Chapter 3

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3.1 Introduction

A literature review is a description of the literature relevant to a particular field or topic. This is often written as part of a thesis proposal, or at the commencement of a thesis. A critical literature review is a critical assessment of the relevant literature. Literature’ covers everything relevant that is written on a topic: books, journal articles, newspaper articles, historical records, government reports, theses and dissertations, etc. The important word is 'relevant'. A literature review gives an overview of the field of inquiry: what has already been said on the topic, by the key writers. It also gives an idea about the prevailing theories and hypotheses. The review also specifies what questions are being asked, and what methodologies and methods are appropriate and useful.

A critical literature review shows how prevailing ideas fit into the thesis and how the thesis agrees or differs from them.

Human being are with full of curiosity and this draws them towards finding the facts. Knowing the facts requires the researcher to understand and get in-depth knowledge of the topic. The selection of the topic was on the basis of the current scenario in the society. After selecting the topic the researcher tried to conduct a complete study of the available literature to know the past, present scenario and also to understand the future trend. Literature review also helped the researcher to know of the deviations in the present study and if possible to give certain remedial measures.
The objective of the study according to the researcher is to understand the conceptual framework of Retail Marketing and to have a complete knowledge of these trends in relation to the Indian market.

The researcher in order to have a convenient study and better understanding of the facts has classified literature review under the following heads:

- Review of literature relating to retail marketing.
- Review of literature relating to organized and unorganized retailing.
- Review of literature relating consumer behavior.
- Review of literature relating consumer behavior in retail marketing.
- Review of literature on retail development and modernization.
- Conclusion and research gap.
- Theoretical framework.

3.2 Review of Literature Relating to Retail Marketing

Indian retail sector has become one of the most powerful and fast growing markets in the world. This growth influences the attitude of the Indian customers and marketing approach of the companies. These features have been discussed in this section.

Indian Council for Research in International Economic Relations (ICRIER)\(^{81}\) developed research report titled ‘Impact of organized retail on the unorganized sector’ states that retail trade alone accounts for 41.83 percent job opportunities with 14.95 million employed in the sector. Establishments involved in retail trade claimed the highest percentage both in the rural (39.28 percent) and urban (45 percent) areas. It has been the most sought after activity amongst own account establishments with a share of 48.45 percent. In rural areas, 46.52 percent own account establishments were set up for retail trade while the percentage was 51.44 in

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\(^{81}\) Indian Council for Research in International Economic Relations (ICRIER), report on Indian Retail, New Delhi, 2008.
urban areas. Retail trade along with manufacturing and social and personal service activities have emerged as the three major non-agricultural activities giving the maximum number of jobs, with a share of more than 72 percent of the total establishments. Manufacturing establishments followed retail trade with 8.32 million people employed. Social and personal service activities employed 7.35 percent during the review period.

Barry Berman and Joel R Evans\textsuperscript{82} gave an overview on the impact of Retailing on the economy. They stated that retailing is a major part of U.S. and world commerce. According to them Retail sales and employment are vital economic contributors and retail trends often mirror trends in a nation’s overall economy. According to the Department of Commerce, annual U.S. retail store sales exceed $4 trillion—representing one-third of the total economy. Telephone and mail-order sales by non store retailers, vending machines, direct selling, and Web generate hundreds of billions of dollars in addition to yearly revenues, and apart from this the other services like personal consumption expenditures on financial, medical, legal, educational etc account for another several hundred billion dollars in annual retail revenues. Outside the United States, retail sales are several trillions of dollars per year.

Michael Levy and Barton Weitz\textsuperscript{83} in the book ‘Retailing Management’ have tried to know how retailing has become an important economic activity. The book titled ‘Retailing Management’ is definitely a different form of commentary on ‘Retailing Operations’ especially in the modern and the Western World. The book discusses different facets of retailing strategies as they are useful for developing the retail markets especially in a growing economy. In this book the authors have tried to find out the reasons of growth of modern retailing, different retail format, and multichannel retailing as a method of operating in a competitive market. From the author’s point of view there is a great change in the consumer behaviour which is


influencing the pattern of retailing and their strategies. The consumers have changed not only in terms of perception, choices and ideas and identities but also their modes of buying have significantly varied. These changes in the formats of retailing cannot convince the consumers as to why they should buy the particular product from a particular retail outlet. The change in the formats of branding i.e. from manufacturing brand to retail branding or private labeling has also proved to be of a limited impact. Therefore new methods of promotion especially attracting and retaining consumer, changes in the POP display system are being introduced. The buying system have changed, so does the buying methods and promotional methods also have changed. The retailers have tried to introduce new pricing strategy and the retail communication has become a more important aspect of retail management in the modern world.

Barry Burman and Joel Evans\(^4\) have offered a different kind of approach to the present system of retailing. The book ‘Retail Management: A Strategic Approach’ is basically related with understanding the marketing phenomenon of retailing, the changes brought in due to competition amongst retailers in terms of marketing, distribution, as well as promotional practices. The author has concentrated on understanding and analyzing the detailed market from different dimensions. The concept of SWOT analysis, situation analysis and tactical analysis has been adopted by the authors to understand new trends in retail marketing, its implications on competition as well as economics of retailing, changes in the pricing policy and promotional techniques that are adopted by different organized large scale retailers. The authors have tried to understand retail institutions in terms of ownership, in terms of demand pattern, in terms of strategic mix, in terms of emerging forms. The authors have noticed that the non-traditional retailing especially Web Stores, or Electronic Retail Channels are becoming more profitable and popular because of changing tastes and styles of buyers, because of liking of the new and emerging trend of Electronic medium. Internet has influenced not only in terms of technology but Internet has

become a social medium of communication, which is responsible for development of E-Retailing which has drastically influenced the strategies of retail management. This has changed the perception, competitive strategies, distribution systems and promotional strategies that are adopted by the retailers.

Dunne M. Patrick and Lufsch F. Robert\textsuperscript{85} gave a analyzed view that Customer Services include the activities the retailer performs that influence

1. The case with which a potential customer can shop or learn about the store’s offerings
2. The case with which a transaction can be completed once the customer attempts to make a purchase
3. The customer’s satisfaction with the product after the purchase.

These three elements are the pre-transaction, transaction, post-transaction components of customer services.

Rugman and D'Cruz\textsuperscript{86} developed a stream of research that potentially links international business to globalization theories, pointing to the essentially, regional ”rather than, global” level of activity in the early 21st century. This theoretical route again has difficulties when applied to retailing because of the different nature of the international organization of investment in retailing and the importance of the local market, and adoptions to it, for retailers. The globalization studies start from an economic perspective, as in Spulber’s (2007) study of Dairy Farm and so do not address the issues of social change that have become explicit in the recent activity of international retailers.

Dale Gillian and Banfield Graham\textsuperscript{87} have introduced the concepts of distribution and retailing in elaborate manner. Distribution refers to the process of movement of goods


\textsuperscript{87} Dale Gillan and Banfield Graham, Retailing and distribution: A First Course, U.K., Pitman, 1985.
from the original producer to the final consumer. The line of exchange is known as “chain of distribution”. In this final chain, retail is the end point. Retailing includes all the activities involved in selling goods and services to the final consumers for personal, non personal use. Retailers perform several functions such as bulk breaking, assorting, storing, advisory services among others as a part of customer service. Manufacturers and wholesalers expect retailers to be a part of established channel through which customer feedback can flow back to them. The authors present the fact that retailer is the first contact point that the customer has with the product and therefore this fact gives him tremendous power.

Nair Suja in her book ‘Retail Management’ has tried to explain the growth of retailing in Indian context especially in the context of new economic policy, global economic development, changes in the marketing and economic system as well as changing pattern and classification of economic activity. The author has tried to stress that there is a significant effect of liberalization and privatization policies on development of retail format. According to author, retailing has come to occupy a prominent position in today’s modern society. Inspite of the Indian retail revolution, it is said that over 90 percent of the 20 percent urban India are still towards the traditional retail. Now some worthy modern organized retail format is slowly gaining acceptance and can easily be seen to be emerging as a strong contender. The author has tried to make an attempt to communicate various developments occurring in retail market especially on account of evolving consumer behaviour typically the evolution of retail. It can be studied by having a look at 4 tier component i.e. consumer behaviour, trade structure, retailer-distributor-manufacturer relationship and the competition. The profile of today’s customer can be easily described as an affluent one with a higher and most disposable income, frequent visits & makes a longer and investment and time to explore a detailed shopping experience. However the consumers have also revealed a willingness to pay a premium provided they are offered better service quality at a retail counter. In addition to these, modern consumers will also appreciate additional facilities such as ATM, parking and in-store attendance. The main features of the book includes emphasis on case study of 12

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major retail format wherein the author has tried to find out what are the new trends that are introduced by these various retail players, how they influence the overall market structure and the marketing environment in India, how they have changed the retailers approach towards consumers and how consumers have responded to these new changes in the growing context of economic development.

David Gilbert\textsuperscript{89} is one of the noted authorities who in his book titled “Retail Marketing Management” have identified the reasons of growth of Modern Retailing. In this book he has tried to find out why the growth of retailing is actually taking place. According to him more than any other business we are witnessing the emergence of new forms of retailing and becoming more segmented with reforms focusing on the needs of particular consumer segment. The result of this is the development of more consumer friendly environment. Whereas, once it was manufacturers brand that were all important. The year 2000 has witnessed the power of retailers brand challenging the position of suppliers. The traditional forms of independently owned small business and co-operative have lost significant market share in developed economy and the retail sector is now characterized by large scale, multiple store, run by powerful and sophisticated organizations. The increasing size of retailers and intensifying rates of competition in the markets in which they are operating has made retailers to search for new ways to grow their business. The author has tried to emphasize on two facts: First, retailing has become a major avenue of growth and the increase in the retail operations has changed the market dimensions. Second thing, there is an impact of E-retailing which attracts considerable attention. However, though initially it may not be successful but in the due course of time successful models for retail sectors based on E-business and Electronic Media will definitely influence the multichannel retailing system.

Newmen Andrew and Cullen Peter\textsuperscript{90} in their book ‘Retailing: Environment and Operations’ have rightly concentrated on understanding various aspects of Retailing

\textsuperscript{89} Gilbert David, Retail Marketing Management, 2\textsuperscript{nd} ed., Pearson Education, 2003.

\textsuperscript{90} Newmen Andrew and Cullen Peter, Retailing: Environment and Operations, Cengage Learning, 2003.
as a Business. They have considered retailing as a vibrant part of our changing society and major source of employment. They have noticed that retailing is closely tied to the changing moods of the consumers and new ways of business, spread on by the impressive development in Technology and Management Theory. The book provides a comprehensive grounding in many facets of retailing, including Logistics and Distribution, Merchandising, Store Layout and design, pricing and location strategy. The authors have included new areas of importance which includes retail services and out of store retailing. The authors have tried to understand what are the ways and means because of which retailing is growing in a global scenario? How it has influenced non-formal ways of trading? And what are the implications of new format of retailing on consumer behavior? In this book the authors have also tried to find out the different market structures that are required for retail operations and managing in the times of booms and slumps. This helps the readers to understand different facets, challenges and changes that are happening in the retail environment.

Hamilton Ryan\textsuperscript{91} in their research paper majorly focused on the important decision that retailers always involves in selecting the number of items constituting their assortments. A key issue in making these decisions is the role of assortment size in determining consumers’ choice of a retailer. The authors address this issue by investigating how consumer choice among retailers offering various-sized assortments is influenced by the attractiveness of the options constituting these assortments. The data show that consumer preference for retailers offering larger assortments tends to decrease as the attractiveness of the options in their assortments increases and can even lead to a reversal of preferences in favour of retailers offering smaller assortments. This research further presents evidence that the relationship between assortment size and option attractiveness is concave, such that the marginal impact of assortment size on choice decreases as the attractiveness of the options increases. Data from eight empirical studies offer converging evidence in support of the theoretical predictions.

Bradford Kevin., Stringfellow Anne and Weitz Barton A\textsuperscript{92} had written that the retailers are becoming involved with networks consisting of multiple firms in order to more effectively perform business activities such as supply chain management. This research develops and tests a framework outlining the effects of conflict in networks and how conflict management can mitigate and exacerbate these effects. A study of 81 simulated networks finds that inter-personal and task conflict have a negative effect on network member satisfaction and desire to be a member of the network. The use of a collaborative conflict management style has a positive effect on satisfaction and desire for continuity, but the effects of accommodative and confrontational styles depend on the level of inter-personal and task conflict present in the network.

Kaltcheva Velitchka\textsuperscript{93} developed the conceptual framework which proposes that the consumer’s motivational orientation moderates the effect of the arousal produced by a store environment on the pleasantness of the environment. When consumers have a recreational motivational orientation, high arousal has a positive effect on pleasantness, but when consumers have a task-oriented motivational orientation, high arousal decreases pleasantness. In addition, high arousal increases consumer intentions to visit and make purchases in the store for recreationally oriented consumers, but it has a negative impact on shopping behavior for task-oriented consumers. Pleasantness mediates the effect of arousal on shopping behavior.

