Chapter 4
CHAPTER 4
METODOLOGY

4.1 Introduction

This section introduces the research methodology and overall study design. Research Methodology involves the use of more appropriate tests to justify the methods employed and provides logical and objective data collection based on which conclusion can be drawn. Ultimately, it contributes to the gaining of new knowledge and a better appreciation for the issues involved by the researcher (Gill and Johnson, 1997; Punch, 2001).

It is also necessary for the researcher to know the suitability and the limitations of choosing the appropriate method so as to take necessary precautions for increased validity, reliability and generalizibility of the research (Miles and Huberman, 1994).

The purpose of this study was to find out the growth impact of modern retailing on survival aspects of traditional retailing in Chennai Metropolitan Area. And also possibly to explore the shoppers’ preferences for modern store retailing than that of Shoppers’ preferences for traditional store retailing. Shoppers preferences for modern store retailing were researched worldwide, but the present research need on traditional stores is a unique one in Indian context, since the concept of modern store retailing is an emerging one. Hence understanding of shoppers’ preferences for modern store retailing in the context of switching over from traditional retailing is very important area with present study, as the traditional retailers are expecting lot many problems due to the emergence of modern store retailing for their survival. This is the widely debated public
issue both to traditional retailers and policy makers in India and hence the study assumes of greater national importance.

4.2 Research Objectives

The study intends

1. to define the unorganized (Traditional) retailing and organized (Modern) retailing, in Indian contexts particularly in Chennai CMA retail circumstances.

2. to enumerate the number of retail outlets both traditional or convenience retailing (C-Store) and modern retailing (Organized Chain stores) in Chennai Metropolitan Area (CMA),

3. to find out the sensitizing factors affecting the traditional retailing as against modern retailing in CMA,

4. to explore the employment status of both traditional retailing and modern retailing in CMA, so as to gauge the likelihood employment loss impact in traditional retailing.

5. to trace and identify causative factors for switching over from traditional retailing to modern retailing by interviewing modern retail customers and owners of traditional / convenience retailing and

6. to find out the impact and factual position for the possible survival of convenient retailing as against the growth of modern retailing.

4.3 Hypotheses

Based on this review of literature, hypotheses can be formed for the proposed study. The hypotheses have been framed into two aspects. One for the shoppers'
preferences for modern store retailing and the others for perception of traditional retail outlet owners.

The study intends to test the following hypotheses:

**H0.01** There is no relationship between distance travelled and time spent on shopping.

**H0.02** There is no relationship between income and monthly food and grocery budget.

**H0.03** There is no relationship between time spent on shopping and food and grocery budget

**H0.04** There is no relationship between forming opinion about shopping and marital status

**H0.05** There is no relationship between age group and opinion for making shopping

**H0.06** There is no relationship between frequency of shopping and food and grocery budget

**H0.07** There is no relationship between opinion for making about shopping and time spent for shopping

**H0.08** There is no relationship between occupation and time spent for shopping

**H0.09** There is no relationship between income and food and grocery budget for shopping

**H0.10** There is no relationship between family structure and food and grocery budget

**H0.11** There is no relationship between income and mode of travelling for shopping
There is no relationship between preferred day for shopping and occupation

There is no relationship between time spends for shopping and companion for shopping.

There is no relationship between companion for shopping and amount spent for shopping

4.4 Research Questions

Based on the literature review and research objectives, certain research questions were framed to enable the researcher to focus on the research.

1. Will there be any impact on traditional retailing by modern retailing?
2. Will traditional retailers, be able to survive and sustain themselves in the competitive modern retail environment?
3. What prompts the shoppers' to look for modern store retailing? and
4. What modern shop factors influence the shoppers to stick to modern store retailing?

4.5 Research Design

The study is both descriptive and analytic in nature. That means, it describes the data and characteristics of the population or phenomena being studied. Descriptive research, answers the questions who, what, where, when and how. Descriptive studies are aimed at finding out "what is", so observational and survey methods are frequently used to collect descriptive data (Borg and Gall, 1989). Three main purposes of research are to describe, explain, and validate findings. Description emerges following creative exploration and serves to organize the findings in order to fit them with explanations and then test or validate those explanations (Krathwohl,
1993). The analytic design consists of analysis of factors or attributes of stores and often characteristics influencing the customers of modern stores.

