CHAPTER – 7
SUMMARY AND CONCLUSIONS

Retailing in India has seen an appreciable boom in the recent past. The change is not only time bound but has also transformed the Indian retail market as a whole. The major causes for this change are the rapidly growing economy and changing demographics that mainly constitute young consumers with affluent salaries and metropolitan lifestyles. Such consumers have a greater demand for quality consumer products than for shopping in the local area market for domestic products. This has created a need for new and better quality products representing their lifestyle.

These are times when organized retailing has started spreading its wings in the Indian retail market. After the permission to invest 51 per cent FDI in this sector, many global players have entered the Indian market through the route of franchise. But the rising economy, unexplored potential of the retail market and customers has made global giants assess the Indian market for their products. It is not only the bigwigs like Wal-Mart, Carrefour and Tesco but also big Indian players such as Reliance, Tata, Birla, Bharti, etc. who have also shown interest in this sector. No other sector has shown such a rapid development in a very short span.

Organized retailing in India has made its presence felt through many new formats like shopping malls, supermarkets, hypermarkets, department stores, discount stores, etc. Among all these formats shopping malls, supermarkets and department stores have been successful in sailing in the huge waters of the Indian retail market, which basically comprises of unorganized retailers from kirana stores to traditional mom-and-pop stores. Keeping in mind the consumers of India, organized retailers have cautiously launched the new formats of retailing. The success of these formats also goes to the consumers, as today’s market is more of a ‘consumer-driven-market’. The increasing number of middle-class customers, the rising incomes, changing lifestyles, increasing number of working women, and increase in nuclear families in urban cities are some of the reasons that have given an impetus to the new formats. The consumer today has more money, more demands
and more expectations but at the same time s/he is short of time. The new formats not only promise to provide wide variety, branded products at reasonable prices but also make shopping an enjoyable experience for an individual as well as the family. The consumers can be seen rushing to the malls especially on weekends where they do the routine shopping and also spend leisure time because facilities like food court, games for children and other activities are available.

The change has been apparent not only in the retail sector in the form of organized retailing but in the consumer behaviour also. The retailers who have foreseen this change are capable of surviving in the cut-throat competition created by organized retailers for themselves and also for the unorganized retailers, as they are known these days. That is why a colossal transformation can be seen even in our neighbourhood kirana store to a department store with the change in its ambience, products, quality, prices and services, etc. The consumer is ready to spend even slightly higher prices for the one-stop-shop facility, as it saves his/ her time.

It seems the retailers, organized or unorganized, are all braced up to beat the competition from their peers, or meet the expectations of their consumers. To sustain in the market, retail managers are adopting various strategies to retain old customers as well as attract new customers. These strategies not only benefit the retailers but also the consumers, as increasing competition give them more options to choose from while shopping.

The changing consumer behaviour towards new organized retail formats, viz., shopping malls, supermarkets, and department stores, etc. is significantly supported by factors such as increasing incomes of the vast middle-class, brand conscious young consumers, increasing working women, increasing nuclear families and increasing working hours leaving them scanty time which they, at least, would not like to waste moving shop to shop while shopping in the local area market for the needed products. This change has fuelled the rapid growth of organized retailing, which has been observed to be even higher than the growth rate of the economy. The research was, therefore, taken up to study and understand the trends in Indian retailing, the changing consumer behaviour and various strategies that retail managers adopt for their successful sustenance.
OBJECTIVES OF THE STUDY

The main objective of the study is to analyze the changing consumer behaviour towards new retail formats and marketing strategies followed by retailers. The following are the specific objectives of the study:

1. To study and analyze the trends in retailing.
2. To study and understand consumer behaviour towards shopping malls/stores.
3. To examine the marketing strategies of retailers of selected retail outlets.
4. To suggest policy implications for the selected retail outlets.

RESEARCH METHODOLOGY

To achieve the objectives of the study, a sample of 472 consumers and 50 stores of various formats were taken up. The selected consumers included those who had visited shopping malls and were also frequent visitors. The sample included consumers at malls and also other mall shoppers. This sample was selected by convenience sampling method. Personal interview method was used for data collection with the help of a pre-tested, structured, and non-disguised questionnaire. Consumer behaviour towards malls and other retail formats was examined to enquire into by a series of related questions to retail formats, factors influencing decision-making while shopping, and also other motivating store factors affecting consumer behaviour.

For sample selection of retailers, 50 stores were selected from Delhi and NCR (National Capital region) that included Gurgaon, Noida, Ghaziabad and Faridabad. To maintain parity, it was decided to select those stores which were having all, or at least three categories, of the pre-decided products, viz., apparels, accessories, toys, home décor and kitchen electrical appliances. The sample stores were selected through convenience sampling. The data was collected with a pre-tested, structured, and nondisguised questionnaire. The questions were framed in a continuing sequence to gauge the key factors that earn a store its image, the sales promotion techniques used, and, above all, the marketing techniques used by the retail managers for successful management.
The changing retail market, flood of shopping malls, promising future in the market and commodious investments in the form of FDI are some of the reasons sufficient enough to call for an in-depth study in this area. Moreover, not much work has been done in India as the retail boom here is still at its nascent stage. Though some research studies have been conducted, yet more work is needed to be done. The present study is a meager effort to fill in the gap between the existing research works. Delhi and NCR being the national capital and a metro city is an easy target for displaying the changing trends in retailing, hence they were selected as the universe for the present study.

The data was analyzed on the bases of simple frequencies, mean scores, standard deviations and weighted rankings. To sharpen the inferences, various statistical tools like ANOVA and Kruskal Wallis H Test have been used.

**SUMMARY OF FINDINGS**

The major findings and conclusions emerging from this study related to changing trends, changing consumer behaviour towards stores, and marketing strategies used by retailers are presented in the following paragraphs. The present chapter has been divided into three parts. The first part explains the trends in the Indian retail sector. The second part covers the findings related to consumers’ attitude towards changing retail trends and shifts in consumer behaviour. The third part describes the findings related to retailers’ efforts to achieve the organization’s objectives and goals. These goals are achieved by adopting various target market strategies and by focusing on factors that add to a store’s main strengths. These also play a crucial role in building the store’s image, and strengthening in for future challenges in the retail market.

**PART – I
EMERGING TRENDS IN INDIAN RETAILING**

Retailing in India is experiencing a shift from unorganized to organized retailing. This change has strongly made its presence felt in the past couple of years. The local bania shop
is gradually transforming into a small supermarket. The traditional *kirana* stores are making way for modern formats such as shopping malls, supermarkets, hypermarkets, department stores, *inter alia*. The retailing strategies are changing from low prices and convenience to customer relationship and value retailing. The change is evident from the emergence of modern formats in Indian retail sector. Some of the trends, as projected by various think tanks, are – co-existence of traditional and modern formats, addition of lifestyle to consumers’ consumption pattern, emergence of new combinations of retail formats, rise in private equity investments, consolidations among channels of retailing, emergence of private retail brands, need of FDI and professionally trained manpower and increasing benefits to consumers. The fast changing Indian retail sector has given opportunities to the experts to make predictions and strategies about the new trends the market may come up with. Therefore, the trends in the Indian retail formats, factors behind change, etc. are presented as below:

**TRENDS IN MODERN RETAIL FORMATS**

The transformation of the Indian retail sector has brought significant change in the retail formats also. New formats (also known as modern formats) have started making place for themselves, along with the traditional formats. The modern formats are not only limited to store but also to non-store formats. Store formats are a popular means to reach consumers and position themselves in the mind of consumers by providing a visual experience, educational information and, above all, an opportunity to take trials (at times) of the needed products. The various new store formats that have emerged in the retail sector are – shopping malls, department stores, supermarkets, hypermarkets, specialty stores and discount stores. Some other formats that co-exist with these formats can be named as chain-owned stores, stopover stores, kiosks, etc.

