount image of the store in the mind of the consumer (Fitzgerald, 2006). Thus the exterior display determines whether the customer is going to enter the store or not. A retailer must keep these points in mind while creating exterior display:

  - How do customers locate the business?
  - Are the sidewalks clean, safe and accessible?
  - Are the outside entrances clean and accessible?
  - Are the windows clean, bright and inviting?
  - Are the exterior signs clear, visible and readable?
  - Does the store front need cleaning / painting?
  - Are the windows display frequently changed?
  - Does the window display carry the theme?

- **Window display**
  
Window display is the first impression that a customer will have about the retail store. Though, it is primarily a selling space, a window display projects a message to the customer about the shop. The image of the shop can be conveyed through innovative and interesting windows displays (Clark and Dick, 2004). Window display is a window in the shop displaying items for sale or otherwise designed to attract customers to the store (Wikipedia, 2010).

- **Interior display**
  
Selling space is the most important part of a store and therefore, efforts to utilize each square foot will help to maximize sales. One proven way to do this is through interior
displays that effectively show merchandise to the customer. When planning interior
displays, remember that the theme and image presented on the exterior must be
carried throughout the interior of the store to provide consistency for the customer.
The purpose of interior display is to develop desire for the merchandise, show what is
available, and encourage both impulse and planned buying (Moe, 2006). Three major
goals of a store should be to: motivate the customer to spend money, project the
image of the store and keep expenses to a minimum.

Promotion and advertising dollars are less effective or even wasted when efforts are
not made within the store to effectively merchandise the products. Well-designed
displays and in-store promotions are essential for a consistent theme and to help the
customer find advertised items (Bergeron, 2009).

1.10 Retail display benefits

Various studies confirm that about 60% of total sales are attributed to retail displays.
Thus, the main role of retail fixtures is to help business owners increase their sales.
Following points underline top benefits of a good retail display:

**Promote products**: Innovative retail display solutions permit retailers to develop and
implement specific merchandising techniques, which not only make products
available for sale, but also display them in a way that attracts customers to make a
purchase. Thus, retail fixtures deliver creative platforms, which are appropriate for
launching and promoting all type of product.

**Guide customers and secure store**: Intelligent merchandising fixture systems are
able to guide customers through the store to high-margin products. Additionally,
following a particular display positioning scheme can help retailers in monitoring
customers to avoid specific incidents, such as theft.

**Elevate brands**: Some retail display solutions come along with informative signs and
banners, which communicate featured messages and get shoppers’ attention.
Evidently, these retail fixtures are great options if marketers are searching for a way
to build brand awareness.

**Increase sales and profits**: Retailers can increase their sales with an eye-catching
retail display, which is able to encourage customers to purchase products of a
particular brand instead of competitor’s brands. Recent studies show that customers
are willing to pay up to 50% more for products if they are displayed on well-designed fixtures.

**Provide unique customer experiences:** Highly creative retail display solutions can make products appealing and provide customers a unique experience about the retail store. A good display also engage customers which leads to quality time spending in the store and is helpful in building relations between customers and retailer. In such case, customers will be motivated not only to return to store every time they need certain products, but also to popularize business.

**Educate customers:** A good display is not only attractive, but it is interactive too, the customers today interact with the displayed product by using it (especially in case of demo products display at retail stores). Video screens can advise a customer on a product’s features and benefits or direct them to a sale, roving demonstration, or point of interest.

**Create the desired ambiance:** Another advantage of using retail displays is that they allow retailers to create a certain ambiance. That's because most retail fixture design companies are able to process different materials, such as wood, plastic and recycled content.

**1.11 Reasons for growth of point-of-purchase display**

- **Changing shopping habits** – The recent change in our demographic factors such as: increases in two earner households, single-parent families, longer working hours, and hectic commuting schedules add up to one thing: People have less time to plan purchases before they enter a store. Most of the brand related final decisions are taken in store only. Point-of-purchase display comes into force at this time and influence the customer decision.

- **Too much media with too many messages** - Consumers are bombarded by direct mail and can watch a wide variety of television channels. Every producer is trying to grab mind space of their target audience and in this process consumers get confused. It also increases cost to the producers. But point-of-purchase display acts at the time of making final decision and it is less costly as compared to other media.

- **Too many products** - Today's retailers stock tens of thousands of products, most of them being branded ones. Within a given category, there may be around a
dozen or more products of nearly identical price and quality. Point-of-purchase becomes the instrument for cutting through that retail mess.

- **Lack of trained retail sales personnel** - Knowledgeable salespeople are rarely on hand to guide consumer purchases, even with such high-end items as appliances and consumer electronics. Often, salespeople lack training, or they simply aren't in the stores at all. Thus point-of-purchase display becomes the best means of communicating product benefits where it matters most to the customers.

- **Growth of target marketing** - The trend away from ‘one size fits all’ marketing has been a boon for point-of-purchase display. Because demographics vary from neighborhood to neighborhood, each store in a supermarket chain could find that it has a completely different customer base. Under such conditions, point-of-purchase display rivals direct mail as a vehicle for targeted marketing and is more selective.

- **Cost effectiveness** – In today’s world, where cost on promotion is a major part of pie, reaching a shopper through point-of-purchase display costs about half as much as direct mail and less than one tenth as much as television advertising.

It can be summarized that retail is one of the oldest format of business. It is one of the fastest growing industries worldwide and has employed maximum number of population after agriculture. Indian retail has witnessed significant changes in the recent past. The role of *melas, haats, mandis* and *rehri walas* are the unique features of Indian retailing which is rare in other parts of the world. The retail scenario is going through a tremendous change in India, especially the dawn of 21st century has turnaround the face of Indian retail as various MNCs have entered in this sector, which converted Indian mom and pop shops into large stores with a broaden display of products. Recently, the effective emergence of online retail players has affected the industry in a significant manner and in coming years, the role of online retailers will be having a significant impact on Indian retail.

Display is the main differentiator between traditional and modern retail. In traditional retail, the retailer was driving force as the customer used to go and ask him for each and every product whereas in modern retail, all the products are displayed and customers choose the products according to their choice among the displayed product without any assistance of the retailer. The organized retailers in India have understood the impact of display and giving due care is given to this aspect. These retailers have
made shopping much more than only buying and selling of goods. People visit these retail stores to have fun (eating out, watching movies, enjoy good time with family etc.).