Kaufman Peter, Jayachandran Satish and Rose Randall\textsuperscript{94}, have written that retailers face considerable risk in introducing new products because of high failure rates. Given the proliferation of new products juxtaposed against finite shelf space, retail buyers are confronted with a choice problem. To enhance understanding of this issue, the authors examine the role of buyer–salesperson and firm–firm relationships using


data collected in the context of actual new product selection by retail buyers at two large grocery retailers in the United States. The findings indicate that buyer–salesperson and firm–firm relationships have a greater influence on new product acceptance when a new product’s attractiveness is modest than when the new product is very unattractive or very attractive. At modest levels of product attractiveness, the likelihood of new product acceptance can increase by as much as 60 percent when the buyer has a strong relationship with the salesperson. The paper provides insights into the complex interplay of marketing relationships and product attractiveness in retail buyers’ selection of new products.

Raff Horst and Schmitt Nicolas\textsuperscript{95} investigated the implications for international markets of the existence of retailers/wholesalers with market power. Two main results were shown. First, in the presence of buyer power, trade liberalization may lead to retail market concentration. Due to this concentration, retail prices may be higher and welfare may be lower in free trade than in autarky, thus reversing the standard effects of trade liberalization. Second, the pro-competitive effects of trade liberalization are weaker under buyer power than under seller power.

Buchanan, Simmons and Barbara\textsuperscript{96} highlighted that consistency among the various elements of a marketing program believed essential in building and maintaining brand image and equity. And yet, a brand’s ultimate presentation to customers is controlled more often by the retailer than by the manufacturer. The retailer’s display decision can negate the equity of an established brand. The author suggests that this occurs because consumers have expectations about retail displays and the relationship among displayed brands. Display conditions that disconfirm these expectations can lead consumers to re-evaluate the brand.


Ganeshan\textsuperscript{97} focused on the impact of four staffing policies (promotion from within, promotion through seniority, well-defined career paths, and opportunity for intra-organizational mobility) on the job attitudes and behaviors of retail employees. Staffing policies significantly affect the buyers’ intrinsic motivation and commitment to their firms. Commitment and intrinsic motivation, in turn, have a strong effect on a buyer’s creativity, risk-taking behavior and intention to leave organization.

3.3 Review of Literature Relating to Organized and Unorganized Retailing

Kumar\textsuperscript{98} explained that in India, next to agricultural field, most of the individuals are employed in the retail sector. Around forty million individuals are involved in retailing. It is also found that among them 50,000 people have been working in well organized retail industries. He also defined well-organized retail industry as “large-scale chain stores which are corporatized, apply modern-management techniques”. He also explained that the community based private sellers fall under the group of conventional retail sector. Organized retail sector mostly consists of superstores and hyper marts. These are found to be common in the urbanized nations. In accordance to MRI report\textsuperscript{99}, the organized retail sector could get a turnover of around one thousand billion Indian rupees in 2012, if the existing performance is maintained.

Kearney\textsuperscript{100} explained that they have accelerated the infiltration of large scale modern trade into the Indian market. The insufficient physical and organizational structures and facilities could temporarily interrupt the progress of the organized sector. As a result there is a characteristic decline in the accessibility of various services in the


\textsuperscript{99} MRI report, India’s Growing Consumer Product and Retail Market.” Marubeni Research Institute, Sept., 2006.

\textsuperscript{100} Kearney A.T., “Emerging Market Priorities for Global Retailers”, Global Retail Development Index, 2006.
market and transition in the small scale business which are new to the industry. The outlook of the conventional Indian shoppers has been altered by these factors. The following figure 3.1 explains how the Indian organized retail sector has been divided into different sections.

**Figure 3.1**
Segmentation of Organized Retail

![Segmentation of Organized Retail](image)

Source: Kearney, 2006.

3.3.1 Growth of Organized Retailers and Emergence of Shopping Centers

Customers expect more and more superior quality and service and a certain amount of customization. The entrepreneurial retailer’s make an attempt to promote the entertainment factor in their stores by means of coffee bars, demonstrations, and performances. Instead of the product assortment it is important to focus on other mode rational factors like promoting the experience of shopping during marketing. As a result of this it can be seen that store-based small retailers are yielding to the raising power of huge retailers. The realty sector has identified the growing importance of organized shopping centers. An individual today cannot sell real estate unless they are combined with IT parks, shopping malls, etc. (Sumit Dabriwala, Managing Director
of Riverbank Holdings Pvt. Ltd.). Thus there are trends associated with development of shopping malls in developing countries like India.

Loudon and Della\textsuperscript{101} identified that the function of several variables involve the customer’s motive for store choices. These determinants include factors like store design, store personnel, advertising and sale promotion, merchandise assortment, physical facilities, customer services and clientele (social-class membership) which have a larger impact on the store choice. Sinha Piyush and Banerjee Arindam\textsuperscript{102} also defined that the product variety and convenient timings seem to be the utilitarian aspects about the store, which forms an initial impression on the consumers.

When an average person is considered it is seen that he allots some time to leisure every day and the growth of retail is found to contribute for the shopping has become a chosen alternative. Large shopping centers provide a unique experience to the customers to shop, in spite of their status, where people with no great purchasing power also throng to the stores. Each and every one wants to visit and experience the pleasure of shopping at those places. Now-a-days individuals have initiated to relate it with the status. Females accept shopping as a community experience, where in like to view about what to purchase before parting with their cash. The activity of social bonding occurs through this. When the shopping happens to be in case of two females, they talk, discuss, advise and consult\textsuperscript{103}.

Mitra M\textsuperscript{104} identified that the females tend to boost each other’s egos in this situation, building the activity even more pleasurable and positive. The term retail therapy is been addressed when the shopping happens to be in malls. “The act of purchasing involves little attention and an investment of time. All the above makes an individual


feel the significance and worthwhile. But the significance is that it reveals an individual depression for that moment and where that gives more involvement with the pleasure of being relieved and happy doing it” P S Das, Psychiatrist, Max Healthcare. John Campbell, Anthropologist views the money as a firm energy and releasing it, releases the possibilities associated with potentials in a mall.

Krishnaveni\textsuperscript{105} identified that the most important paradigm which is associated with promotion of loyalty among consumers is the attribute of quality. Present generation invest more on the basic factors such as books, clothes, food, music and gadgets such as mobile phones. “There is a basic economic change occurring and young people have grown to become a giant consumer base”. The present age group is more open to the idea of credit, “young people between the age group of 18 to 25 years have become an important customer base to the bank” (Puneet Chaddha, Senior Vice-President, Head of Cards, HSBC). This has again resulted in the growth of organized retail like shopping centers and malls.

Malls represent the status of the community. They are responsible for transition of the community. Nowadays most of the people have high income and they lead tight schedule life. As most of the people have a busy life style, they could spend time with their family while visiting the mall. As the shoppers could afford food from restaurants, they don’t have to waste their time in preparing food for their children as they would get tired with the shopping.

Kuruvilla and Ganguli\textsuperscript{106} explained that shopping develops into important aspect in the lives of people, as they are becoming financially sound to do purchase in malls and they begin to consider the shopping value as an important factor along with the price of the products. In 1990s the modern trend in shopping mall concept had been introduced by ‘Spencer Plaza’ in Chennai and ‘Crossroads’ in Mumbai. After that, there has been a great improvement in this modern concept. The organized retail


sector accelerates the progress of mall consumerism in main cities and mini metros. This progress is also influenced by the increase of the rich class population. One can understand the interest of the people in visiting the mall through the filled parking area, crowded café, busy stores and crowded gamin area. Kuruvilla and Ganguli explained that malls could provide price cuts, luxurious products for couples and children. They could entertain the children via games and other activities. The shoppers could buy the food for their family and they could watch movies in malls.

Dwivedi$^{107}$ explained that when compared to major cities in India, the smaller cities seem to be a better place for investment. This is because these cities have low priced lands, low functional and operational expenses and greater number of available lands. He further specified and explained that there has been a transition in the taste and purchasing priorities of the customers from Tier II and III cities in the past ten years. He also presented the views of Ernst and Young which illustrated that there was twenty six percentage of growth in mall of the metropolitan cities while malls in Tier II and III cities showed fifty five percentage of growth.

Gottdiener$^{108}$ explained that various behavioral requirements have been addressed in this modern shopping trend; they again explained that malls have changed the way of existence and concept of shopping. They have enhanced the infrastructure and services of the major Indian cities. The activities of mall get increased and it today is at its peak and at present the activities of mall in the smaller cities is also increasing even if the customers possess very limited knowledge about the brands. The shopping malls in smaller cities thus establish their environment and layout based on the attitude and the behavior of consumers.

Prayag A$^{109}$ explained that the disagreement among the mall administrator and sellers are generated if the expected renovation and footfall doesn’t materialize. Despite this

$^{107}$Dwivedi P.R., Saturation of malls in metros: Prospects in Tier II and III cities. India Retailing, July 18, 2010.


prediction in terms of growth of the modern shopping sector in India it is to be acknowledged there is lack of optimism in terms of growth of the industry. Most of the malls find more disappointment that the consumers are expensing lot of time in malls but they don’t have any intention to purchase anything from the mall. Hence the malls are mostly running in loss only. Usually the malls seem to be more crowded but the consumers come to the mall only for window shopping and not for real shopping.

Bajaj Chetan, Tuli Rajnish and Srivastava Nidhi, in their book ‘Retail Management’ emphasized with various new formats and packages related with retail industry in India as a result of liberal economic policies and boost given by the Ministry of Commerce and Trade to economic development in India. From the authors’ point of view, retailing consist of all activities involved in selling things and services to consumers for their personal, family and/or household use. It covers sale of goods, right from Automobile to Apparel and food products and services ranging from Hair cutting to Air travel and computer education. Thus the author has tried to examine the retailing from different perspective like manufacturers of white goods like Washing Machine & Refrigerators which have many options to reach to the consumers, i.e. through a different distribution format, the Manufacturer’s approach to exhaustive and exclusive distribution system or selection of selective distribution system, the consumer response to distribution and logistics practices followed by the retailers, the market response to different pricing and promotional policies adopted for popularizing a product or a service, the concept of brand loyalty and consumer loyalty to a shop or a distribution point and how it influences the consumer’s buying behavior. According to the authors the retail sector in India is highly fragmented with organized retail comprising only 2 percent of the total retail sale. The retail sector in developed countries is on the contrary highly developed and has changed overall format as a pattern of retailing. In the last century there was a fragmented retailing in most of the western countries which has been changed because of emergence of Walmart, Spinach, and McDonalds and have caused a rapid growth of organized retailing, as well as consolidation of retail industry in these countries. The rapidly

rising income level and accompanied by change in lifestyle greatly leads to the growth of organized retail in the west. Today, something is happening in India, there is increase in purchasing power, growth of middle class which follows the western style of living. Hence, conditions are conducive for rapid development of organized retail in India. According to author, the Indian environment is different from the western countries in many reach. The Indian cities are congested and large part of public is still concentrated in rural area. The Indian houses are smaller and Indian consumers still not use to buy bulk. The Indian retail scene is hence, very different from that prevailing in the developed countries. As organized retail grows retail formats are evolved in the west. It needs to be modified and new format suitable to Indian conditions have to be evolved. Even as organized retail grows, a large part of Indian retail is still likely to be unorganized. Hence, it is necessary that one should understand different practice of retailing from the Indian point of view, try to understand the engine of growth of retail industry, practice, scrolling the speed and the hindrances that are responsible for restricting its growth and development.

### 3.4 Changing Face of Consumers in the Indian Retail Market

The researchers discuss about the changes in the attitude of the customers with respect to various factors and many researchers have attempted to predict consumer behavior intention. The Theory of Reasoned Action, the Theory of Planned Behavior, and the Triandis Model that have been used by the researcher of this study to predict the consumer behavior are discussed in detail in this section:

Irudaya Rajan\footnote{Irudaya Rajan S., Population Ageing and Health in India. Background Paper Series 1, Center for Enquiry into Health and Allied Themes, Mumbai, 2006.} explained that as per the population report, there are 192 million families in India. Around 6 million families have yearly earnings of more than INR 2, 15,000. He also added that seventy five million households have a range of annual income between INR 45,000 and INR 2, 15,000. As the Indians have started to receive high packages they could manage to pay for amusement, food and beverages and nightlife.
Ramanathan V and Hari K\textsuperscript{112} found that in rural India there have been twenty million middle class families with the same shopping power as the families in metropolitan area. In comparison to financial system of other Asian countries, the financial distribution related to revenue is extremely uneven in India. It is observed that there are affluent and poor income groups in both metropolitan and rural areas of India. In this scenario, it is necessary to recognize the progress of the organized retailing in rural areas.

Bhatnagar\textsuperscript{113} stated that as the rural people are also getting high income they are able to buy luxurious stuffs. But the rural markets are not well developed in terms of facilities when compared to metropolitan markets. Therefore the retailers are little skeptical in moving to rural markets. But in the 21\textsuperscript{st} century with the government intervention the retailers are exploring the rural markets.