The various non-store formats, better known by the medium they use to communicate with their customers, can be categorized as direct marketing, direct selling, vending machines and e-tailing. The non-store retailers have secured popularity among consumers because of their 24x7 service feature. These formats cater to the need of ‘lesser time to shop’ of the consumers very efficiently as they are easily accessible, less time consuming and also
provide service over the longer working hours. Some of the popular non-store formats in India are telemarketing, electronic retailing, direct mail catalogues, door-to-door selling, melas/haats, and automatic vending machines.

The existence of many retail formats – store or non-store – in the market indicates transformation of formats in the Indian retail sector. The emergence of many new formats is also changing the traditional ways of shopping by providing new products, more variety, better services, more facilities, good shopping experience, and, above all, value for money. This is further proving a boon to the retail market by transforming it from an unorganized to the organized Indian retail sector.

**FACTORS BEHIND CHANGE OF INDIAN RETAILING**

The changes in the Indian retail sector have drawn attention of retailers as well as of consumers. Several factors can be taken to be accountable for this change that is spreading from metro cities to tier II cities (Chandigarh, Ludhiana, Amritsar, etc.). Some of these factors can be named as the changing face of the retail sector, change in consumer needs, changing social composition of consumers in India, the need of ‘optimum utilization of time and money’, rising incomes, increase in the number of nuclear families, increase in the ratio of working women, explosion of media, shift of simple living to luxurious lifestyles, easy availability of credit money, culture/ traditions under the impact of commercialization, awakening of rural market, changes in the supply chain and introduction of FDI in retail, and so on. A change in all these factors has collectively influenced the changes in Indian retailing from unorganized to modern retailing.

**TRENDS IN FDI IN INDIAN RETAIL SECTOR**

The Indian retail market, which is the fifth largest retail destination globally, has been ranked as the most attractive emerging market for investment in the retail sector. The increasing growth rate of this sector has attracted many national and international investors. But the earlier restrictions by the Government on investment through FDI in retail sector had made it difficult to the global retailer to invest in India. It was in 2006 when the
Government permitted 100 per cent FDI in cash and carry wholesale format and the permission to operate through franchise format. 51 per cent FDI was also allowed in single-brand retailing. Further estimations of higher growth rate have made the Indian retail sector an attractive destination for investments.

More investments are required for the growth of Indian retail sector that can be secured through FDI. Foreign direct investment (FDI) inflows as on September 2009, in single-brand retail trading were approximately US$ 47.43 million. The future plans of investments by many domestic corporate giants like Reliance, Bharti Group, Pantaloon, RPG, Lifestyle, Rahejas, Trent, Aditya Birla Group, etc. along with many big international retailers such as Wal-Mart, Microsoft, Walt Disney Co., Starbucks, Carrefour, Tesco, etc. in the Indian retail sector are indicative of flow of more and more investments in this sector. Moreover, the recent demand of the industry, for 100 per cent investment in single-brand format, has increased the future likelihood of increase in foreign investments.

DEVELOPMENT OF MALLS IN INDIA

The changing retail sector is witnessing the appearance of various new formats of retailing generally known as modern retail formats. These formats are well known for their products as well as services. Of the various formats, the shopping mall is looked upon as one of the most popular and widely accepted modern retail format. The growth of shopping malls in the last decade has proven its popularity not only in the metro cities but also in other cities throughout the country. It is estimated that majority of the shopping malls are located in Delhi and Mumbai.

Delhi has transformed into a hub for shopping malls over the past couple of years. A crop of malls has come up within a decade. It is not only Delhi but NCR also (Gurgaon, Noida, Ghaziabad and Faridabad) that has been impacted of the same wave. Consumers prefer to visit malls for the one-stop-shop facility, rather than spend a whole day juggling from one place to another. Cross-River Mall, TDI Fun Republic, Metro Walk, Pacific Mall, Ansal Plaza, Great India Place, Centrestage Mall, Metropolitan Mall, Ambience Mall, etc. are some of the names of popular malls in Delhi and NCR.
PART – II
FINDINGS OF CONSUMERS’ SURVEY

The findings with regard to modes of retailing, factors favouring shopping malls, impact of various factors on consumers’ decision making regarding malls/stores, various factors related to choice of malls/stores, price comparisons, and, motivating and demotivating factors while shopping are given as under:

MODES OF RETAILING

The widely used mode of retailing by the surveyed consumers is the indoor stores. One of the major reasons for this is that most of the stores are established with an indoor environment providing retailers an opportunity to create an ambience inside the store that goes with its theme. Also, the climatic conditions are kept in mind by the retailers. In summers, majority of the consumers prefer to shop in malls or other indoor stores that have the facility of air conditioning. But this does not mean that consumers do not go to open markets for shopping. Destinations like Dilli Haat, Surajkund Fair, Dastkaari Bazaars, to name a few, organized in open grounds are very popular shopping destinations among consumers. It is observed that though new formats have been successful in attracting consumers with their unique offerings yet the consumers are still connected to the traditional bazaars, which were and are their favourites. Very few consumers stated that they have shopped only at outdoor retail outlets; a majority still preferred for both indoor and outdoor formats for shopping.

It has been observed that young consumers have relatively higher preference for indoor retail formats, whereas the option of both the formats is comparatively more popular among elder consumers. It is also noted that the outdoor formats like melas/haats, door-to-door selling, direct mail catalogues, etc. are again more preferred by the young consumers than the elder consumers.
MODES OF INDOOR RETAILING

New formats of indoor retailing are gaining popularity day by day because of their exclusive features, products and services. Some of the popular modern/organized retail formats can be named as shopping malls, supermarkets, hypermarkets, departmental stores, discount stores, etc. Of these formats, majority of the consumers prefer to visit shopping malls. Majority of shopping mall visitors are young consumers who earn handsome salaries, are brand conscious; they are willing to spend more if it saves their time as they think they face dearth of time because of their demanding jobs. The factors tempting the consumers for visiting shopping malls include not only the availability of all basic facilities, but also the different brands under one roof, attractive décor, appealing visuals, clean atmosphere, recreation activities and games for children, food court, etc. In other words, consumers feel that they find everything under one roof and that makes shopping convenient and helps them in saving time. Where young consumers are highly fond of shopping malls, the elder consumers are less attracted to this format.

Of other modern formats, the preference goes for supermarkets, hypermarkets, departmental stores, discount stores, exclusive stores and cooperative stores. For all these formats, proportionately higher number of young consumers has shown greater preference as compared to older consumers. K-W statistics show that there is no significant difference among the respondents belonging to different age groups with respect to their ranking towards supermarkets, cooperative stores, discount stores and exclusive stores except department stores, shopping malls and hypermarkets where a significant difference is observed. The respondents belonging to different income groups have expressed higher preference for shopping malls and supermarkets. A mixed response has been observed for other modes such as hypermarkets, department stores and discount stores. The respondents have shown least preference for exclusive stores.