4.6 Data Collection

As a part of data collection, primary data were collected from both treatment and control group traditional retailers in CMA with a structured interview schedule. In the case of shoppers' preferences for modern store retailing, a self administered, an exit interview questionnaire was administered, in the catchment area of modern store retailing. Being a self administered questionnaire, respondents were able to answer and record their own preferences; hence researchers' influence on this part was totally absent. Therefore, this appears to be a good way to eliminate bias from interviewer's opinion (Burns and Bush 2000). On the other hand, there is a high possibility that unintentional respondents' errors such as misunderstanding, guessing, poor memory, lack of attention, distractions and respondent fatigue could occur due to the absence of the interviewer and thus the researcher has no opportunity to explain the questions in person (Burns and Bush 2002, 2003). So in order to avoid such hasty failures in the research, the entire questionnaire was pre tested and wherever the possibility of irrelevant and confusion on the part of the questionnaire, were eliminated. But in the case of traditional retailers' interview schedule, they were briefed about the research and influence of the researcher plays a minor role.

4.7 Questionnaires Used

The different types of questions on the questionnaire were incorporated. It may vary from dichotomous questions, multiple choice questions, open ended questions followed by Likert Scale questions to assess the shoppers' preferences for modern store retailing. Often five ordered response levels are used, although many
psychometricians advocate using seven or nine levels; a recent empirical study by Dawes, John (2008), found that a 5- or 7-point scale may produce slightly higher mean scores relative to the highest possible attainable score, compared to those produced from a 10-point scale, and this difference was statistically significant. In the case of retailer interview schedule, most of the multiple choices, dichotomous and open ended questions were incorporated so as to have a smooth interview from the respondents.

The modern stores growth impact on traditional stores was also assessed by researcher by eliciting the opinion of Traditional retailers for the following questions both from the treatment group as well as control group. The questions were open ended. The responses were taken down verbatim care was taken not to intimidate and favor the answers. All the possible answers were taken into account and categorized for the analysis. For eliciting the opinions, every 10th respondents out of 500 and 5th respondent out of 121 were chosen randomly from the treatment group and control group retailers under study respectively so as to get the unbiased answers.

The questions asked were as follows,

1. Have you experienced the reduction in the customers over the years 2005 - 2009?
2. If yes, what could be the reasons?
3. Is there a decrease in business turn over due to the emergence of modern stores?
4. If yes, what are the possible reasons?
5. Whether the business increased over the years 2005 - 2009?
6. Give your opinion about the future prospects of your business? and
7. Do you offer credit facility to your customers?

The answers would be subjected to chi square test so as to bring the exact opinion results of these traditional store owners on the impact felt by them due to the emergence of modern stores.

4.8 Pre Testing of Questionnaire

Before the questionnaires were administered towards retailers and shoppers, they were tested in sample area market i.e., CMA and some necessary adjustments were made in the questionnaires. Some of the questions like distance traveled by the shoppers, mode of reaching the outlet and companion for shopping were included after the pre testing of the questionnaire. Examples were added in the questionnaire since respondents were confused about or never come across some words like 'Private label brands'. In that question, after the pre testing, examples were given so as to enable them to answer without any ambiguity.

4.9 Research Participants

Survey research methods tend to be the mainstay of marketing research in general and are normally associated with descriptive and causal research situations. One of the distinguishing factors of survey research method is the dominant need to collect raw data from large groups of people. This size factor necessitates the use of "bidirectional communication practices," which means that selected individuals are asked questions and their responses are recorded in a structured and precise manner (Hair et. al., 1998). In this survey, two types of respondents were chosen, one, the traditional retailers and the other respondents were the shoppers from a modern retail store. It is necessary on the part of the researcher to concentrate on both the types of
respondents who are major deciding participants for the impact study and hence equal importance was given to both the respondents.

4.10 Population – Target Audience for the Study

The current research concentrates only on the context of unorganized traditional retailers. They are basically segmented into Hawkers, Pull cart vendors, Road side stalls, pavement vendors and Kirana stores. Other than the Kirana stores, remaining other retailers have no permanent structure for their business. Based upon the demand they serve the defined customers. The basic objective behind these retailers was all about livelihood coupled with doing business in small way for their meager profit. These unorganized retailers are quite common phenomenon for the most of the countries, and it is particularly true to India. That’s why India can be called as ‘nation of shop keepers’. These mobile vendors are selling fresh fruits and vegetables which generally they buy from mandis and sell to their customers with a required profit. Due to mobile in nature, it is hard to know about their other business details, difficult to track, measure their business performance and analyze them. But in the case of unorganized retailers they have a fixed place of business either own or rental and can be approached for study.