Bijapurkar R\textsuperscript{114} illustrates this concept with an example, where the most successful and the largest incorporation, Wal-Mart concentrated in the rural market, after receiving a great deal of competition in the metropolitan market. It is necessary to promote the characteristics of a particular business model in a way that it matches the preference and expectation of the local industry. From this example, we could realize that it is necessary to focus on the mode of business operations rather than the location of business. In accordance to the Indian Retail Handbook as the rural India is getting influenced by metropolitan, it could develop the retailing market with 23 million families (i.e., 115 million customers).


Gupta, Agarwal and Sinha\textsuperscript{115} explained that in India there have been almost forty two thousand sales units. The average number of sales unit per hectare is three hundred, standard trade per unit is INR 900 and average number of shoppers entering the mall (foot fall) is approximately four thousand five hundred. As the potential of the rural markets is getting increased it makes the retailers to shift their market from the cities to the rural areas. It is also said that the industries should concentrate on the purchasing ability of the customers instead of their residential location.

Bijapurkar\textsuperscript{116} explained that the reduction indicates the increase in the number of middle class populations who can manage to pay for food, beverage and entertainment in addition to their basic needs. In India a great increase in family income has been observed. As per NCAER data the number of families with the annual income less than INR 90,000 is found to be reduced to 1, 14,394 in 2013.

In accordance to Marketing White Book\textsuperscript{117}, a metropolitan family allocates almost ten percentage of money in their monthly budget for fuel and Lighting where an urban family spends around nine percentage of their income for the same. Due to the heavy competition in urban areas of India, this value seems to be attractive.

Singh Kumar, Reetesh and Tripathi\textsuperscript{118} highlighted about the stability of the products. They also observed that if a product becomes famous in the market, the customers may change their preference from usefulness of the product to color and design. Therefore it is very important for the Indian retailers to adapt to the business tactics as the attitude of the Indian shoppers has changed; they demand equilibrium between the rate and quality of the products. They expect that the rate of the brands should match their quality.


Chernev Alexander\textsuperscript{119} discussed about an original decision heuristic that consumers use to choose among assortments. In particular it demonstrates that consumers are more likely to choose an assortment in which the number of available option matches their purchase-quantity goal. This finding is attributed to the quantity-matching heuristic, which points that a match between the assortment size and the number of to-be purchased items enables consumers to avoid trade-offs associated with choosing a specific option while providing them with a readily available reason to choose the matching assortment. This article examines how the number of to-be-purchased items influences consumer choice among assortments. It is argued that when consumers are uncertain about their preferences, they are more likely to prefer an assortment for which the number of available options matches the desired purchase quantity. This prediction is based on the notion that a match between the size of an assortment and the number of to-be-purchased items enables consumers to simplify the selection process by eliminating the need to trade off the benefits and costs of individual choice alternatives—a strategy referred to as the quantity-matching heuristic.” The theoretical predictions are supported by data from five empirical studies that offer converging evidence for the role of purchase-quantity goals in assortment choice and identify moderating factors and boundary conditions.

Kamaladevi\textsuperscript{120} stressed that, to compete successfully in this business era, the retailers must focus on the customer’s buying experience. To manage customer’s experience, retailers should understand what ‘customer experience’ actually means. Customer experience management is a strategy that focuses the operations and processes of a business around the needs of the individual customers. The goal of customer experience management is to move customers from satisfied to loyal and then loyal to advocate. Focused on the role of macro factors in the retail environment and how they can shape customer experiences and behaviors. Several ways (e.g. Brand, Price, Promotion, Supply Chain Management, Location, Advertising, packaging and


labeling, Service mix and Atmosphere) to deliver a superior customer experience are identified which should result in higher customer satisfaction, more frequent shopping visits, larger wallet shares and higher profits.

Jiewen Hong\textsuperscript{121} examined consumer choice as a function of the perceptual similarity of the options in the decision set. In particular, a scenario in which a set of options is extended by adding alternatives that change its perceptual characteristics, increasing the salience of one of the options in the core set. In this context, we document that, contrary to normative predictions, perceptual focus can increase the choice share of one of the core options, even when the added alternatives are dominated by both options in the core set. It further show that the observed effect is a function of consumers’ mode of information processing and is more pronounced in the context of intuitive processing than analytic processing. He also examined that consumer reaction to two common positioning strategies; a specialized-positioning strategy in which an option is described by a single feature, and an all-in-one strategy in which an option is described by a combination of features. The empirical data reported in this article demonstrate that a product specializing on a single attribute is perceived to be superior on that attribute relative to an all-in-one option, even when this attribute is exactly the same for both options. It is further shown that the observed devaluation of the all-in-one option can be mitigated by introducing another attribute on which the all-in-one option is inferior to the specialized option. He also has discussed the influence of goal orientation on consumer preferences for the status quo. The data from three experiments offer converging evidence that the preference for the status quo is stronger for prevention-focused than for promotion-focused consumers.

Bhatnagar and Ghose\textsuperscript{122} explained that the promotional activities focusing only on developing the image of the business won’t produce any effect among the shoppers. That is because, The Indian shoppers are experts in identifying the necessary information among the given. It is also observed that they won’t change their


priorities at any cost while selecting the brands. The above middle class shoppers in central part of India have not been attracted by the low price offer, which is the general strategy being applied in developing economies.

Rajan, Irudaya explained that the changes in the attitude of the shoppers has resulted in firms insisting to focus on maintaining balance between the rate and quality in addition to price competitiveness. If a company sells a product at cheap rate, it has to explain the reasons behind it. For a product to be well accepted by the middle class customers, the manufacturers should convince them in terms of both rate and quality.

Ramanathan and Hari explained that in future the number of large-sized international chain shops will be high. Indian market has various types of retailers at present among them small-sized retailers are high in number. Mass media and word of mouth advertising are found to be the information sources of middle class families in India. As the Indian customers are experts in choosing their requirements from the given information, the companies should use the mass media to some extent. Merely with lot of commercial advertisements, they will not be able to sustain their market. Once their products become familiar in the market, the companies could increase the number of customers in a slow and steady way.

Gupta, Agarwal and Sinha in his article elaborate that companies should give a chance for the customers to experience their products/services before purchasing. It is expected that after experiencing the product the shoppers could assess the quality. This approach could act as a word of mouth advertisement.

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Baseer and Laxmi\textsuperscript{126} explained that this technique has been applied in China to take test drive at sales places like automobile cities while in “computer cities” the shoppers are allowed to observe and operate the presented products like digital camera and PCs. Internet is an effective mode for product promotion. But Word of mouth marketing has both advantages and disadvantages. It is essential to adopt well planned precautionous measures to increase the advantages and to reduce the disadvantages.

Baseer and Laxmi\textsuperscript{127} discusses that there is a necessity to enhance the post-sales services in Indian retail sector. It is necessary to avoid the disappointment of the consumers with the help of outstanding post-sales services. This is possible only with the establishment of the direct sales outlets of the manufacturers. As the attitudes of the Indian shoppers have been changed a lot, a great development in the organized retailing sector is observed in India.

Schiffman and Kanuk\textsuperscript{128} in the study conducted by them on consumer attitudes, two important orientations have been emerged from the past. Often the initial orientation specifies three basic components of attitudes include cognition, affect and conation and hence it is referred to as the tripartite view of attitude. The cognitive component deals with perception and knowledge which can be obtained through combination of related information from different sources and by getting direct experiences with the attitude object. The affective component deals with the feeling of individual’s regarding attitude object whereas the conation components encompass with the behavior of individual with reference to attitude object.


Lutz\textsuperscript{129} generalized that the “second orientation, the unidimensionalist concept of consumer attitude may possibly considered as a progress of the tripartite perception. Because it contains similar thirteen component of tripartite perception expect the conceptual status which is considerably differs from tripartite view of attitude. In unidimensionalist approach, both cognitive as well as conation aspects are to be “pulled out” of attitude. So the conation here is encompasses with intention and behavior of consumer and cognitive encompass with belief of consumer. Therefore the unidimensionalist position is nothing but the attitude is unidimensional contains only single component, affect which indicates favorability or unfavorability of consumer regarding the attitude object.

Fishbein and Ajzen\textsuperscript{130} specified that other behavioral attitudes and belief are not observed as components of attitudes as such but it can be considered as background or outcome of consumer attitudes. In order to support consistency, the unidimensionalist view has presented a casual flow in the component when the tripartite view included the notion of consistency in the midst of component. The next section deals with few theories incorporated in both unidimensionalist and tripartite view of attitude.

Heider\textsuperscript{131} in his study specified that, several balance model theories have been formulated. As per his theory, an individual received his environment in relation to triads. Specifically a person viewed himself in triangular relationship where person, ideas and things are three important components have either positive or negative relationship with each other which is termed as sentiment. If there is negative relationship among these three components then the model is referred as unbalanced one and balanced if the affiliation is positive. For instance consider the consumer situation as per following statements:


\textsuperscript{130}Fishbein M. and Ajzen I., Belief attitude, intention and behavior. Reading, MA: Addison-Wesley, 1975.

1. “I don’t like beautiful, luxurious coats”,
2. “I like impractical products”, and
3. “I think large, luxurious coats are not useful”.

This situation can be depicted in the following scenario.

Loudon and Bitta\textsuperscript{132} in their article specified that, the structure indicates an unbalance model because there is a positive affiliation among two sides of triads and negative correlation on third side. Thus, this structure implicates a negative multiplicative product. Ultimately, it will produce tension for consumer because of unbalanced relationship. It may possible for the consumer to live with the tension without resolving it but if the sufficient tension persists it may possibly alter the attitude at least one component so as to balance the process.

Festinger\textsuperscript{133} developed the theory of cognitive dissonance. As per his theory, the cognitive dissonance as an emotional state in which a person perceived two thoughts and believe both to be true, but it do not fit together i.e. he is not in a consistent state. The ensuing dissonance produces tension that provoked the consumer to bring consistency to in coherent component and thus condenses the mental tension. Generally a purchase decision related with choice among brand for example chewing gum at supermarket checkout counter is not likely to produce more dissonance. In order to purchase products, the consumer must commit some money but it likely to generate more dissonance only after purchasing the products. Generally, when compare to convenience goods, durable as well as luxury goods are likely to produce more dissonance because it consumes more investment in time, ego as well as money.


Rosenberg\textsuperscript{134} particularly pointed the basic values of the individual and its relation with general attitude. As a result the theory of Rosenberg often not only identified the consistent theory of tripartite view but also identified the expectancy value theory of unidimensionalist view which will be discussed later. As per Rosenberg’s theory, attitude is the sum of two elements. Value can be measured with regards to its value importance (V) to individual with its perceived instrumentality (P). In particular, the level to which the value can be blocked or attained through the attitude object in question. The formula can be expressed in the value which is the measure value importance for instance value of importance is good looking one; Pi is the perceived instrumentality of attitude object regarding the value for instance the level of using Ultra-white tooth paste can be blocked or attained by means of using good looking individual.

As per Rosenberg, either change in attitude or cognitive structure (Pi or Vi) will create inconsistency among two constructs which leads to mental dissonance to individuals.

Hence the individual must seek to reduce this inconsistency by giving more attention to this line using new cognitive structure. By this way this theory provides an excellent description for the basis of attitudes. The basic values have been used for forecasting the strength and weakness of attitudes of individuals. However the general values may not be useful in forecasting more situation specific determinants.

Carlson\textsuperscript{135} social psychologists in order to recognize attitude of consumer, initially performed an expectancy-value approach at the University of Michigan.

This model mainly indicates that an attitude of individuals reflects the belief of individual. These beliefs can be represented as sum of the expected values which are attributed to the attitude object. Attitude can be predicted by multiplying the


expectancy and value terms in association with each attributes and the products are added which can be represented as follows:

\[ \text{Attitude} = \sum \text{Expectancy} \times \text{Value} \]

Peak\textsuperscript{136} used the term “evaluation” in the place of “affect”. She defined the term attitude as a concept containing affective properties which can be determined through individual’s attitude structure.

Fishbein\textsuperscript{137} came up with Value Expectancy Model that deals with basic hypothesis indicated that an individual attitude towards an object indicates the perception of individual’s regarding the entity. Sturdy significant philosophy with respect to entity paves the way for the sturdy attitude in relation to entity. The model is explained in figure 3.2.

**Figure 3.2**

*Fishbein's Value Expectancy Model*

Source: Fishbein 1975.

\textsuperscript{136}Peak H., Attitude and motivation. In M. R. Jones (Ed.), Nebraska Symposium on Motivation (Vol.3) pp.149-188. Lincoln: University of Nebraska Press 1955.

Philosophies have:

1) An anticipation constitution, is considered as the individual possibility in which the entity attitude bond with an element and

2) An assessment constituent is an approximation of the attribute. Numerical representation of expectancy value is presented below:

\[ A_0 = \sum_{i=1}^{n} b_i - e_i \]

- **\( A_0 \)** is the attitude towards the entity \( O \);
- **\( b_i \)** is the expectancy or individual philosophy that element \( i \) connects with entity;
- **\( e_i \)** is the assessment of element \( i \);
- **\( n \)** is the quantity of outstanding philosophy (Fishbein).