The rising discretionary income, more options available in the market and changing lifestyle have tempted the consumers to spend more. They shop because of the allurement by various offers whether or not they need an article. The middle class consumers, known as seekers, are the main target market. The organized retailing is also riding on the back of so called
middle class consumers who form a major part of the total consumers having more needs and wants. The statistics show that there is no significant difference among the respondents belonging to different income groups with respect to their ranking towards shopping malls, supermarkets, discount stores and exclusive stores but a significant difference exists for modes like hypermarkets, department stores and cooperative stores.

MODES OF OUTDOOR RETAILING

The various outdoor formats covered in the present study include telemarketing, door-to-door selling, direct mail catalogues, melas/haats, electronic shopping and automatic vending. It has been observed that if consumers go for outdoor shopping, melas/haats are ranked as the first preference of all age groups. These melas/haats are mostly organized by the government or autonomous bodies to promote small and indigenous manufacturers/retailers involved in the production of hand-made products and are popularly known as dastkaar. Such melas provide an opportunity to small retailers to sell off their products directly to the consumers hence eliminating the middlemen and thus help them earning handsome money. Consumers also like to visit these melas as they find unique products at genuine prices, which otherwise are not available in the regular market.

The second ranked mode is door-to-door selling in which the purchasing is done while sitting at home, saving time, and generally the products sold through this method are priced lower than the market price. Such products are sold with heavy discounts, which are good enough to tempt consumers to buy. This method is generally followed as a promotional technique by the manufacturers/retailers when they want to launch a new product in the market. In such cases, the basic purpose is to seek the consumers’ response to the product.

Since the young consumers are more tech savvy, hence formats like direct mail catalogues and electronic shopping are also considered as well-acclaimed modes of outdoor retailing. Though telemarketing and automatic vending are a little low on the preference list, yet a considerable number of consumers from all age groups have shown preference towards these modes indicating their enlarging horizons of acceptance. Statistics indicate that there is no significant difference among the respondents belonging to different age groups with
respect to their ranking towards telemarketing, door-to-door selling, direct mail catalogues, electronic shopping and automatic vending. But in melas/haats a significant difference exists in the rankings of the respondents. The majority of respondents from all income groups have highly ranked melas/haats followed by door-to-door selling, indicating higher preference for these modes. The respondents from lower and higher income groups have given low ranks to automatic vending and direct mail catalogues respectively. The statistics show that there is no significant difference among the respondents belonging to different income groups with respect to their ranking towards telemarketing and direct mail catalogues. But in door-to-door selling, melas/haats, electronic shopping and automatic vending stores, the respondents differ significantly.

So it has been observed that consumers like to shop whether it is indoor shopping or outdoor shopping; because it is no more a boring and burdensome activity. They consider it as an opportunity for family outings.

The consumers have confirmed their choice for shopping malls by preferring it to other options of shopping places like local area market, exclusive showrooms and multi-utility stores. The majority of young (20-40 years) consumers prefer going to malls frequently for shopping, followed by multi-utility stores who bet to be category killers in many products. Thus, these stores have become very popular by focusing mainly on ‘price conscious deal seeking consumers’. A majority of consumers going for this mode belong to older age group (above 60 years), as they like to spend rationally rather than be tempted. The income-wise analysis shows that consumers of all income groups equally shop at malls and multi-utility stores. The lower income group has shown higher preference for local area shops as compared to other three income groups.

**FACTORS FAVOURING SHOPPING MALLS**

It has been observed that one of the major reasons the consumers shop frequently at malls for clothes/household items is the availability of variety of these products. More than fifty per cent of the consumers have responded in favour of frequent visits to malls because of the availability of wide variety and range of products. A good reason for consumers to shop
at malls is the availability of products that they actually need with the presence of big discounts, luring deals, and tempting offers. Consumers have also mentioned few more factors like brand name, quality of the products, better facilities, games for children, food court, and not to forget the fact that everything is available at one place, etc. that attract them more towards shopping malls as compared to local area market.

The cluster of shops at shopping malls gives a full option to the consumers to survey a few shops for variety, prices, offers, etc. and then make the final purchase. A majority of consumers agreed to visit at least three stores before making the final purchase. Young respondents are more calculating in spending before emptying their pockets than older consumers who use experience while shopping. The income-wise analysis shows that the consumers with moderate incomes go for more store survey before making the final purchase. Respondents belonging to the high income group have shown less interest in spending time in store surveys.

The positive response of the consumers further augmented the issue to learn about the consumers’ preference of shopping malls for purchasing their clothes/household items. It has been observed that stores like Globus, Madame, Koutons, Westside, Shoppers Stop, Ebony, Pantaloons, Big Bazaar, Lifestyle, Wills, Vishal Mega Mart, S M Store, Ritu Wears are popular stores among the respondents for buying clothes, accessories, footwear and other related products. The preference for the stores remains broadly unaltered whether they are in the form of stand-alone stores or a part of a mall. The Pacific Mall, Center Stage Mall, TDI Mall, City Square Mall, Sahara Mall, Shipra Mall, Great India Place Mall, MGF Mall, Metro Walk Mall are some of the malls visited by the consumers more frequently than other ones. Some respondents have also mentioned eZone, Croma and Home Store for buying electronic items, as they get more variety as well as competitive prices/comparative prices at these stores.

**REASONS BEHIND PREFERENCE FOR A MALL/STORE**

There are various aspects that play an important role for consumers while making a choice to go for shopping. Many times these aspects become highly influential and deciding factors
leaving an impact on the consumers’ mind and thus creating a positive image for a store. In marketing terms, it is also known as store positioning. The consumers were given a set of 24 statements relating to different aspects of stores. Some of the reasons acting as drivers were – product, price, quality, services, location, opening hours, visual displays, convenient parking, and games for children. These statements were analyzed in two steps. In the first step the preferences of consumers for all the reasons were recorded. In the second step the results were analyzed on the Five-point Likert Scale by assigning different weights and calculating mean scores for every statement. The results on the basis of age-wise analysis of the statements indicating consumers’ preference to visit the specific stores/malls suggest that few statements such as – store is conveniently located, a good selection of products is available, merchandise is of highest quality, store hours are convenient for shopping needs have more influence consumers’ on preference for a mall/store. This is followed by another set of statements; like store provides plenty of convenient parking, store offers reasonable prices in the area, store atmosphere and décor are appealing, and merchandise sold is good value for money. To supplement the findings and to highlight the most influencing drivers, ANOVA was applied to all the 24 statements pertaining to the reasons for preferring a mall/store. The results indicate that the respondents from different age groups broadly share similar preferences for the malls/stores. However, they differ at 1% level of significance regarding merchandise, store atmosphere and layout, and location of the store. The difference in the preferences of respondents is apparent regarding quality of merchandise sold at 5% level of significance. Hence, the null hypothesis that there is no significant difference among the respondents from different age groups regarding their choice of visiting stores in malls is rejected for the above discussed statements whereas for the rest of the statements the null hypothesis is accepted.