4.11 Data Sources

4.11(a) Sample Frame (Primary Data)

The main aim of sampling is to obtain a representative study group of people from the population; thereby the results obtained can be inferred to the whole population (Easterby-Smith et al., 2002). This research is focusing on both treatment and control group traditional retailers and their status of doing the business when
compared with modern store retailing. The study area for this research is restricted to Chennai Metropolitan Area (CMA) with specific focus on traditional and modern food and grocery outlets. Proportionate sampling method was used to select the respondents. Proportionate and convenience sampling is a technique in which, sub groups differ dramatically in size of the population. The number of retailers and shoppers chosen from each subgroup is equal to their proportion in the total population but wherever possible convenience or purposive sampling was also followed so as to get the sample having similar characteristics like selling mostly food and grocery items both in treatment and control group traditional stores. Survey or interviews was continued until no variations in answers were coming. The Chennai metropolitan area was equally represented by dividing the city into 13 zones (consisting of 10 Chennai corporation zones and 3 Chennai suburban adjacent zone areas of Ambattur, Poonamallee and Tambaram Municipalities. The total size of the sample is 500 each for both traditional retailers (treatment group) in the vicinity of modern stores and also exit shopping consumers in modern stores. Treatment group traditional stores are those situated near to the modern stores. A pretested questionnaire cum detailed interview schedule was administered to treatment group traditional retailers with a brief introduction and purpose about the research. And in the case of modern outlets consumers a structured questionnaire was prepared, pretested and was administered by exit interview. And also a sample of 121 traditional stores owners were chosen as control group in un intruded modern retailing area so as to know the differential impact between modern stores intruded traditional stores (Treatment group) and Control group. These control group stores are basically chosen by way of larger distance from the modern stores. All other characteristics were kept similar between treatment group and control group.
Table 4.1

Primary Study Sample and Survey Sites – Chennai Metropolitan Area (CMA)

Food and Grocery Stores Owners and Customers

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>CMA Zones</th>
<th>No.</th>
<th>Food &amp; Grocery stores (Nos.)</th>
<th>(Treatment Group) Traditional Retailers Interviewed (No.)</th>
<th>(Control Group) Traditional Retailers Interviewed (No.)</th>
<th>Customers of modern shops interviewed (No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tondiarpet</td>
<td>13</td>
<td>12 Modern Stores</td>
<td>48</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>2.</td>
<td>Basin Bridge</td>
<td>18</td>
<td>5 Traditional stores</td>
<td>36</td>
<td>28</td>
<td>8</td>
</tr>
<tr>
<td>3.</td>
<td>Pulianthope</td>
<td>18</td>
<td>5 Modern Stores</td>
<td>45</td>
<td>28</td>
<td>8</td>
</tr>
<tr>
<td>4.</td>
<td>Ayannavaram</td>
<td>14</td>
<td>12 Traditional stores</td>
<td>54</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>5.</td>
<td>Kilpauk</td>
<td>15</td>
<td>46 Modern Stores</td>
<td>57</td>
<td>4</td>
<td>73</td>
</tr>
<tr>
<td>6.</td>
<td>Ice House</td>
<td>18</td>
<td>1 Traditional stores</td>
<td>34</td>
<td>35</td>
<td>2</td>
</tr>
<tr>
<td>7.</td>
<td>Nungambakkam</td>
<td>17</td>
<td>12 Modern Stores</td>
<td>34</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>8.</td>
<td>Kodambakkam</td>
<td>16</td>
<td>58 Traditional stores</td>
<td>47</td>
<td>4</td>
<td>91</td>
</tr>
<tr>
<td>9.</td>
<td>Saidapet</td>
<td>12</td>
<td>13 Modern Stores</td>
<td>44</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>10.</td>
<td>Adyar</td>
<td>14</td>
<td>67 Traditional stores</td>
<td>57</td>
<td>5</td>
<td>105</td>
</tr>
<tr>
<td>11.</td>
<td>Ambattur</td>
<td>52</td>
<td>18 Modern Stores</td>
<td>28</td>
<td>3</td>
<td>28</td>
</tr>
<tr>
<td>12.</td>
<td>Poonamallee</td>
<td>21</td>
<td>18 Traditional stores</td>
<td>4</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>13.</td>
<td>Tambaram</td>
<td>39</td>
<td>50 Modern Stores</td>
<td>12</td>
<td>4</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>267</strong></td>
<td><strong>317</strong></td>
<td><strong>35850</strong></td>
<td><strong>500</strong></td>
<td><strong>121</strong></td>
<td><strong>500</strong></td>
</tr>
</tbody>
</table>