By using Value expectancy Model (Fishbein) as a source and based on equation, it is noted that humans are often standardize, increase or removes the intention to come ashore on an activity be it a purchase decision.

Kaplan\textsuperscript{138} suggested that, all kinds of data can be merged since the arithmetical equations advanced the cognitive contribution. Subsequently, in the case of tourism industry the current study has made an attempt to measure the loyalty in the attitudinal expectancy value. As per this research suggestion, Fishbein’s model provides an appropriate intended method for researchers to measure the customer’s approach regarding the loyalty of consumers in the retail industry. Finally, how the concept will materialize to collect and analyze data by employing the value expectancy model will be discussed in methodological section in a detailed manner.

\textsuperscript{138}Kaplan E. et. al, Multilayer Sampling in the Water-Table Region of a Sandy Aquifer, Ground Water, V. 29, Number 2, pp. 191-198,1991.
Cohen and Areni\textsuperscript{139} has drawn the caricature by stating that often the term “affect,” “emotion,” and “mood” have been used interchangeably throughout the relevant theory and research literature. The differences are identified only if they are made on the basis of structural differences for instances.

Schwarz and Clore\textsuperscript{140} differentiate sixteen moods from emotion regarding specificity of targets (such as moods are diffuse and unfocused and emotions are specific reaction regarding particular event) and timings for example moods is more remote in timing when compare to emotions. Though the cause and implication of each of these states cause some difference in conceptualization but there are several consistent elements exist between varieties of definitions. The characteristics positive or negative tone and intensity (weak to strong) have been found across affect, emotion, and mood.

Batson\textsuperscript{141}, conceptualized it is the most general term which implies global state in which the emotions as well as mood are conceptualized as substrate. The characteristics tone may positive or negative can sometimes referred as valence or polarity as specified by

Pultchik\textsuperscript{142} and intensity may be strong or weak referred to as the subjective experience of individual. He also claimed that affect may be placed in the midbrain of individual and informed that those states of affairs that it values more than others. Change from a less valued to a more valued state is accompanied by positive affect. Intensity of the affect reveals the magnitude of the value preference”.


Lazarus and Smith\textsuperscript{143} stated that either affect determines value or value determines affect it is evident that our experience would be unbiased until the preferences reflected by positive and negative effect. They also specified in their article the ten basic emotions that have been identified by him that includes contempt, fear, distress, disgust, contempt, surprise, joy, guilt, interest and shame. Each and every type can be presented to a greater or smaller extent in each emotional experience. Presently, four basic emotions have been suggested by Kemper\textsuperscript{144} suggested four basic emotions include anger, depression, anger and satisfaction he further justified other emotions such as fear, rage, panic and expectancy. He further observes that the difference of opinion regarding number of basic emotion can be harmonized with difference of opinion with respect to their identity.

Ger\textsuperscript{145} stated that the lowest level of affective state is mood. Tone and intensity are found to determine the mood of the individuals cognitive and behavioral processes of the individuals are found to be influenced by their mood. But he added that these factors may not be disrupted by their mood. As per the conceptualization of mood, this state is found to be more diffuse and most of the individuals are not aware of the causes of the mood. While, explaining that even small and minor incidents can intensify the mood of the individuals.

Alpert\textsuperscript{146} stated that positive or negative moods can be developed due to small events such as distribution of free cookies in a library’s study hall, win or failure at a video game and musical competitions. It is believed that individuals may not know the

\textsuperscript{143}\textsuperscript{143}Lazarus R.S. and Smith C.A., Knowledge and appraisal in the cognition-emotion relationship. 

\textsuperscript{144}\textsuperscript{144}Kemper T., How many emotions are there? Wedding the social and the autonomic components. 


causes of the mood state. But the functional theory explains that physical or social signals in the atmosphere will help the individuals to sense the possibility of happiness or pain.

Gardner\textsuperscript{147} in his article stated that the strategic marketing variables of service encounters, point of purchase stimuli and marketing communication are found to be influenced by the mood of the individuals. He in his article also discussed about the self-correcting nature of negative moods. In addition to that they tend to give more preference to positive moods than negative moods.

Lazarus\textsuperscript{148} in his study tests the emotional response of the individuals; the researcher reviewed the literature that includes the theories of emotion. Three factors such as relational, motivational and cognitive should be addressed by these theories of emotion. Harmful or beneficial relationships between the individuals and environment are associated with relational emotions. A particular person-environment link will be observed in each emotion. Reactions to our desired goals at the time of encounters with the situations are known as motivational acute emotions. A recursive link that exists between cognition and emotion has been discussed by Lazarus. Subsequent to an appraisal, emotions will be induced by cognition. These emotions in turn will influence the upcoming cognitions.

Booth\textsuperscript{149} elaborated the fact that attribution theory can effectively evaluate the explanations of the individuals about their own and others’ behaviors and the eighteen consequences of these explanations. Of the attribution along three-dimensional locus such as causality, controllability, and stability is found to determine the consequences of a causal attribution. The extent to which an activity or incidence can be considered as the reflection of nature of the target Vs the nature of the situation of the target is

\textsuperscript{147}Gardner M.P., Does, attitude toward the ad affect brand attitude under a brand evaluation set? Journal of Marketing Research, 22, pp. 281-300, 1985.


known as locus. The extent to which an activity or incidence can be considered as the volition of the target is known as controllability. The extent to which an activity or incidence can be considered to be unchallengeable vs. changing over time is known as stability. For example the dimensional attributions of external locus and controllability are found to be associated with anger and internal locus and controllability are found to be associated with guilt.

Weiner’s\textsuperscript{150} in his journal suggested that emotions and attitudes toward the target are found to be generated by the attribution opinions about the three casual dimensions. He further stated that the behaviors of the individuals are influenced by these emotions and attitude.

Appraisal Model.

Smith and Lazarus\textsuperscript{151} in their article came up with the evaluation of the relationship of the individuals with the environment that involve in the well-being of them which they suggested is known as appraisal. Appraisal has been described at two complementary levels of assessment in this model. The questions assessed in the appraisal will be represented as the appraisal components at a molecular level. They further stated that at a molar level, core relational themes are found to develop the pattern of evaluation results across the components of appraisal into the central meanings that develop the various emotions. Motivational relevance and motivational congruence are the elements of primary appraisal. Responsibility, problem-based coping ability, emotion-based coping ability, and future expectancy are the elements of secondary appraisal.


Mehrabian and Russell’s\textsuperscript{152} developed certain scale and they gave an overview of those scales. The following are the most important emotions scales developed by them and that have been used by the marketers in understanding consumer behaviour:

- The key emotion scale that has been used in the environmental psychology field so as to evaluate the emotional responses of the individuals to their environment is Pleasure, Arousal, and Dominance (PAD).
- The Differential Emotions Theory of Izard’s includes ten fundamental emotions. In this theory he has included some negative emotions like anger, disgust and guilt that are not included in PAD and Plutchik’s emotional scales. All emotional responses of the human being have been divided into eight categories by Plutchik’s. Few researchers have compared both of the aforementioned scales on the basis of consumption of experiences\textsuperscript{153}. They suggested that it would be better to use Mehrabian-Russell PAD dimensions.
- Few researchers tested the use of these scales in a shopping context Machleit. They have observed that Izard and Plutchik emotion scales can collect more data in terms of the emotional status of the shoppers.
- In addition to these aforementioned emotion scales the researchers have developed various scales. In order to evaluate a wide range of emotions that have often observed in consumption situations, a Consumption Emotion 19Set (CES) was developed\textsuperscript{154}. This scale was based on M-R schemes (1974), Plutchik’s eight basic emotion categories and Izard’s ten fundamental emotions.


Fishbein and Chan\textsuperscript{155} in accordance to the theory of reasoned action behavioural intention of the consumers determines their behaviour and states that ‘attitude toward the behaviour’ (i.e. favourable or unfavourable opinions about the behaviour) and ‘subjective norm (SN)’ (i.e. the perceived beliefs of the others about the behaviour in question) will determine the behavioural intention. In accordance to this theory the attitude of the consumer towards behaviour will produce more influence on the intention of that consumer to perform an activity, when compared to his/her attitude toward a product or service. In addition to that, normative social beliefs of the consumer may also influence his/her intention to perform a particular activity.

Thompson\textsuperscript{156} specified that these are all the behaviours that could be controlled by the individuals. Many researchers have criticized this assumption. Few researchers argued that most of the researchers have focused the situations wherein a consumer can’t completely control the target behaviour.In addition, it is also specified that consumer behavior is an important aspect in fluctuating the performance of the consumer.

Ajzen\textsuperscript{157} included factors into the theory of planned behaviour and stated that “actions that are at least in part determined by factors beyond individuals volitional control fall outside the boundary conditions established for the model”. If a consumer feels that it is very difficult to purchase groceries online or if he doesn’t have the resources needed to do online purchasing he will be prevented from doing online shopping. ‘Perceived behavioural control (PBC)’ has been included as a determinant of behavioural intention in the theory of planned behaviour. But the TRA model doesn’t include this determinant.


Posthuma\textsuperscript{158}, perceived behavioural control could be conceptualized as the, believes of the customers about the difficulties in generating the behaviour in question. Various research settings are found to be associated with the concept of PBC. In order to investigate the unsatisfactory experience,

Stephens\textsuperscript{159} used the term ‘secondary appraisal’ while conceptualizing the perceived ability of the consumers. Similarly online prepurchase intentions model has been developed and tested. These approaches have included the concept of PBC.

Both the theory of reasoned action and the theory of planned behaviour have been applied in the study of unethical behaviour which has been conducted. As a result, this study has included PBC. In addition to the various key concepts that have been derived from control theory and organizational justice theories, Posthuma have also included PBC while developing a theoretical model of arbitrator acceptability.

Ajzen\textsuperscript{160} with the help of this theory justified that the researchers can “account for behavior of various kinds by reference to a relatively small number of concepts”. They have also said “there may … be certain individual for whom the theory does not apply the accumulating evidence suggests …that the theory is useful for most individuals and with respect to most social behaviors”.

In order to investigate the intentions of the customers towards shopping, TRA has been applied in various studies.

- Electronic shopping Shim.
- Generic prescription drug purchasing Moore.
- Mall shopping Evans


Internet shopping Vijayasarathy are some of the behaviors that have been assessed with the help of TRA model.

In order to assess the effectiveness TRA model Sheppard have conducted meta-analyses. They found that, this model will be effective even if the study investigates the circumstances and behavior that do not fall within the limits of this model.

Subsequent to the meta-analysis of the studies that apply the Theory of Reasoned Action model, Sheppard modified the original TRA model so as to include goal intentions, choice situations, and differences between intention and estimation measures.

Davidson\textsuperscript{161} pointed out that this approach has been applied across cultures. However, Cote pointed out that western views such as on time orientation, probabilistic thinking, and locus of control have also been included in this model. Lee\textsuperscript{162} stated that as this model represent a western view of normative influence; the normative components of this model have been challenged.

Two equations have been included in the Triandis (1977) model. \( P_a = (wH + wI) F \) is the first equation. In this equation,

\[
\begin{align*}
P_a &\text{- Behavior,} \\
H &\text{- Habit,} \\
I &\text{- Intention} \\
F &\text{- Facilitating conditions.}
\end{align*}
\]

\( I = W_s (S) + W_a (A) + W_c (C) \) is the second equation.

In this equation


“I” - the intention function of social (S), affective (A), and consequences (C)

Similar to the TRA model (Ajzen), this model considers the attitude toward the performance and social-normative considerations as the determinants of intentions.

Triandis divides the attitude toward the act into two as follows:

1. Affect toward the performance and

2. The value of the perceived consequences of the performance

Thus, the behavioral attitudes of Fishbein and Ajzen are found be associated with the perceived consequences (C). However, Triandis’s affective term that has been described as “the particular configuration of emotions [that] becomes activated at the thought of the behavior” is not included in the Theory of Attitude toward the behavior. In accordance to this model, intention is directly influenced by affect and cognition. However an attitude component can’t influence these affect and cognition.

Sheth and Triandis argued that many basic constructs such as role perceptions, norms, the situational self-concept, and personality are incorporated with the social factor (S). But a well defined functional description about the construct has not given yet.

In accordance to this model, the questions about the behavior of the consumer will be used to measure the S-component and the questions about the semantic differential judgments about the pure affect scales (e.g., enjoyable) will be used to measure the A-component and the normal probability and value judgments during subjective utility research will be used to measure the C-component.

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Triandis and Malhotra\textsuperscript{165} stated that, the cross-culture applicability as well as the sensitivity of this model could be enhanced by incorporating the related information into the measures. Eagly stated that though this model can effectively predict the intention and behavior, it is inferior to TRA in the consistent prediction of intention and behavior. Therefore “It is highly desirable that multi-method measurement be applied to each construct.” In addition to that a universal scale for Social factors that can tell do’s and do not’s in a particular context has also been recommended by them.