The results of the income-wise analysis with the help of mean scores elucidate that the higher income group respondents have higher preference for selective reasons in their decision-making for shopping at malls/stores. A set of statements indicating such reasons include – store offers reasonable/affordable prices in the area, merchandise is trendy and of latest fashion, merchandise sold is of highest quality and store accepts all major credit cards. This shows that the respondents of income group I₄ vis-à-vis other income groups, prefer not only reasonable prices but also quality, latest fashion products as well as acceptance of
major credit cards. The preferences of different income groups regarding shopping at stores in malls differ at 1% level of significance for reasons such as the layout of the store and individual customer attention. The difference in preferences related to reasons such as store décor and displays, and convenience services, and selection of products is significant at 5% level of significance. Thus, the null hypothesis, that there is no significant difference related to preference to visit stores at malls among different income groups is rejected for these reasons while it is accepted for the rest of reasons implying existence of no significant difference in the preferences of respondents of different income groups that decide to shop at stores in malls.

**IMPORTANT FACTORS AFFECTING CONSUMERS’ DECISION-MAKING RELATED TO MALLS/STORES**

After identifying the essential reasons that influence the consumers’ preference of stores/malls for shopping, they were enquired about several key factors, which they take into account while choosing stores/malls. The factors were categorized in seven segments, viz., general characteristics, physical characteristics, products offered, prices charged, personnel/staff, promotion/advertising, and customer services provided by the store. The information related to these factors was collected using the Five-point Likert Scale. For a better interpretation of data, weights were assigned to the scale points and mean scores and standard deviations were calculated for every factor in each category. The results for consumers’ preferences for different factors related to general characteristics indicate that store image, convenient shopping days and convenient shopping hours are the important factors in this category. The age-wise analysis has shown that the young respondents have rated convenient shopping hours and store image as important, whereas elder respondents prefer convenient shopping days. The results with the application of ANOVA suggest that the null hypothesis – that there is no significant difference among different age groups with respect to factors such as store image, its long time standing and convenient shopping hours – is rejected. While with regard to convenient shopping days, it is accepted. The income-wise analysis in the same category illustrates that for the lower and higher income respondents, convenient shopping hours have been rated important while for other two middle income groups the store image and convenient shopping days are rated as important.
factors. Supported by the ANOVA test the results indicate that the respondents of different income groups share similar rating regarding the various general characteristics of stores in malls. Therefore, in this case the null hypothesis – that there is no significant difference among the different income groups regarding their rating towards general characteristics of stores in malls – is accepted.

The results of the second category, i.e., physical evidence, on the basis of mean scores indicates that basic needs like cleanliness, trial rooms, ample moving space and parking facility are on the top of the list of rating by the respondents in order of their importance. The age-wise analysis explains that cleanliness, easy to move through store and availability of trial rooms have been rated important by the respondents of all age groups except those in the age group A_4 who have rated in-store signposts, availability of shopping carts/baskets, display of price list, and availability of lift/escalator as important for making their shopping enjoyable and also convenient. The results of ANOVA signify that the respondents differ in their rating towards many physical factors like cleanliness, attractive décor, washrooms, lifts, etc. Thus, the null hypothesis – that there is no significant difference among the respondents of different age groups regarding their rating towards physical evidence factors of stores in malls – is rejected indicating variant ratings of different age groups’ respondents towards all physical factors except parking facility where the respondents’ opinions harmonize and so the null hypothesis is accepted. The analysis of responses of the respondents belonging to different income groups supported by the ANOVA test reveal that the rating of respondents from different income groups significantly differs regarding the availability of lifts; but for the other physical factors, all income group customers share similar preferences for these factors while choosing a mall/store.

It is observed that customers belonging to different age groups have different opinions relating to the features of products. The data reveals that the consumers of younger and elder age groups have rated reliable and high quality products as important factors, while the other two age groups have rated wide selection and variety, as well as fashionable products as important factors. The F-ratios of the ANOVA test indicate significant differences among customers belonging to different age groups in relation to reliability, numerous brands and quality, while there are no significant differences among the
respondents from different age groups regarding the rating towards factors like wide selection and trendy products offered when they choose stores/malls. The analysis of different income groups indicates that the consumers from the lower income groups are more brand conscious and prefer those brands that give them value for money. But the higher income group consumers look out for higher quality in products as they tend to spend more, and hence they want assurance that the products they are buying are not only good for name but for usage also. It is observed that a significant difference exists in the rating of different income groups’ respondents regarding all factors related to products offered by the stores/malls except factor ‘numerous brands’ of products.

Another important category is the price attached to the products offered by the stores/malls. The decisions related to prices offered are always of vital importance for the consumers as well as retailers. The price of the products is crucial for the consumers as on its basis they decide to buy or not to buy. It is a pivotal matter to the retailers as it helps in deciding the scope of different consumer classes that will accept the offered price. The retailers spend considerable time and money in conducting consumer surveys that are used in making their pricing strategies. Keeping in mind the several classes of consumers, many retailers adopt different pricing strategies for different customers. The respondents, irrespective of the age and income groups, surprisingly, have rated two factors as important, viz., high value for money spent, and reasonable prices. But the elder consumers have shown interest towards maximum retail price of the products. The statistical results confirm that the consumers of different age groups significantly differ in their rating regarding competitive pricing, everyday low pricing, and odd pricing charged by the stores. Consumers have given similar ratings for all other factors such as high value for money spent, reasonable pricing, maximum retail pricing, and price bundling in the category of price factors. While analyzing the similarities/dissimilarities in different income groups, it is observed that the rating of different income groups significantly differs regarding high value for money spent by them, bundling methods of pricing and competitive pricing.

While visiting a store/mall the customers generally meet the staff/salespersons repeatedly. They are one of the most dependable assets of the store and play an important role in its image building. The customers are mostly impressed by the courtesy, attention and help
extended by the supportive staff of the store. On the other hand, if a customer does not get due assistance or attention by the staff in locating the required products, he might lose the intention to visit that store again. Keeping this in mind, while finalizing the categories, the category of human resource as staff of the store was given due importance. On analyzing the different age groups, it has been coincidently observed that consumers of all age groups have rated two factors – ‘availability of supporting staff’ and their being ‘knowledgeable about products’ as important. The elder consumers have also expressed the need for certain provisions like courtesy and adequacy of staff members. In other words, the supporting staff is expected to be not only knowledgeable and available but also highly courteous, especially to the elder consumers. The data reveals that significant differences in rating regarding other factors like helpful and friendly staff exist. The income-wise analysis reveals that two factors associated with the staff of the store that hold importance for consumers from all income groups in common are – their being ‘knowledgeable about products’ and ‘adequate number of staff members’. The statistical test indicates that there is no significant difference in the rating of respondents belonging to different income groups regarding the personnel/staff in the stores for all the factors except their courteous behaviour and adequate number. It can therefore be said that the adequacy of number of staff members is vital to all the consumers but the degree of importance of adequacy differs among different income groups.

Promotion policies or advertisements are adopted by a store to increase the consumer footfall with increase in sales and profits. The age-wise analysis manifests that two factors related to advertisements of the stores that hold vital importance are that these should be (i) informative, and (ii) helpful in decision-making. On analyzing the responses of different age groups it was observed that where young consumers have importantly rated advertisements to be more informative, the elder consumers have rated those advertisements, which are helpful in deciding the buying a product. Consumers of all age groups have rated both the media and the vehicle used by the retailers for advertising as least important factors. It is a sheer coincidence that the preferences of consumers from different income groups are similar to that of the different age groups. Their viewpoint is similar regarding the advertisements which are considered more informative and helpful in decision-making. So it can be said that irrespective of the age and income, consumers do not want advertisements
to be merely tempting only, but should also provide as much information as possible to decide about the products.