Source: Number of shops enumerated from wards, corporations, municipalities, Panchayats and enquiries with traders association and questionnaires administered by interviewer with unorganized traditional outlet owners. Exit interview of customers of organized modern outlets. Treatment group of traditional retail shop are: intruded with modern stores in the vicinity (Within 6 km) Control Group of traditional retail shop are: Not intruded with modern stores in the vicinity and found located > 6 km.

4.11 (b) Secondary Data

Regarding the secondary data collection, the researcher collected relevant secondary data that were appropriate to the research from reports like A.T. Kearney, Euromonitor report 2005, Planet retail report 2006, National Sample Survey Organization, Dun and Bradstreet group research, Chennai corporation, Department of Health and Family Welfare (Government of Tamil Nadu), Ambattur, Poonamallee, Tambaram municipalities, Various traders associations (Chennai), Aavin, Tamil Nadu.

4.12 Data Analysis and Tools

Raw data collected from the questionnaire were analyzed using the Statistical Package for Social Sciences (SPSS) version 18. It is utilized to compute the shoppers' preferences for modern store retailing and also to test the relevant hypotheses. The main analysis consists of Factor analysis, correlation, Cronbach's alpha for reliability, and also descriptive statistics to enumerate the other aspects of analysis. Other than the SPSS analysis, chi square test, t test, Anova and correlation were used to find out the impact of modern retailing on traditional retailing by studying treatment and control group traditional stores, which was a major aims of the research.

The data gathered through questionnaires survey from traditional store owners were analyzed through means, averages, percentages, chi square test and other descriptive statistics.

4.13 Time Frame of Research

The collection of background information and review of literature for the study were undertaken from March 2008 to February 2009. After defining the title of the research work, the secondary data collection and enumeration of retail outlets in Chennai Metropolitan Area (CMA) were done by visiting various information sources and by enumeration of outlets by visiting various wards of corporation, municipalities, panchayats, government offices and other trade associations between end of March 2009 and September 2009. The primary data collection was made
between October 2009 and March 2010. Thereafter the data analysis and report writing works were taken up and completed.

4.14 Limitations of the Research

There are several limitations to this study both conceptual and methodological. Due to the emerging nature of retail industry, one major limitation is the lack of appropriate definitions for retailing and no single source was available for ascertaining the number of stores. We also find limited secondary source and authenticated data were not made available. The questionnaire used as the research instrument is framed from the related literature review and background information gathered, pretested, finalized and administered. This current study was restricted only to retail aspect of the food and grocery segment, but it did not concentrate on wholesale aspect of food and grocery business, push cart vendors, hawkers, traditional stores, stand-alone vegetable fruit shops, grain, pulses edible oil shops, meat, fish and mutton shops. However, since the scope of this thesis is restricted only to food and grocery, other retail businesses were not discussed in detail. The study equally concentrates on both aspects, namely traditional and modern retailing of food and grocery so as to find out the impact on each other, Retailers were afraid of revealing the information as they were hiding themselves from IT purview by suppressing their income. So it lead to lot of relationship building, recommendations of known neighbors and also briefing about the research and motivating them which took lot of time, money and energy. Briefing introduction and relationship building was required which was time consuming process. The present study was restricted only to Chennai Metropolitan Area and it may resemble both positive and negative situations of any other city in India. There are limitations also to the present research related to unfavorable participant characteristics, particularly non cooperation. Since shoppers
were time starved, conducting exit interview was a big task with continued persuasion and lot of limitations.

Despite those above said limitations, the study provides answers to the basic problems in which traditional retailers are entangled due to the emergence of modern store retailing, coupled with change of preference of shoppers' due to life style changes increased income, etc.,