3.5 Review of Literature Relating Consumer Behavior in Retail Marketing

Arif and Kaneez\textsuperscript{166} in their book ‘Retail Management’ explained retailing as a process that involve identifying target market i.e. customers interpreting needs of target markets, developing good assorts of merchandise presenting them in a effective manner so that consumer can find it easy and attractive to buy. Thus, from the author’s point of view retailing differs from marketing in the sense that it refers only to those activities which are related to marketing of goods and services to final consumers for personal familiar household use. Whereas, marketing we refer to as the process of planning and execution of conception, pricing, promotion, distribution of ideas/goods/services to create exchanges that certifies individual/organizational objectives. Retailing happens to be a part of overall marketing process. The authors have further commented that retailing is one of the most important industries in any country enjoying and employing major share of workforce, selling whether in a store or at a door step require many peoples. According to the authors the person who runs the retail shop will not be the ultimate or final or end sale to the consumer i.e. end users. The person to whom the retailer’s sales are the final players in buying the goods and services. Intermediate consumers can also be frequently found and therefore retail management basically deals with identifying end users or final consumers promoting them, motivating them and activating them to enter the shop and attract them to a


particular set of goods or commodities or services which they will buy for their ultimate consumption. Retail sector as noticed by the author has an increasing potential and therefore it has become a dominant marketing activity. It accounts for impressive growth of gross domestic product, attracts employment, develops overall consumer satisfaction, creates needs and demands, and thus enhances economic activity. The economy can be made more consumption based only through retail activity and therefore from the author’s point of view, there are a large no. of retail outlets that are required not only to satisfy the existing demands of existing consumers but also better demand for potential consumers.

Goldman\(^\text{167}\) explained that retail format has the ability to recognize the capacities of the sellers. It could make the company to earn return on investments higher than the cost of investments. It acts as a driver which attracts the shoppers. There is an evolution in the retail format of developing countries which place themselves competitively in national and international level. From the year 1990, there has been a revolution in Indian retail format.

Anand and Sinha\(^\text{168}\) reported that though there is an extreme transition in Indian retail format, only five (5 percent) percentage of overall retail market has been occupied by organized retail sector. Open market, sandy, street shops and grocery store are the major segments of the retail market in India. Further they have also explained that the customers’ priorities are being changed with respect to the availability of the retail formats. So it is difficult to predict the attitude of the shoppers. As an example, the customers may visit grocery shop either for bulk or small purchase.

Block and Morwitz\(^\text{169}\) pointed out that fill-up purchase are found to be a common and spontaneous. If the shoppers require anything urgently, they will reach the nearby


street shops. This is called obsessive purchasing. But the shoppers have a tendency to carry out the Bulk grocery purchase in a periodic and planned manner and these types of purchases have been influenced by utilitarian motivations. The shoppers’ perspectives on functional features of the retail sectors in response to the changes in the retail format and the shopping value gained by the customer through the retail formats have been focused only by few researchers.

Yoon and Tran\textsuperscript{170} identified that the outcomes of a profitable venture is based on the satisfaction and preference of a consumer. The customers are influenced by purchase intention and there is an unexpected increase in terms of market share and loyalty of the customers.

Dick and Divett\textsuperscript{171} pointed out that the increase in consumer loyalty is considered as one among the essential strategies of marketing which is been identified by the researchers. It is therefore important to ensure that there is understanding of all the facets of consumer interests in order to understand brand loyalty and brand preferences. The consumer preferences towards one particular brand or retailer maybe associated with determination of specific factors with regards to consumer attitude and behavior.

Odin\textsuperscript{172} defined that behavior and attitudes are the two terms in concern to loyalty to a brand. In addition, Aaker also explained that “the attachment that a customer has to a brand” is the phrase given to signify the loyalty of a customer to a particular brand. Divett points out that when the customer is given with many choices, he opts for the first choice in selecting a specific brand considering it as a tendency of the customer to be loyal is called as the brand loyalty. If a particular brand is continually obtained by the consumers then it’s regarded as the promotion of consumer loyalty with respect


to their behavior. In addition it can be identified that it is cheaper and easier in terms of measuring the cost of the product.

Dekimpe\textsuperscript{173} described that it is beneficial to promote brand loyalty as it promote repeat patronage. Further, in terms of the cost of measurement, this is both cheaper and easier. The stability of a product in a market and improving the strength of their earnings is a fundamental reason for the company to develop its brand as stronger and successful.

Keller\textsuperscript{174} described that it is important that the brand loyalty should be promoted as it helps in counting the popularity of the product and further can help in promoting repeat patronage. This leads to benefit in terms of the cost of measurement. The reason for the company to develop its brand as stronger and successful is to establish itself stronger in the market. Perrier identified that the earlier literature in this field has exposed the need for better brand management and the establishment of a good brand structure as a basic cause in many organizations. The success of a brand and presentation of relative measures of a market place is associated with the performance of a brand. Thus, the performance of the brand is directly associated with the objectives of an organization within a particular market background.

Wearerwardena\textsuperscript{175} describes that the market-driven firm paradigm is also concerned with the ability to these firms to stand out and establish their capacity to continually sense the market trends and events and perform accordingly. The performance of a brand is associated with measuring the significance of strategic marketing. In this field, the literature review identifies the organizations having greater tendencies towards strategic marketing of stronger brands. The study has presented the significance of learning from a market in terms of being the whetstone to original


thinking and enhancing performance indices. As defined by Keller its true that the brand intelligence formed in the mind of the customer is the greatest asset to an organization.

Gardner\textsuperscript{176} identified that the natural outcomes of the interpersonal and dyadic nature of the retail environment have an influence in retail or service encounters by presenting transient feelings. For instance, the in-store behavioral aspects such as amount of time spent in the store, willingness to visit again, and spending levels are the factors impacting consumers store evaluation and store choice which is resultant of the exposure to store atmosphere\textsuperscript{177}. At last the future shopping intentions revealed the interacting effects of in-store mood and quality of consumers’ shopping experiences. Therefore, the future shopping intentions and shoppers’ satisfaction are influenced by the transient emotions. The further research specifies the nature and range of emotional experiences encountered in the retail level. The store environment results with the building up of emotions which influences one to have a greater impact towards the retailers (e.g., Warner Brothers, Bed Bath and Beyond, and Barnes and Noble).

There is a need to characterize the retail environment by identifying consumers’ emotions and determining if they are managerially relevant. This research highlights two studies that have examined the result of environmental characteristics of stores and the ultimate impact on in-store emotions.

Dono-van and Rossiter and Ridgway, Bloch and Nelson identified that the characteristics of the store includes both the atmosphere and facility infrastructure including music, layout, color, space, lighting and design. Further, the other factors involved include controllable characteristics of the retail environment which may also affect the in-store emotions (e.g, product assortment, sales help, etc.). Further it is


identified that the influencing consumer’s emotions require additional work which has to be carried out to recognize the variables in the retail context.

Earlier research in this field has identified that store characteristics affect store evaluations and/or choices along with a few emotions which mediate these effects. While some in-store characteristics may influence the store attitudes directly, certain others may do so through their meditational control on emotions. Hence understanding the store characteristics which have direct vs. an emotional route towards store attitudes would be useful.

Smith and Ellsworth\textsuperscript{178} analyzed the present studies on emotions and suggested that a retail framework have used standard lists of emotions which will be improved in a manner that one can study human emotions regularly. As these lists are useful and potentially comprehensive, they may over represent emotions that are not an essential element of the retail context (e.g., pity), and may also under represent the emotions (e.g., frustration). A preferred strategy in measuring the emotions is to value the emotions that are mostly related with the domain of inquiry. Hence, mounting the list of emotional experiences adapted the retail context (vs. general human emotions) may be desirable.

Myers and Lumbers\textsuperscript{179} suggested that the younger consumer groups are attracted towards shopping malls. When compared to older consumer groups. The shopping centers shopping values are often affected due to consumer shopping orientations, social influences, and personal values. In accordance to the age, the behavior of the consumer towards shopping varies.

Barak\textsuperscript{180} identified that the shopping centers are focused towards the section of younger population primarily because they are more brand aware. The shopping


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values and behavior of consumers are determined based on various segments of consumer population. For instance, the shopping behavior of older consumers focuses on convenience and leisure while the younger consumers focus towards seeking entertainment.

Sit\textsuperscript{181} identified that entertainment is as essential to the shopping centers since it forms an exciting shopping experience. The raison d’être differs not only with demographics but also with the personality types. The research implies different factors for consumers’ preferences towards the shopping centers as it may be associated to the behavior of the search variety or behavior to look for proximity and lower the in-store distance while shopping. In order to identify and present effective marketing strategies, it is crucial for retailers in shopping malls to involve suitable segmentation approaches for targeting consumers.

Shim, Eastlick and Lotz\textsuperscript{182} presented antecedents related to consumers decisions related to visiting a store or shopping center. Numerous variables have appeared with antecedents to repatronage intention, such as

- The mood state of shoppers which plays a very important role during shopping.
- Income of consumers.
- Shopping centre atmospherics.
- Location choices within a shopping centre.
- Perception and risk associated with a particular store.
- Type of store.
- The match between shoppers’ self-concept and their attitude toward the store.
- Affective state of shoppers.
- Shopping centre shopping frequency.


Chebat and Michon\textsuperscript{183} identified that managers and retailers recognize the positive impact of retail atmospheric on shopping behavior. The loyalty of a consumer is improved based on the shopper’s commitment to a given shopping center. The researchers reported that shopper’s commitment to a given shopping center is due to a resistance to change tendency depending on the extent to which (1) they are positively sensitive of the shopping center characteristics, and (2) they experience self congruity, which is in order linked to the shopper’s perceptions and evaluations of shopping center image dimensions.

Dawson\textsuperscript{184} proposed that few researchers have established the choice of a shopping center that is reliant on convenience and economic attributes, such as the presence of services (e.g., banks and restaurants), recreational attributes (e.g., fashionability, variety of stores) and accessibility. He identified that research in this area suggests the presentation of the decision to use shopping centers may stem from distance and travel time, cost of shopping to the consumer, characteristics of the shopping area, and the size of shopping area.

Fiore and Ogle\textsuperscript{185} identified through a study that satisfaction of the store environment which is a basic indicator of future patronage is associated with direct results of behavior and mood. The qualities of store environment which are symbolic, formal and expressive are found to interact with several messages of consumers along with presenting both aesthetic and instrumental value. Further studies investigate the recreational attributes such as atmosphere and the community aspects of shopping center shopping. The surroundings may influence consumer inferences such as service


quality and store image and merchandise. The mood of a consumer can be influenced by the shopper’s insight of a retail setting.

Havlena and Holbrook\textsuperscript{186} suggested two key ways for approaching the emotional side of consumerism. These approaches have been the base for many consumer based researches. The two key approaches include: Mehrabian and Russell’s (PAD) paradigm, which includes; pleasure, arousal and dominance also known as continuous attribute and Plutchik’s framework also known as categorical attributes. Many research studies have proved that PAD attribute is more efficient than Plutchik's framework, due to the measurement of consumerism and based on emotional suggestions provided by the consumers.

Koufaris\textsuperscript{187} identified that excitement is a mixture of pleasure and arousal that can mount unplanned purchases, hedonic shopping value and approach tendencies. He also defined that shopping enjoyment is initiated relating with transitory emotional responses such as dominance, satisfaction and excitement. Shopping excitement is measured as a major drive that exerts a pull on shopper’s visit to a shopping center.

Bellenger and Korgaonkar\textsuperscript{188} explained that it is characterized as an individual’s personality trait that reveals shopping trip with higher pleasure and enjoyable qualities than other consumers. He further described that excitement levels are raised consumer’s satisfaction with the store, amount of time spent in the store and spending levels. In general, consumers who take in the pleasure of shopping spend more time shopping per trip, are less prone to know what they are going to purchase ahead of time, and are more prone to shop with others and prefer department stores. The similar study discovered that those who feel the pleasure in shopping always search for the attractive décor in the stores as well as exciting shopping experience. He also


\textsuperscript{188}Bellenger D.N. and Korgaonkar P.K., Profiling the recreational shopper. J. Retail., 56(3), pp. 77-92, 1980.
pointed that the issues and motivation of shopping experience has been evaluated and
determined by various studies throughout the year on the basis of perceptions of
shoppers.

Moschis\textsuperscript{189} identified that the shopping trend indicates the various characteristics of
consumers for example their outlook, actions and issues that will arise at the shopping
experience. Hawkins pointed that the main intention of this research is in line with the
formerly available literature for attaining the outlook of target marketing strategy.
This notion has been very helpful in evaluating the shopping orientation. He also
denoted that the determination of target market is very essential for formulating the
strategy. According to them it is the target market clarification which helps in
identifying the target consumers and serves them effectively.

Babin\textsuperscript{190} pointed that the opinion and outlook of customers with respect to retailing
market has been studied by various researches in the past. This research paved the
way for identifying the aim of shopping. The aim of shopping has been primarily
stimulated by the behavior which has direct link with the motivation as well as
hedonic interest in shopping. Shim and Kotsiopulos denoted that certain confidential
attributes such as data source and store quality can act as important factors for
identifying the supporting retailing stores in the marketplace.