Customer service is an integral part of consumers’ shopping trip. Generally, this includes services like – home delivery, after sales services, fast checkouts, returns or exchange facilities, etc. Regarding the consumers’ rating pertaining to various customer services retailers should offer, the overall responses of the consumers reveal that few services like quick redressing, fast checkouts, good product guarantee and sufficient number of cash counters, are of utmost importance for consumers’ convenience. The age of consumers did not become the barrier in their choice for the various consumer services offered by the retailers. The responses of the consumers from different age groups show that services like sufficient number of cash counters, fast and easy checkouts, and quick redressing of their problems/complaints are important. However, the young consumers belonging to age group A₁ also demand easy returns and prompt repair service from retailers. Statistically, no significant differences exist among the respondents from different age groups regarding their rating towards various customer services provided by the stores/malls, except easy returns, easy credit terms and sufficient number of cash counters where opinions differ. It is further observed that the consumers from different income groups harmonize in their consent to topmost consumer services such as easy checkouts, quick redressing and good product guarantees. Consumers from the higher income groups have also rated the service of acceptance of major credit cards important, as they consider it very vital. The statistical results confirmed that there is no significant difference among the rating of consumers of different income groups regarding various services from retailers.

The foregoing discussion based on the various P’s of marketing can be encapsulated and it can be said that a store’s success is a combination of many factors that play crucial roles. These factors are related to the store’s image and its long time standing, store ambience, attractive décor, displays of fresh arrivals and other products, trial/fitting rooms, escalators, spacious parking, wide range of products of various brands with good quality, reasonable and competitive prices giving value for money spent, availability of helpful and courteous supporting staff. Further, various sales promotion schemes backed by informative and appealing advertisements and services attached to the sold products, like accepting major
credit cards, free home delivery, easy credit terms, product guarantees, fast checkouts, and easy returns or exchange facility are also important for a store. All these factors work collectively for creating the image of the store, though customers’ preferences vary in relation to their significance.

**PRICE COMPARISONS**

It is generally observed that as per a rational buying behaviour, the consumer visits two or more outlets to know the prices of similar products so that they can bargain the best deal. But the frequency of comparing prices may differ if the price comparison is between local area shops and stores in malls. The information collected from the surveyed consumers reveals that almost 60 per cent of the respondent consumers have stated that they ‘sometimes’ compare prices, while a considerable number of consumers have stated that they compare prices ‘often’. A few consumers have also mentioned that they ‘rarely’ compare prices and buy what they like irrespective of the price, provided it is in their budget. From the responses of the consumers it is observed that the young consumers belonging to age groups $A_1$ and $A_2$ compare prices ‘sometimes’, while the elder consumers have shown a greater response with almost 90 per cent of them ‘often’ making comparisons of prices. This makes it clear that elder consumers are more conscious of spending their hard earned money as compared to the young consumers who tend to go for impulse buying.

Very few respondents in the young and elder age groups have agreed to ‘rarely’ compare the prices. At least, 50 per cent or more consumers in each of the income groups have stated that they compare prices ‘sometimes’. The respondents from the higher income group are less bothered about comparing prices. This is further backed by the data that the respondents from the lower income groups compare prices more ‘often’ as compared to the higher income groups. This indicates that the higher income consumers care less about spending extra money than consumers of relatively lower income groups.

The payment of extra money is not always due to lack of price comparisons or partial knowledge of market prices, but sometimes it is intentional. The consumers have stated that
even after price comparisons, they sometimes pay more and that extra payment is for the supplementary services like trial rooms, washrooms, shopping carts/bags, escalators/lifts, etc. provided by the stores/malls. Nearly 50 per cent of the consumers have acceded to pay more for special attractive offers and appealing store visuals. The consumers also give weightage to clean, attractive and convenient public areas in the stores/malls they visit. The respondents belonging to age groups $A_2$ and $A_4$ appear to be more fascinated by special attractive offers, and visually appealing facilities of the store. The overview of the responses of different age group consumers indicates that where elder consumers are attracted by special offers, young consumers get more enticed by the visually appealing facilities of the store. Though the consumers belonging to all income groups have shown their preference for attractive offers by stores but the higher income consumers have exhibited more liking for these offers as compared to the lower income consumers. It is the availability and affordability of higher income consumers which make them spend more through the attractive offers.

SHOPPING MOTIVES OF CONSUMERS

It has been observed that most of the times a shopping trip is backed by a motive. Many times the consumers go for shopping to de-stress themselves from hectic work schedules. The respondent consumers were asked to rank the various options of shopping motives given to them. The ranks were assigned weights to highlight their importance and weighted rankings were calculated. As nowadays shopping is more related to relaxation than just buying things, the survey also indicates consumers’ high ranking for convenient and recreational shopping. Convenient shopping describes shopping with minimum investment of time, mental and physical effort, while recreational shopping is shopping with enjoyment and pleasure. The busy lifestyles of consumers leave them with very nominal time to relax. Keeping in mind the consumers’ needs, retailers have introduced the concept of ‘shopping with entertainment’ or what we fashionably call ‘shoppertainment’. The younger consumers (20 years to 40 years) have further necessitated the prevalence of such facilities as a majority of the working people in our country consists of consumers in this age group who are young, enthusiastic, earning and demanding. The low ranking by the elder consumers indicate their least inclination towards these facilities. It is also seen that the increasing
awareness among consumers has made them more independent in deciding about products or prices while purchasing. This has reduced their reliance on retailers to secure more information about products and relevant things. While analyzing the rankings of different income groups it is observed that the consumers from the higher income groups have ranked recreational shopping as their top most choice, which is comparatively lower ranked by the consumers belonging to the lower income groups. Similar trends of rankings among all the income groups are visible for other shopping motives. In other words, irrespective of the age or income groups, all the consumers want their shopping to be more enjoyable and entertaining.

The different shopping motives kept in mind while going on a shopping trip give rise to certain experiences that become memorable for the consumers. It may be related with the impressive behaviour of the retailer or products or ambience of the store, or other services offered by the store to catch consumers’ attention. The different factors disclosed by the consumers that captivated their attention were, convenient shopping (all items available under one roof), attractive décor, availability of good variety, cleanliness, convenient layout of the store, free gifts, good customer service, parking, good music, good quality products, good return policy, etc. The factors stated above have not only impressed the consumers but also their decision related to store preference. This information can prove much helpful to the retailers, as such factors please the customers and so work as a magnet to attract them to the store.

DEMOTIVATING/DISCOURAGING FACTORS

If the stores cover positive factors to attract consumers, they are not free from negative factors too which may demotivate or discourage the consumers from visiting such stores. One of the major causes that may whittle consumers’ satisfaction or liking for a store is long waiting queues for payment. Consumers have also expressed their disliking because of some other factors too; viz., non-availability of supporting staff when they need them, and over interference of sales people. Also, certain demotivating factors may be age specific, so the opinion of consumers of different age groups is also significant. It is observed that no consumer, irrespective of the age group, likes to wait for long in payment queues. Young
consumers have indicated higher expectations regarding the presence of supporting/attending staff. The factor that least bothers the consumers is absence of lift, but the older consumers are highly affected by the absence of lift as their health may not allow them to visit those stores where facility of lift is not available. Again, the consumers belonging to different income groups have also expressed their antagonism regarding long waiting queues for payment and non-availability of the supporting staff rendering this as the near basic requirement of all the consumers, irrespective of their income or age groups.