Massara\textsuperscript{191} explained the outlook and preference of customers with respect to retailing
context on the basis of shopping mall has been globally demarcated. These kinds of
researches explained the choice stores on the basis of hedonic aspects and utilitarian
nature of customers. He also stated about the motivation of shopping were stimulated
by “forces instigating behavior to satisfy internal need states”. Dawson proposed that
the investigation on shopping motivation has been focused by various researches in

\textsuperscript{189} Moschis G.P., Marketing to Older Consumers, Quorum Books, Westport, CT, 1993.
\textsuperscript{190} Babin B.J., Darden W.R. and Griffin M., ‘Work and/or fun: Measuring hedonic and utilitarian
\textsuperscript{191} Massara F., Liu S.S. and Melara R.D., Adapting to a retail environment: Modeling consumer–
environment interactions Original Research Article, \textit{Journal of Business Research}, Volume 63, and
accordance with its influence on emotional value of consumers and its influence on trading products.

Grewal\textsuperscript{192} studied that the shopping experience inspiration with respect to various trading sectors for example configuration of furniture trading. On the basis of these studies, the researchers obviously classified the shopping motivation as functional motivation and non-functional motivation.

Babin, Wang and Lo\textsuperscript{193} studied about the tendency of consumers on the basis of shopping motivation. The results from these studies explained that for certain consumers the motivation on shopping has been related to recreation on shopping while for other the motivation has mainly due to work. Doesn’t matter what may be the notion, it is the duty of the mall for recognizing the motivation of consumers in relation to attitude of store for developing the strong marketing approach.

It is a notion in which the value can be accessed on the basis of perception of consumers purchasing manner. The shopping value can be defined by various researchers at different times. Babin stated the consumption behavior as ‘‘the perceived subjective worth that the consumer perceives in general to consideration of all evaluation standards’’.

Schechter\textsuperscript{194} stated that ‘‘the amalgamation of all qualitative, quantitative, subjective, and objective shopping experience of the consumer that evaluates values where relative evaluation standards have been considered’’. The four chief terms generally utilized in the market has been identified by means of reviewing the literature in a detailed manner. ‘‘Value is price’’ is the simplest definition which will associate the value with cost. The main function of shopping value can be emphasized by means of utilizing the two important concepts in the exchange process with the deception of

\textsuperscript{192} Stone G.P., City shoppers and urban identification: Observation on the social psychology of city life. Social J., 60, pp. 36–45, 1954.


exchange among the benefits and price. Some researcher proposed the shopping value as “what I get for what I give,” and some other expressed the shopping value as an exchange among cost and observed goods quality. The 4th definition of shopping value stated that “all factors, qualitative and quantitative, subjective and objective, that make up the complete shopping experience.”

The past study has mainly focused on the consumer recognition with respect to shopping value. Here the customer can recognize the shopping value by means of accomplishing the recreation or deliberated purpose via shopping experience. Similarly, shopping value possess various aspects or features. He proposed that the shopping value possess the magnitudes for both the concern of hedonic feeling and product accomplishment.

Bellenger projected that the shopping behavior of customer is not only important for the intended purpose of customer for perceiving the products but also essential for experiencing the hedonic feeling that affords both the emotional value and prospective recreation to the customers. In fact the shopping value has the potential to create both the utilitarian and hedonic value which has been confirmed by other researchers.

Fischer and Arnold proposed in their journal that the hedonic values help in generalizing the consumer’s inclination towards the variables and also helps in understanding their behavior towards the retail outlets. Hence the researchers disputed that measuring the hedonic and utilitarian value is vital for studying shopping value.

Lotz, Eastlick and Shim illustrate that shopping value is nothing but the profits obtained by the shoppers from their experience on shopping. Shopping value comprised of 2 main aspects. It includes: hedonic value and utilitarian value. They


\[\text{Lotz S.L., Eastlick M.A. and Shim S., “Modeling participation in entertainment and shopping activities in malls utilizing the flow paradigm”, paper presented at Yonsei University, Seoul, 1999.}\]
also identified that the utilitarian consumers are highly intended and prearranged people. They are highly conscious to range of product, convenience, cost and quality of products.

Bhatnagar and Ghosh\textsuperscript{198} explained that the psychosomatic force act as a stem for the hedonic value which promotes consumers to involved in shopping. Babin pointed that this psychosomatic force could make consumers to go afar from task completion and purchased the shopping products in a proficient and intended manner. Additionally, fun, adventure and enjoyment are the determined factors which can motivate the hedonic value.

Jones\textsuperscript{199} examined the connection among the satisfaction and shopping value. He identified that satisfaction of consumers, trustworthiness in oral advertising, expectation of positive attitudes are the vital factors which has greatly influenced both the product and non-product related to both the utilitarian and hedonic shopping value. Based on the intrinsic and extrinsic aspects, value of hedonic and utilitarian can differ. Shopping values are generated based on the functional aspects such as product, stores and quality of service. Here in subsequent episodes, Babin discussed the two important dimensions of shopping values such as Hedonic and utilitarian value.

Gardner and Levy\textsuperscript{200}, with the help of primary researches states the notion of Hedonic consumption has been introduced which possess sentimental and multi-sensory features of products experienced by the customers. For the past ten years, the shopping experience has been studied by the researchers in both hedonic and utilitarian perceptions. Babin also described the behavior of utilitarian consumers have been explained in a way that they always approached in a logical manner and

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purchased proficiently still the shopping itself could not afford any recreation. In this frame work, the customer has assessed the shopping experience as same as an attainment of intentional goal.

Figure 3.3 shows two diverse sorts of shopping that have been identified through a framework by Miller. It includes:

**Figure 3.3**

*Shopping Diversification by Miller*

- Provision shopping
- Hedonic shopping

Provision shopping is nothing but a day today shopping that can be enhanced by the requirement of individual customer. Theoretically the provisional shopping is correlated with thrift and connected with the utilitarian approach. Thrift can be described as the temporary forfeit of current expenditure for attaining the long standing significant goal in the future. The Hedonic shopping as the forfeit of requirement of individual and it is an example of empirical utilization. Hence from this outlook it is concluded that the treat and thrift are conflict to one another. However the shopping can be processed in both the provisional and hedonic manner.

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Crowley pointed that the attitude with respect to brand and product has also been connected to both hedonic and utilitarian shopping value. Basically, customer opinions are two dimensional which can be fall in to consumption manner for two main motives.

- **Hedonic reasons:**
  
  Depend on the functional aspect of products (Batra and Ahtola, 1990)

- **Utilitarian reasons :**
  
  Depend on the emotional satisfaction of consumer.

Ibrahim and Wee identified that there are various researchers are started to investigate about the importance of examining the motivation of shopping by focusing the variables which will influence the hedonic experience of shopping, positive attitude towards the specific malls circumstances and its product cost, analyzing the apparent value, challenging treat and thrift at the background of cut-off stores and connecting the mass of consumers with vendors satisfaction.

Martineau described the store image on the basis of outlook of customer. The store must possess all the functional quality of stores and it should create the emotional attachment with the customers. The researcher further identified that if the mall possess well established recognition in the market, it would obtain more customers. Erdem pointed that the store image is one of the important factor for the retail benefaction.

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Kim and Jin\textsuperscript{205} suggested that the store image possess various aspects and it supposed to be measured with various qualities. Shopping mall environment can be measured mainly on the basis of physical characteristics of the stores. The store environment is actually intended to stimulate feelings in consumers.

Solomon\textsuperscript{206} listed the various factors such as lighting, color, display, scent, music, colors, helping tendency of workers and demonstrating the products are intended in a way to enhance the positive response of customers within the atmosphere. This helps in understanding the environment properly and increases in the sales.

Lindquist\textsuperscript{207} pointed that the identification of store attributes (store image) are very essential because it has the direct effect on the consumers’ selection of store and support. He further specified that in the selection process by the consumers it is the store image that plays an important role.

The store quality can be divided in to 9 elements. It includes:

- Physical facilities
- Customers
- Products
- Service
- Institutional factors
- Preceding transaction
- Convenience
- Store environment
- Promotion


Between these nine dimension, the product associated concern like collection, cost and quality are consider to be the most important attributes of stores.

Diep and Sweeney\textsuperscript{208} stated that the store attribute are varied based on the consumers and lay out of stores. A current study indicated the 3 main aspects of store for purchasing the cloths. It includes:

- Product
- Cost
- Status.

Lee, Kim and Fairhurst\textsuperscript{209} in his journal clarified that it is very uncommon in the marketing literature regarding the research on store aspects as potential forerunner among the utilitarian and hedonic shopping value. The connection among the attitude of store trait with utilitarian and hedonic values has been analyzed. This test was performed in a provincial shopping mall in Midwest of US and determines the satisfaction of respondents with eighteen shopping malls qualities. Entire items in the malls are recapitulated in order to generate the general conviction on attribute of malls. Finally, their results advocate the positive connection among shopping mall trait and fulfillment on both the hedonic shopping value and utilitarian shopping values.

Arnold\textsuperscript{210} pointed that the malls are always enhancing the consumer in order that they can enjoy the shopping experience. According to him in the modern era the consumers to a great extent prefer malls and enjoy their shopping due to the easy accessibility of their preferences.


Okada pointed that the recreation also initiates the responsibilities’ and necessitate for validation. Hence the consumers should support the shop with hedonic dimension as well as with the utilitarian dimension. He further pointed that the utilitarian and hedonic dimension are not always in the divided extents. In the background of trade, the attributes of various stores may sometimes minimum or high in both utilitarian and hedonic aspects.

Dhar and Wertenbroch, from the subsequent research, the outlook of store attributes can be typified as chiefly more relevant to either utilitarian or hedonic approaches. The influence of collective opinion of store attributes on both the hedonic and utilitarian can be analyzed theoretically in explicable and conventional manner.

Parasuraman identified that however the quality service can afford the common agenda for the evaluation of retail facet and attributes, but there is no existence of consent for the contentment of stores attributes or how many factors has to utilize for the complete assessment of store image.

Dabholkar, Thorpe and Rentz mentioned that in trade the service quality can be evaluated with the help of regular scale dimensions. There are five quality measurement used to measure the service quality. It includes:

- Personal interaction
- Vendors politics
- Problem solving capacity

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Physical aspects

Reliability

Caruana\textsuperscript{215} explained that various studies are available for incorporating the cost with quality of store attribute. He also pointed out that the store satisfaction, retention and choice can be explained with the help of important antecedents such as the value, cost and price.

Sihori\textsuperscript{216} specified that for illustrating the reliability to stores. There are various factors for differentiating the hedonic and utilitarian value. It includes:

- Shopping value
- Expenditure of money
- Money value
- Price sensitivity

Anselmsson\textsuperscript{217} described that in the trading segment the basic achieving aspects of large shopping mall focused on the satisfaction of consumers in accordance with the environment of shopping mall, selection, policy of commodities, salespeople, location, refreshment, promotion activity and convenience.

Wakefield and Baker\textsuperscript{218} identified that the environment of mall, range of collection in store and interest in shopping afford a great influence on desire and anticipation of customers to reside in the malls. This consequently influences the shopping desire and encouraging intention of customers towards the malls. Generally, the customers


selecting the shopping malls are mainly based on the distance of the mall. In urban domains, the satisfaction of customers plays an important role in shopping mall. Here in the metropolitan area there are various commercial sections that are available will assist the customers in selecting decision.

L é o and Philippe\textsuperscript{219} listed the various behavioral manners includes:

- Projected outlay practices,
- Outlook of shopping potential and
- Common global atmosphere of shopping mall can influence the customer’s satisfaction or disappointment.

Craig and Turley\textsuperscript{220} specified that there are certain factors which can motivate or inspire the customers for shopping. It includes: the interior and exterior environment of mall, designing of the mall and the level of interest of customers in shopping he listed the factor which can make the customer to reside in the shopping mall for longer time. It includes:

- Environment of the shopping mall
- Ergonomics
- Structural design of the shopping mall
- Collections in shopping mall
- Anticipation of customers

Bloch and Bruce\textsuperscript{221} pointed out that the initial research on shopping value has mainly focused on the utilitarian shopping value. In support of this, finding they described


that the behavior of utilitarian customer can be illustrated by means of logical
behavior, ergic and purpose related behavior. Hirschman and Holbrook proposed that
the utilitarian shopping value can be identified by determining the amount of
expenditure that will trigger the shopping experience encountered by the consumer.
This has represented the consumers purchasing and their merchandise in an efficient
and intentional way. Engel explained that the utilitarian manner while purchasing
seems to be more reasonable, sensible and linked to dealings and the associated
information’s are collected and compared with the hedonic shopping behavior.
Hirschman and Holbrook pointed out that with the help of utilitarian shopping value,
the customer purchasing behavior can be examined. But it is not helpful for measuring
the selection of merchandise and behavior of customer on the basis of emotional
needs.

Sherry\textsuperscript{222} pointed out that the current researchers have started to focus on the hedonic
shopping value since the consumers requirements happen to change day by day.
Previously, the information about the hedonic shopping was deficit in the research
paper as compare to utilitarian shopping. The hedonic shopping is more distinctive
and particular when compare to utilitarian value. Hirschman and Holbrook identified
that the hedonic value has been attained only via recreation which is very conflict to
purpose accomplishment.