**CHALLENGES FOR MODERN RETAILING**

Organized retailing has entered the Indian retail market with much flamboyance and grandeur. It came up with many new concepts like new retailing formats, new products, new services and new techniques to attract consumers and made its place in the market. It is because of its modern concepts that it is also known as modern retailing. Over the time it has been observed that modern retailing has been successful in its attempt. But the pathway to success has not been easy and, the future seems to bring more challenges with it.

Consumers have experienced the repercussions of modern retailing because of their repetitive interactions with it through modern formats. These formats are considered quite suitable to acquaint with the likely future challenges for retailing. If seen from the consumers’ viewpoint, the challenge of ‘competition from other organized retailers’ is considered to be of paramount importance for modern retailing. A considerable number of respondent consumers have also opined that modern retailing is ‘not suitable for rural India’, as the products offered by these formats do not match with the lifestyles of rural consumers, who constitute a sizeable proportion among the total consumers in India. Consumers also fear the threat of ‘real estate problems’ for these formats. The age-wise analysis has illustrated that a majority of the consumers from all age groups feel the threat of competition from other peer organized retailers for modern retailing. As compared to young consumers, a large number of the older consumers (above 60 years) feel that modern retailing will pose more threats for rural India, and, have do not find it suitable for rural areas. They also view supply chain and real estate problems as big challenges for modern retailing. Few consumers perceive that costly parking and over crowdedness can also pose...
challenges for modern formats. More than 50 per cent of the respondents of income group I1, followed by other income groups, strongly feel the threat of ‘competition from other organized retailers’ for modern retail formats. This explains that consumers of lower as well as higher income groups see healthy competition among organized retailers in future that may benefit consumers as well as retailers. Like the responses from the elder consumers, respondents from all income groups also presume non-suitability of modern retailing for rural India.

PART – III
FINDINGS OF SURVEY OF THE STORES

As organized retailing has transformed the Indian retail market, retailers have started reconsidering various factors that not only cater to the changing needs of the consumers but also prove as visionaries to retailers in framing new strategies.

FUNDAMENTALS OF THE STORE

The success of any store lies in few basic things like the location, reasons for the selection of location for the store, its clientele, various categories of products they offer, etc. It was decided to cover Delhi and the National Capital Region (NCR) for the present study. So the stores surveyed for the study are confined to the regions of Delhi and NCR only.

In order to have better coverage of the location, Delhi and NCR were divided into different geographical regions. Delhi was divided into five zones as North, East, West, South and Central Delhi. NCR included Gurgaon, Noida and Faridabad. Ghaziabad was also covered in the study but, as this area was adjoining east Delhi and it was difficult to demarcate the limits of the respective regions, the stores in these two areas were studied collectively. It was decided to cover 50 stores for the study from Delhi and NCR collectively; of which, 36 stores have been covered from Delhi and 14 from NCR. This also signifies the proportionate number of stores in the respective areas. Further, the maximum number of stores covered in Delhi belongs to West Delhi (10), followed by North Delhi (9) and East Delhi/Ghaziabad
(7), while in NCR majority of stores covered in the study are in Gurgaon (7) mainly because of the presence of higher number of stores there.

Further, it was considered important to find the reasons for choosing the present location to set up their business by the surveyed stores. 58 per cent of the respondents stated that the major reason for choosing the present location was because it was high street area, followed by another reason that more customers visited there (50%). Reasons like more space area and no competitor in the nearby area have been found to be relatively less important for the location choice.

As mentioned earlier, one of the major reasons for the selection of location relates to the large number of visits by customers. So it was considered imperative to know the types of customers that visit the store. It is observed that ‘adults’ is the major category, while the clientele of other stores include ‘all of them’ (children, youngsters, adults and senior citizens) category. Thus, it can be said that a large number of stores provide products that relate to the consumers of all age groups. Some of the stores are also customer specified as they offer products only for men or women.

It is further observed that the respondents have categorized the various products that they offer to the customers. Surprisingly, almost all the respondents have mentioned the offer apparel to men, women and children. The other product categories that are offered by a considerable number of respondents are accessories, and toys. Very few respondent stores have mentioned to offer footwear to the customers.

**SEGMENTATION OF CUSTOMERS**

Respondents have been following the segmentation of customers in order to serve them better. The various bases that are used to segment the customers relate to their age, lifestyle, benefit expectations, usage patterns, etc. The lifestyle of the customers is the principal basis adopted by the respondents for segmenting consumers. Other bases of customer segmentation followed by the respondents are benefit expectations and demographics, while
the commitment level (loyalty) of the customers is used by a very few respondents for segmentation.

TARGET MARKET STRATEGIES

As the customers are segmented on the basis of different characteristics, the retailers also formulate different market strategies to target customers that belong to different segments. It is observed that a majority of respondents follow undifferentiated/mass marketing. This indicates that the respondents offer products that appeal to customers of all age groups. The implementation of differentiation/segmentation strategy by the respondents signify that in addition to adopting single strategy that attract consumers in general, they also take care of the specified needs and demands of their few categorized customers by providing specific products to each category. Very few respondents have mentioned that they follow customized/ micro marketing and concentrated/niche marketing. In a nutshell, it can be said that the respondents largely adopt those market strategies that cover a substantial number of customers rather than using micro marketing that targets very few customers.

PRODUCT POSITIONING

For every retailer, it is important to position the various products properly in the minds of their customers to achieve stability and growth in the market. The respondents have used certain approaches like high quality products that are trendy and fashionable and provide value for money, to position the products they offer to their customers. The products are also mentioned to be appropriately priced, as pricing plays a crucial role in positioning the products.

Pricing the products is a very crucial decision for any retailer. So while fixing the price, the basic factors considered are the cost of the product, the demand of consumers and also the competitor’s price. It is easy to know and control the cost, and also predict the current and future demands of the consumers. But it is critical to know the pricing policies of the competitors. Respondents have mentioned that they visit their competitors’ stores to keep a check on the prices they offer for similar products. It is observed from the responses that a
majority of the respondents stated that they did not visit their competitors’ store to check prices. A few respondents stated that price checking is done by their marketing department and also that they are not given the responsibility of price fixing as prices are fixed by a common, centrally organized department.

MAJOR STRENGTHS OF THE SURVEYED STORES

The strengths of the stores help retailers to compete in the market. Friendliness of the staff has come up as the main strength of the selected stores. Depth of inventory, personal service level, knowledgeable product assistance, large selection and high quality of products, convenience of shopping and reliability of products are the strengths that are regarded as important for the store. Some other strengths like cleanliness, acceptance of major credit cards, fair processing, prompt customer service, etc. also play a significant role for the store.

OFFER OF INCENTIVES FOR THE CUSTOMERS

Nowadays, it is not easy to persuade the well-educated and well-informed customers. To attract new customers as well as retain the old ones, the retailers have to offer something extra in addition to the basic products. On analyzing the various incentives offered by the respondents to their customers, discount has emerged as the major incentive used by a large number of respondents, as they feel that it actually works on customers and attracts them towards the store. Further, some other incentives that captivate the customers and draw them towards the store include loyalty schemes, multi-packaging, free offers, after sales services, free delivery, and credit facility in that order.

The respondents have supported the capability of incentives in attracting more customers and thereby resulting in increase in sales of the store. The respondents are quite optimistic regarding the positive response from the customers. This indicates that the incentives offered by the retailers are profitable because it helps in attracting more than the accustomed number of customers. The various incentives offered not only add to the profits but also enlarge the customer base by winning their trust and loyalty.
STORE IMAGE AND OTHER IMPORTANT FACTORS CONTRIBUTING TO IMAGE BUILDING

The image or goodwill of a store is built over a period of time. There are various factors that contribute together – with different permutations and combinations – to build the image of the store. These factors have been categorized into six groups, viz., product, price, personnel, provisions, physical services and promotion. The responses were measured on the Five-point Likert scale and the mean scores were calculated by assigning weights such as 2 to most important and –2 to most unimportant.

The first category of factors relates to the products that are offered by the store. Many key factors related to products like range, variety, trendy, durability, etc. are kept in mind by the respondents before deciding about the nature and type of products to be offered. It is observed that various factors such as range of products, variety, durability, value for money, trendy, always in stock, branding and warranty, in this order, are considered important in building the image of the store. The mean scores of the factors indicate that range, variety, durability of products and value for money are considered to be more important as compared to other factors, like warranty and branding of products.

The pricing of the products involves very crucial decisions. The consumers have become very conscious of spending money and they are well aware of other alternatives where they can get better deals for similar products. So, while deciding the prices, the retailers take care of many factors related to pricing policies because inappropriate prices may discourage many among their clientele. Fair/competitive pricing and low pricing policies are important for building store image, while policies like demand pricing, high/non-competitive pricing and cost-plus pricing play a neutral role in the building store image and thus are neither important nor unimportant. Mark-up pricing policy is considered unimportant for building store image.

The manpower of a store plays a pivotal role in building the image of the store as it directly deals with the customers. Thus, they are in a better position to understand what the customers expect from them. It is observed that the respondents have rated attitude,
courtesy, knowledge, availability, friendliness, helpfulness and the number of personnel as important attributes in that order for playing a significant role in building store image.

Promotion is important for any and every type of business organization, whether it is a newly set up one or an established one. So it was decided to include various promotional channels used by the respondents that are helpful in building the image of the store. Surprisingly, the responses revealed that various promotional channels like organizing events, public relations, direct mail, pamphlets/fliers, personal selling and sponsorships used for the promotion of the store are unimportant in building image of the store. Otherwise, promotional channels are considered as important and efficient modes to communicate messages to the customers.

Store ambience not only attracts the attention of the customers but also provides needful information to them within the store while shopping. The display of price list, in-store signposts, décor and display of fresh arrivals in that order are considered important physical services in building the store image. Other physical services like availability of lift/escalator and parking facility are considered unimportant as these facilities are provided by a majority of the stores and thus these services are neutral in building the store image.

The arrangement of additional provisional services such as trial rooms, rest rooms, free home delivery, credit facility, etc. for the customers fulfill their shopping venture. It has been seen that the facility of trial rooms, fast checkout, acceptance of credit cards, and convenient hours are such additional services that are influential on customers and hence are important in building the store image. Though some other services like in-store pamphlets, restrooms, home delivery and credit facility are having relatively low mean scores, still they are also considered important by the respondents in the store image building.

The foregoing discussion suggests that consumers of modern times are more demanding, informative and suggestive. They know what they need and cannot be tempted easily with ineffective schemes/services. At one time services like free home delivery or credit facility were not very common with the retailers, but nowadays these services have become routine and are not being used to appeal to the customers. It is important for retailers to know and
understand the needs of their customers and focus upon them, because the feeling of satisfaction makes them visit the store repeatedly. Numerous factors are needed to be scrutinized and arranged by the retailers to please customers. Thus, the responses of the respondents regarding various factors categorized in six groups touching different aspects of marketing are needed to be given importance, as these are helpful in appeasing the customers and are important for building the image of the store.

**VARIOUS SCHEMES TO PROMOTE SALES**

A majority of the respondents has expressed the use seasonal sales as a major sales promotional tool. Other tools that are followed by the respondents are discounts, membership discounts, festive occasion sales and coupons. It has also been observed that very few respondents have stated to use happy hours discount, discount on discount offer, or pick of the week as promotional offers to increase their sales.

**IN-STORE ENVIRONMENT AND DISPLAYS**

The environment inside the store speaks for its excellence, status, quality of products and services, etc. and makes it distinct from other stores. Factors such as layout, lighting, types of arrays, customer comfort and facilities have been stated as important by a large number of respondents for creating good in-store environment. Other factors like heating/cooling and corporate image are also considered important for the in-store environment by a moderate number of respondents.

The in-store displays are not only used to exhibit the products but these also make customers’ shopping more convenient. Respondents have mentioned different types of in-store displays recognizing their importance and customer suitability. It is revealed from the responses that a majority of the respondents use freestanding/island display and exclusive window display with closed background. These displays are very successful in catching the attention of the customers. Some other types of displays like brand corners, counter displays and open window displays are also preferred by a considerable number of respondents because these places are potentially eye-catching places.
Background music in the store is significant in influencing the mood of customers. It revives the whole atmosphere of the store that touches customers’ frame of mind. A significant number of respondents have stated that pop music, Hindi film songs and soft music are preferred by them, as these are more mind relaxing and cheers up the customers.

While describing the importance of playing music in the store, the respondents have also stated the intended purpose of playing music. A large number of respondents have mentioned that they play music to make customers’ shopping not only an enjoyable experience but also to de-stress and soothe their minds. This indicates that music is a key component in creating an atmosphere that is miraculously conducive to the customers’ mindset.

USE OF TECHNOLOGICAL AIDS IN RETAILING

The benefits of technology have created a special place for it in all business organizations. Technology has also blessed the retail world by providing many aids that make work of retailers convenient, safe and efficient. It is revealed from the responses that all the respondents have admitted the use of computers/printers for billing. The responses also indicate that other technological aids like barcode scanners, security tags, surveillance cameras and detectors at entrance/exit are also used by a considerable number of respondents. In other words, it would not be wrong to say that with the advent of new technological aids, the work in stores has eased up and channelised significantly.

Respondents are of the opinion that the use of technological aids has helped them in easy and fast billing, quick clearance and fast processing, resulting in economizing the precious time of customers as well as retailers.

Like every coin has two sides, the technological aids on one side have immense benefits while on the other these also have some adverse effects. The respondents have stated a few problems while using retail technological aids, but a large majority mentioned that the technological aids they use in their stores do not bother them much. Very few respondents
have stated some problems like presence of cameras bothering customers and billing problems in case of temporary system failures.

CUSTOMER CARE CELL

The retailers work effortlessly to satisfy and please their customers. The surveyed respondents have also stated that they fully provide the solutions to their customers’ problems/complaints/grievances if any, and try to win their confidence. A significant number of respondents expressed that they have established customers’ grievances resolution mechanisms to resolve their problems. They have also stated that they empathize and apologize, stay calm and listen to the customers’ complaints and then take follow-up action immediately. The respondents have stated that they face very few incidents of customer complaints but when such incidents happen they handle them very tactfully.

RETAILING STRATEGIES

The retailers need not only to take care of their clientele and related matters but also be vigilant about their competitors. To establish in the market and deal with the competitors, various retailing strategies are employed by the retailers. The respondents mentioned the use of one-point concentration retailing strategy to deepen their roots in the market. Apart from that, other retailing strategies that are preferred by the respondents are segmentation of the competitive region, merchandise and customers, and differentiation strategy. The strategy to compete in the local regions is preferred by very few respondents.