Bellenger\textsuperscript{223} focused on the recreation and emotional value of the shopping which can
be reflected by hedonic shopping value. He further specified that the consumers visit
the shopping malls with an expectation of recreational facilities; it is these facilities
which pull the consumers towards these malls.

Darden and Reynolds\textsuperscript{224} listed the factors reflected by hedonic shopping. It includes:

\textsuperscript{222}Sherry J.F., “A Socio cultural Analysis of a Midwestern Flea Market,” Journal of Consumer

\textsuperscript{223}Bellenger D., Steinberg E. and Stanton W., The congruence of store image and self image. J. Retail.

\textsuperscript{224}Darden W. and Reynolds F., Shopping orientations and product usage rates, Journal of Marketing
MacInnis and Price\textsuperscript{225} concluded that the hedonic shopping value has been recognized as emotionally related benefits where the consumers attain this benefit via shopping experience apart from attaining real purpose of shopping. Hence the hedonic shopping value can be described as a degree of consumer’s opinion in which the shopping is sensitively related via diverse positive response and it is more valuable too.

3.6 Retailer Strategy and Modernization

Broniarczyk, Hoyer\textsuperscript{226} specified that Retailers’ G/S strategy refers to the number and variety of product categories a retailer chooses to offer to its customers and is also known as the width of assortment decision. It differs from decisions concerning the depth of retail assortment, which refers to the number of individual single items offered within each category. The G/S decision is an important strategic component of a retail concept and helps position a retail store within consumers' mental space of retail alternatives. Generalist retailers offer a diversified assortment of different product categories. Their outlets serve as one-stop shops and grant corresponding savings to shoppers in terms of time and effort. This is especially important for the so


called “basket shoppers” who seek to purchase items from multiple product categories.

Gagliano, Hathcote\textsuperscript{227} States those specialist retailers generally offer a uniquely positioned retail brand within a well-defined specific product category “space” backed by selected items, retail service, and professional information they further state that the higher sales margins of specialty retailers “presumably arise from providing merchandise that is new and different, and from offering a more pleasant shopping environment”. These differences between generalists and specialists imply that each retail format is served best by a basket of different internal organizational skills and operational know-how. In particular, this study proposes that the two differ in terms of the degree of their operational flexibility and diversity, their coordinative skills, and the extent of internal decentralization of decision making.

Since generalists offer several unrelated product categories, they can contract or expand different product lines while continuing to operate their basic retail concepts. Specialist retailers who depend on specific product lines may endanger their overall retail concept whenever their specific product lines cannot survive profitably. This implies that generalist retailing embodies a lower risk strategy in terms of strategic survival than specialist retailing.

Kinsey and Senauer\textsuperscript{228} brought out the fact that to maintain their product category diversity, generalist retailers must smoothly and efficiently manage and coordinate multiple supply channels, and have strong logistics and marketing capabilities to support this Smith and Agrawal\textsuperscript{229} discussed that specialists carrying only one or a few product categories need to manage fewer and simpler supply channels and channel flows and do not need such extensive coordinative skills.


Gates and Egelhoff\textsuperscript{230} stresses on the fact that Organizational research has shown that increasing the complexity of an organization leads to decentralization of the decision making within it. Generalist retailing, which involves the management of multiple product categories, can be expected to be more complex than specialist retailing of a similar size and with similar global spread. Individual managers in generalist retailing organizations must make decisions pertaining to many different product lines and consider their potential interactions. Therefore, they need to be self-reliant and capable of independent decision making, which demands decentralization of decision making within the organization.

Sully De Luque\textsuperscript{231} opines that the aforementioned differences in the organizational cultures and skills requiring retail generalists versus specialists imply that if national cultural values affect organizational cultures and skills, then different national cultures may also influence the selection of different retail format strategies. Uncertainty avoidance is a major national cultural value. This dimension describes the extent to which ambiguous situations are perceived as threatening to individuals. Societies characterized by high uncertainty avoidance feel threatened by uncertain, ambiguous, and unstructured situations.

Johanson\textsuperscript{232}, justifies that in the 21st century, many large-scale retailers operate outside their countries of origin. The Uppsala school of incremental learning suggests that, as the international experience of firm’s increases, they gain more information and confidence and one can expect that their organizational culture and practices may change. This may influence the effect of the cultural values of a retailer’s country of origin on retail strategy.


Evidence concerning this effect is offered in Welch’s documentation of McDonald’s adjustments to local customer preferences, and in his report about the tendency of Japanese subsidiaries in Latin America to adopt local cultural norms when designing their human resource management policies. He even argues that greater adjustment of retail practices to local preferences reduces the chances of their overseas operations and investments facing a divestment threat.

Chevrier and Sackmann, offered an opposite view, who argue that, in spite of globalization, national cultures are still important and represent significant cross-country differences. Following the discussion above, the effect of each of the cultural dimensions is tested while adjusting for the effects of the other cultural dimensions and the extent of each retailer’s international involvement, i.e. the number of regions it targets.

Zwass claims that the Internet has become the prime driver of e-commerce, and goes on to present a hierarchical framework. This consists of three meta-levels: infrastructure, services, and products and structures, which permits the analysis and development of very complex systems such as e-commerce participation. Transactional e-commerce, rather than process e-commerce, is the main focus of this research, and this lies at the top of Zwass’ hierarchy, (within the level of products and structures.) Products and structures of e-commerce cover three categories: consumer-orientated commerce, business-to-business and intra-organisational business.

Chappell and Feindt maintain that e-commerce can provide numerous potential and actual benefits to small and micro firms. Small firms, for example, can create a global presence through the use of websites, for comparatively very little investment


when compared to other media. Furthermore, the boundaries of business on the web are not defined by geography or national boundaries, but rather by the coverage of computer networks, which offer widened access to markets for Welsh small and micro companies, which are on the periphery of Europe. Therefore “border crossing” may appear, i.e. the disappearance of distance-related barriers.

Kakotta\textsuperscript{237} cites cost benefits as an explanation for the increased participation in e-commerce. This includes the reduction of transaction costs, since buyers and sellers can access and contact each other directly. Lower purchasing costs could be gained through broader scope for cost effective purchasing; reduced amount of inventory held and improved logistics management. Some of the biggest gains may lie in smaller firms’ purchases of indirect inputs, such as telephone charges, etc., which together account for 30–60 percent of firms’ total non-labour costs. Other cost benefits may include lower personnel costs and reduced support costs.

OECD\textsuperscript{238} claimed that quality benefits of e-commerce use could include the improved flow of information, new products and customer services, improved availability, improved market transparency (Chappell), and reduced errors in information processing). Regarding customer services, the interaction between the customer and the retailer has never been as important as it is today, and the interactive nature of the web can support such interactions.

Lancioni, Smith, and Oliva\textsuperscript{239} expresses that E-commerce also permits savings in time: levels of response time and accuracy for specifications, requests for proposals, tenders, orders, progress chasing, payment into supply chains, deliveries, all of these can be delivered faster than with the traditional tools of telephone and fax. However, although increased sales and profitability via e-commerce have been discussed


\textsuperscript{238}OECD., The economic and social impact of electronic commerce: preliminary finding and research agenda not published, 1999.

extensively, the actual benefits are still extremely contentious. Even for those who admit gaining short-term benefits such as increased sales, such advantages are marginal and often circumstantial.

Haltiwanger and Jarmin\(^{240}\) expresses that there is currently no reliable way of estimating sales delivered to consumers electronically versus those delivered using traditional methods, and likewise no measurement of e-commerce retail sales. Sales and online transactions may generate only a fraction of overall sales, perhaps due to the fact that certain goods are not easily purchased over the Internet, or that they require some form of face-to-face interaction in addition to the web presence.

Parfett\(^{241}\) in his book unfold the fact that barriers to engage in electronic commerce have progressively fallen over recent years; some persistent obstacles to the use of e-commerce remain. Confirmed not just merely as a specifically Welsh issue, but a global one, the key barriers to electronic uptake among small and micro companies include lack of financial resources, staff support, and skills.

Walczuch\(^{242}\) elaborate that the high cost of entry into and maintenance of e-commerce has been cited by small and micro company representatives as a significant barrier to e-commerce adoption. Naturally the start-up costs for venturing into e-commerce vary for companies, depending on how computerised their business processes already are. Companies willing to invest in emerging technologies also face a daunting array of solutions, and can choose from many different architectures and implementation possibilities. Another issue in this context is that the time constraints in small businesses are often so tight that managers feel they cannot justify the risk of


\(^{241}\) Parfett M., Presentation given at E-commerce and supply chain management, Conference, Cardiff International Arena, 4 October, 2000.

allocating staff time to implement a new e-commerce strategy without a clear view of potential benefits.

Tackey in his book expounds that without a doubt e-commerce imposes new skills requirements on the retail sector. The successful uptake of e-commerce requires IT expertise, coupled with strong business applications skills and therefore a flexible, multi-skilled workforce. However, the retail sector already faces difficulties in attracting young people with relevant skills, and this is likely to be compounded by the growing need for IT skills. Previously 35 percent of Welsh firms stated that their employees did not have sufficient understanding of information and communication technologies (ICTs) available in their company to enable them to maximise the competitive advantage that new technologies could bring. This is in conjunction with the fact that Welsh businesses are notable for their lack of confidence in the skills levels of their employees.

Jutla, Bodorik, Hajnal, and Davis in the article gives a valuable tip that The continuous learning required to manage the rapid change of technical applications needed for e-commerce purposes may lead a large number of small and micro companies to outsource technical support services. However, there are once again cost implications in this choice. Nevertheless, the operational monthly cost to outsource the e-commerce technology infrastructure for such enterprises is relatively low compared to acquiring and maintaining in-house systems and staff with enough technical expertise.

Bologna in his article justifies that it has been stated that uncertainty about the legal, regulatory and tax environment also acts as a barrier to the uptake of e-

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commerce among small and micro companies, in particular for those companies undertaking international commercial activities.

Troy and Willcocks\textsuperscript{247} states that there is also an acute problem of security and fraud, with the perceived security risk of participating in e-commerce inhibiting the use of the Internet for financial transactions.

Evans and King\textsuperscript{248} outline the fact that if taken together, it is evident that there are still strong barriers to e-commerce use, even though, as outlined above, there are also clear advantages. The latter can be best exploited if a business takes into consideration the planning, management and assessment of the use of e-commerce within the business. It is often advocated that organisations should build an electronic presence without regarding the actual benefits, since costs are apparently low. However, there is a contradictory belief that this may cause disillusion to some companies, because organisations find it difficult to build sustainable electronic business plans if they do not support them with a long-term business strategy. And indeed it is often the case that small and micro companies engage in e-commerce without preparing a strategic business case. Included in a strategy, appropriate business models and frameworks for investing in electronic commerce need to be decided upon, as the introduction of e-commerce into any business often requires business processes to be reengineered in order to gain the full benefits of e-commerce usage.

Steinfield\textsuperscript{249} discusses that E-commerce strategies also have to be supported by funding, and funding of e-commerce usage tends to give a rough measure of commitment. The use of external funding sources implies the development of a business case and thus a high level of commitment, whereas publicly funded initiatives (projects) have often difficulty in commercializing themselves, thus raising


the question of the level of commitment beyond the lifetime of the funded project. There are also valid reasons for businesses positioned in a local community to develop a competitive strategy that emphasises their physical store. For example, rather than creating a website only to attract distant clients, an alternative strategy for local merchants has been advocated, whereby a physical presence is combined with creative use of the web to target local markets. This, in turn, could lead to a better service to the local community, and thus increased competitiveness and profitability.

**Importance of modernization and impact on pricing**

Reardon and Timmer try to emphasize that the importance of modern retail is growing quickly in food markets in developing countries. For example, it is estimated that its share in retail food markets has increased from 5–10 percent in 1990 to 50–60 percent today in South America, South Africa, and developing East Asia outside China and that it increased from 5 percent in 1990 to 20–50 percent today in Mexico, Central America, and Southeast Asia. However, the impact of these market changes is still not well understood.

Chen, Minot and Roy\(^{250}\), stresses that there is surprisingly little empirical evidence on the effect of the recent spread of modern retail on consumers and as competition for traditional retailers in developing countries. Three types of analysis are found in the international literature. They also provide a first strand of the literature examines nutritional impacts of the spread of supermarkets. While there have not yet been survey-based analyses of the direct relation between shopping at supermarkets and nutritional and diet composition effects, there has been some indirect evidence.

Asfaw\(^{251}\) finds for Guatemala that consumers that do some of their shopping at supermarkets also tend to consume more processed food (but not necessarily from supermarkets). It is also specified that in the early-stage modern retail situation of urban

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Kenya, show that consumers tend mainly to buy processed foods and staples from supermarkets, but mainly depend on traditional retailers for fresh produce.

Goldman \textsuperscript{252} in the second strand of the literature examines the profile of consumers shopping at supermarkets. The “classic” hypothesis on this way in which argued that modern retail’s structure would be amenable mainly or only to rich consumers in developing countries who could drive to stores, buy big units, store the products, and afford infrequent large shopping bills. But this early work did not use consumer or retail surveys, just anecdotal evidence. More recent work (part of a still very small body of studies) has been more survey based and has tended to show that in the early stages of supermarket penetration (such as the case in India now), it is mainly upper income and middle class consumers who shop at supermarkets.

Minten \textsuperscript{253} gives an overview of recent evidence in the third strand of the literature where he examines pricing practices by modern retail in developing countries and finds that; (1) in the early stages of penetration of modern retail in developing countries, prices offered in modern retail are generally equal or higher (compared to traditional retail prices) for processed foods and significantly higher for fresh foods, especially produce.

Minten \textsuperscript{254} illustrates this for Madagascar Hong Kong respectively; (2) in the intermediate stages, processed food is cheaper in supermarkets but the results for fresh food are mixed (tending toward only a few mass produce items being cheaper but many others being more expensive in modern retail); (3) in the advanced stage, food prices in modern retail tend to be generally lower (than traditional retail) for almost all types of food products, in particular because procurement systems become more efficient through better supply chain management and in-store and in-


\textsuperscript{253} Minten B. and Reardon T., Food prices, quality and quality’s pricing in supermarkets versus traditional markets in developing countries. Review of Agricultural Economics, 30 (3), pp. 480–490, 2008.

distribution-center inventory management and handling; The latter was also illustrated by Ho for Hong Kong, in the 2000s. However, the great majority of the price-comparison studies reviewed have the general weaknesses of: (1) being based on very small samples or even just anecdotal cases rather than being based on representative sample-surveys and (2) failing to control for important quality and/or unit size differences of food between modern and traditional retail. The upshot is that there is an important gap in the literature on comparisons of prices and quality between the two retail segments due to the lack of survey-based evidence and of appropriate methodologies.

Kumar255, analysis, the reality of modern retail and food markets in India. The development of modern retail in India is taking place in the context of various policy debates (e.g., with issues being framed by comparing the relative impact of modern versus traditional retail on different stakeholders in the food system, that is (1) consumers: the primary focus of this debate is whether modern retail charges consumers lower prices for essential food items, given the food security dimension of this and the concern with food price inflation; (2) retailers/traders: there is a widespread concern in India because many millions are employed as traditional retailers/traders and it may be that only a portion of them could be re-employed in the modern sector; (3) small farmers: there is a fear that small farmers might be excluded from these emerging markets or that if modern retailers buy directly from the farmers, they will exercise monophony power and pay low prices.

Ravi256 stresses in terms of policy responses and debate related to the spread of modern retail in India are the options of: (1) helping or constraining the development of modern retail by regulating domestic modern retailers (such as by zoning and hour regulations), helping traditional retailers to upgrade and be more competitive, and/or by continuing to constrain foreign retailers’ ingress (as multi-brand retail FDI is at

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present not allowed), or by regulating traditional markets further; (2) helping modern retailers dis-intermediate in procurement (by continuing the roll-out of reforms of marketing regulations and thus allowing more and more direct sourcing from farmers) or constraining the dis-intermediation (e.g., by slowing or blocking wholesale market reform).

Mathur Ravi also gave an overview stating that a large number of players are active in the retailing of food in India. They include the traditional informal (in Indian discussions often termed “unorganized retail”) sector, the cooperatives, the government-subsidized public distribution system, and the modern retail. First, wet market traders, pushcarts as well as kirana (“mom-and-pop”) stores make up the traditional informal sector. In wet markets, a number of small retailers of fruits and vegetables typically cluster together and sell their produce from a specific place during fixed hours of the day, often at the end of the afternoon and early evening. These markets are usually organized daily but the number of retailers might be larger on particular days of the week. Pushcarts typically roam around in residential areas and deliver fresh fruits and vegetables at the doorstep of different residences or stand in a public square or street corner in a specific regular place within the colony (the neighbourhood). The pushcarts usually carry a single or a limited number of items. Customers may shop at these partly because of their locational advantages. Kirana stores are small “mom-and-pop” shops at fixed locations that carry a number of basic items, food as well as non-food. The kirana stores are (typically) family owned and are run mostly by family members, supplemented with some hired help.

A second category of food retailer in India is the “cooperative modern retailer.” Third, parastatal marketing has in relatively recent years become an increasingly important food distribution channel in India, and this is in contrast with most other developing countries that mostly saw increased withdrawal from governments over the past decade or more. With the goal of assuring access to basic staples for the most vulnerable part of the population, food procurement is organized by the parastatal Food Corporation of India (FCI) and the Public Distribution System (PDS) then retails these products, mainly rice and wheat (as well as two other essential
commodities, sugar and kerosene oil) through Fair Price Shops (FPS). These items are distributed at a highly subsidized rate for poor consumers, through a system of household consumer cards, commonly known as ration cards.

Reardon et al., in his study came up with fourth category stating that, private modern retail is rapidly emerging. India is a latecomer in the global supermarket revolution. A first-phase development happened during the late nineties and was mostly based in southern India, focused on the middle class, and was started by the joint-venture between Spencer’s and Hong Kong’s regional multinational supermarket chain Dairy Farm International to form Food World chain. This chain was soon followed by others that developed in the favourable conditions of Southern India in the second half of the 1990s, when the IT boom drove up incomes and generated investment capital. Reardon, argue that India’s modern retail entered in the second stage, since 2001, what may be the fastest pace of supermarket diffusion in the world. While growth has more recently seemingly come down, probably linked with the global recession, significant growth is however set to continue given the important investment plans, driven by fierce competition between these modern retailers.

Peres, Muller, and Mahajan Against this backdrop specified that, the study focuses on retailing innovations in a globalizing retail market environment. The globalizing retailing environment comprised of differentially developed retail markets presents a number of challenges to both established retailers operating in multiple markets as well as local incumbents and presents interesting questions to researchers. For instance, what might be viewed as a retailing innovation by customers in an emerging


or less developed retail market environment may or may not be viewed as such by customers in a mature retail market. If this phenomenon is driven by the diffusion of concepts and ideas across markets this is not the major focus of our approach. Rather, our focus is on innovations per se (and not on diffusion of innovations across markets). Thus, we investigate innovation challenges that are specific for each of the three different global retail market subgroups. Examples of major dimensions of innovations in retailing that we incorporate are: retail formats, branding, assortment, process innovations, customer experience, information technology, new media, handling of payment and order fulfilment. The following vignettes shed insights into the above issue and other challenges as well as opportunities associated with studying innovations in retailing in a globalizing environment.

Goldman\textsuperscript{261} and Samiee\textsuperscript{262} in their article came up with a view that there exist a major challenge due to globalizing faced by retailers who are based in mature markets, while in their attempts to sell to customers in emerging markets (particularly, to potential customers residing in rural areas) that is the absence of a well developed and functioning retailing distribution network, mass media, transportation, and storage infrastructure. One approach to addressing these challenges is to increase the number of distributors in rural areas by helping people to start their own small store. Project Shakti, launched in 2000 as a partnership of Hindustan Unilever in India with non-governmental organizations, banks and the Indian government, entailed enlisting women residing in villages to become direct-to-consumer sales distributors for Unilever's products such as laundry detergent, bath soap, toothpaste and shampoo. The company provides training in areas such as selling and bookkeeping to help rural residents become micro-entrepreneurs. After an initial investment in stock, usually through a loan from self-help groups or micro-finance banks facilitated by Hindustan Unilever, most Shakti entrepreneurs net a monthly profit of 700–1000 rupees


(US$15–22). This, coupled with the earnings of a spouse working in the fields, typically doubles the household income. By the end of 2007, there were more than 45,000 Shakti entrepreneurs covering three million homes in over 100,000 villages in India.

An article published in Economist\(^{263}\) specified the fact that Project Shakti has enabled Hindustan Unilever to distribute its product offerings to millions of customers in rural India. Understandably, this is a retailing system innovation initiated by a manufacturer rather than a retailer. Nevertheless, it sheds insights into the kinds of retailing innovations that retailers may have to come up with in order to make inroads into rural markets in emerging and less developed markets. The retailing innovation does not entail a business operating from a standalone retail outlet, but from the home of a female micro-entrepreneur. Similar approaches have been applied by other big manufacturing companies. For example, Procter and Gamble has started to work with so-called “mom and pop” shops to overcome the distribution challenge in emerging markets by offering their products in small package sizes to fit on crowded shelves and by using a network of local representatives to keep the shops stocked.

Goldman\(^{264}\), Kaynak and Cavusgil\(^{265}\) has written about, a broad cross-section of consumers in a number of less developed countries in Africa who do not have bank accounts due to the combined effect of their low income levels and a sparse network of bank branches and ATMs. However, mobile phone service providers have made considerable inroads and ownership of mobile phones is on the rise. This environmental condition has provided the impetus for retailing innovations such as use of mobile phones to facilitate retail transactions. Case in point is M-Pesa (M for mobile, pesa in Swahili means money), a mobile-phone based money transfer service


that was developed by Vodafone and sponsored by the UK-based Department for International Development. M-Pesa enables retail payments via mobile phone in lieu of physical currency at participating retail outlets, and even money transfer between individuals. Here again, we have an illustration of a retailing innovation but initiated by a mobile phone service provider and not a traditional retailer, but nevertheless seems to be having a transformative effect on the retailing landscape.

3.7 Conclusion and Research Gap

Review if literature was an exhaustive task which helped the researcher to get an insight of retail sector not only in India but also in abroad. The researcher reviewed several books devoted to the conceptual understanding to retailing and the conceptualities related to marketing. The reading has helped the researcher to get an in-depth knowledge and understanding about retail marketing management.

Over the past several decades, modern retailing has become increasingly global in scope. The term globalization of retailing encompasses many interrelated developments such as (1) major retailers based on mature markets establishing a market presence in countries in different stages of economic development, (2) the supply chain undergirding the operations of retailers becoming increasingly global in scope, and (3) the diffusion of retailing innovations in various parts of the world. By and large, the retail market environment in numerous countries worldwide has been subject to the influence of globalization forces. The influence of these globalization forces is evident with regard to various aspects of retailing such as the retailing supply chain, product assortment, store format, and branding.

Alongside these changes, retailers that operate in a global retail market environment are also confronted with the fact that the structure of retail markets in various countries is commensurate with its stage of development. While in most western markets, retailers face challenges typical for mature markets, in emerging markets such as the BRIC- (Brazil, Russia, India, China) nations and other country markets with similar characteristics growing at and/or are projected to grow at significantly higher rates, they face a different set of challenges. Likewise, less developed markets
such as many countries in Africa exhibit their own distinctive dynamic from the standpoint of retailing. While countries and markets across the globe show considerable heterogeneity in terms of the development stage – and associated structural and supply chain characteristics – one can broadly distinguish between three subgroups of retail markets:

(1) Mature markets such as in Western Europe and North America,

(2) Emerging markets such as in Asia, Central and South America and Eastern Europe, and (3) less developed markets such as in Africa and some parts of Asia and South America.

Alexander, Andrew, Gareth Shaw and Louise Curth 266 Goldman, A., Krider, R. and Ramaswami, S 267 in general, discussed and provided highlights of the relevance of a contingency perspective for studying innovations in retailing. The focus of the study is on retailing innovations that are responsive to the stage of development of specific markets, and focuses on the following research questions:

- How should innovation in a global retail market environment be conceptualized?
- What are some major environmental challenges faced by retailers competing in mature markets, emerging markets and less developed markets?
- Which innovation challenges do these environmental challenges predicate?
- How can retailers address these innovation challenges effectively and thereby transform them into opportunities?

In order to address these questions, we first conceptualize the components of the retailing innovation agenda by the stage of development of markets across the globe. Towards this end, we identify specific innovation challenges which are linked to the


environmental conditions. Next, we explore how these innovation challenges can be addressed effectively. Finally, we develop a set of research implications and questions for future research.

Also, it is important to note that for the most part we do not investigate the (related) topic of diffusion of innovations across regions. In this study, the researcher has focused on innovations in retailing from the perspective of innovations geared to specific markets and not merely the adoption of specific aspects of retailing practice in a country market that originated elsewhere. For example, a number of retailing processes, technologies, formats, etc., that were initially rolled out in a particular country or a region (a cluster of countries) tend to be subsequently launched in other countries.

**The researcher with the above review finally has drawn following conclusions:**

1. At global scenario, there is a growing awareness regarding growth patterns of retail formats.

2. Most of the authors are concentrating on understanding consumers responses to different retail formats and marketing strategies.

3. Studies are being conducted to analyze and explain marketing strategies and trends of organized retailers.

4. The researchers are trying to identify the factors that are responsible for changes in approaches of global retail players towards consumers and advancement in developing countries.

5. In India, researches are being conducted to know about emergence of organized retailing and its impact on consumer behavior.

6. Many researchers are trying to find out implications of organized retailing on local and domestic players, socio-economic changes as they influence the economy and the social structure.
7. Researchers are also being conducted to identify implications of FDI on retailing in India as well as changes in the economic policies of government on retailing as well as marketing environment.

The researcher got insights into how the study needs to be conducted in the given scenario. The opinions, comments and work achieved by others lead the researcher to arrive at conceptual analysis.