The articulation of strategies is a highly tactical job and is generally performed by the technical staff of the store or framed by the distinguished team at the central branch to be applied at other branches. Strategies are framed in consideration of many crucial factors; such as demographics of the customers, strengths of the store, as well as of the competitors, etc. A majority of the respondents have stated that they keep the categories of their customers and efficiency/capacity of the organization in mind while framing their principal strategies. Further, a few respondents have also mentioned that they consider the strategies of their competitors at the time of forming the organization’s strategies.
FACTORS IMPORTANT FOR THE PROGRESS OF RETAIL STORES/MALLS/FAMILY ENTERTAINMENT CENTERS (FECs)

The development of retail stores/malls is supported by many factors that essentially contribute to it. It is seen that a large majority considered proper research as an important factor for the progress of retail stores/malls. This suggests that retailers prefer to base their decision of developing a store on the basis of the prevailing environment in the market. The respondents also considered some other factors like zoning of areas, positioning and intensive marketing as important for the development of retail stores/malls. This helps them in targeting and focusing fully on their clientele, while considering various consumer specific factors.

CHALLENGES FOR MODERN RETAILING

An effort was made to find out the respondents’ response to the challenges that the retail environment is posing to the modern retail formats. Like the responses from the consumers’ survey, it is revealed from the responses of retailers’ survey, that a large number of respondents believe that the modern retail formats might face the problem of bearing high costs for the required retail space area. There are some other challenges such as competition from modern retailers and making place in the mind of customers that the modern retail formats may face. It is observed that a few respondents have also expressed that modern retail formats may have to handle the problem of competition from unorganized retailers. From the above it can be inferred that where high rentals in real estate may become barriers for modern retailing, it may also have to deal with the competition from both organized and unorganized retailers.

SUGGESTIONS AND IMPLICATIONS

On the basis of the findings of the study some of the suggestions and implications for the retailers are being put forward as below:
1. While selecting a store/mall for shopping, the consumers take into consideration various factors like good ambience, clean environment, food court, etc. The provision of these services should not only be a mere show of formality, but the management of malls/stores must make sure that the benefit of these services actually reaches to the customers.

2. The retailers should understand the importance of the maxim ‘right thing at the right time’. The young consumers have shown higher preference for the availability of the needed products. Retailers should make every effort to fulfill the requirement of their clientele, as the consumers expect that they seek availability of wide range of products that are of good quality and belong to major brands. Moreover, they also expect retailers to keep on ample stock of products so that they can get the required stuff as and when they need it.

3. For attracting greater number of customers, the retailers should also consider the location of the store as the prime factor in addition to other factors like high street area, spaciousness, connectivity, etc. A majority of the consumers prefer those stores/malls that are conveniently located and save their time while traveling. This leaves them with spare time for shopping and other chores, as they believe ‘time is money’ because of their busy lifestyle. So while selecting a location, the consumers’ traveling time from most of the adjoining area localities must be calculated beforehand.

4. Making everything available at one place not only provides convenience but also helps customers save time. The analysis has also shown that a large number of customers from all age groups prefer going to shopping malls because these offer them everything at one place for family shopping. Further, while at a shopping complex customers can also enjoy a movie at the multiplex in the mall. Therefore, the retailers need to stock extensive range of products, with prices that are pocket friendly to a majority of customers. This will help the customers in making their shopping a recreational shopping, which is not only limited to buying of products but also offers enjoyment.
5. The competition among retailers has benefited the consumers in many ways. They have got much more opportunities in factors like brand name, variety, availability, suitability, etc. for the selection of the required product. Not only this, the consumers have also got the benefit of comparing products and their prices available at different stores. The respondents from different income groups, especially the lower income consumers, have mentioned that they visit a number of stores before buying a particular product. The retailers need to be highly cautious while adopting different pricing policies and also make efforts to convey this to the customers through different media that help in informing them about the prices charged by the retailers.

6. Retailers should develop loyalty programs to gain the loyalty of the customers and reward them. This would not only benefit them but also motivate others to be loyal. Hence, in addition to the special offers, attractive schemes, coupons, games and contests that work as magnets for customers, extensive promotional strategies can be adopted to gain and retain customers’ loyalty.

7. Modern retail formats have brought new concepts of shopping but they are still in the testing waters. It is not easy for them to penetrate in a short span of time a market full of unorganized retailers. It is observed that a majority of the respondents from all age groups have stated two factors – the competition from other organized retailers and competition from unorganized retailers – as the possible future threats to the modern retail formats. While a large majority of retailers have stated high costs for the required space area, competition from other organized retailers is also considered as challenges for the new retail formats. So instead of competing with them, retailers need to learn about the market tactics from the unorganized retailers, as these would help them in making a strong and stable foundation. High rentals of premium locations are also needed to be tackled. The retailers are suggested to especially focus on cost-cutting strategies and also pay attention to the areas where profit margins can be increased. Integrating with the suppliers (vertical integration) or price negotiations can also help in controlling costs.
8. The presence of supporting staff may not always be considered desirable by all consumers. The young consumers have referred intrusive interference of sales staff as a factor that demotivates them while shopping. The consumers stated that they need their own time to decide and the staff should interfere only when asked. The retailers are suggested to conduct proper training programs at regular intervals to train as well as update the staff members. It is necessary because the attending staff should be well aware of the products they are selling, as lack of knowledge may leave an unfavourable impression on the customers. The privacy of the customers is also desired to be maintained by the supporting staff. The shortage of trained staff has been felt by a large number of retailers. Therefore, the retailers must make efforts to organize effective short-term programs like personality development, personal grooming, etc. for the sales personnel. Good salaries and convenient timings can also work as motivators.

9. The long and slow checkout lines at cash counters discourage customers and thus result in a decline in sales and profits. A large number of respondents belonging to all age groups have mentioned that waiting in long queues at cash counters demotivates them from visiting that store. Special attention needs to be given to resolve checkout problems by providing more check out counters and also keep the existing counters in proper working conditions, especially on weekends when the customer footfall is far more than the week days.

10. The visiting customers can be requested to give their feedback on their shopping experience in the store. It is more important that the suggestions by the customers should be implemented as far as possible and also communicated to the customers to convey the message that the store values their inputs.

11. Most of the retailers surveyed follow the ‘psychographics/lifestyles’ and the ‘expectations of benefits’ of their customers while segmenting them. Such segmentation of customers proves to be the guiding factor for the retailers regarding aspects like selection of products, product categories, brands, availability, variety,
pricing, discounts/offers, after sales services, etc. that fulfill their customers’ requirements in a better and efficient way.

12. To target and attract more potential consumers, a majority of the retailers surveyed stated that they follow ‘undifferentiated/mass marketing’ market strategy so that consumers of different demographics can be included in their clientele. Few retailers, who intend to serve all their consumers effectively, have mentioned the adoption of ‘differentiated/segmentation marketing’ market strategy. The vision of the future of the store may guide retailers regarding the appropriate strategy to be followed to target present as well as future markets.

13. Factors such as friendliness by the staff, personal service level, knowledgeable product assistance, large selection of products, high quality, convenience, reliability and in stock status have been considered as major strengths of the store by a large number of respondent retailers. These factors may help other retailers in strengthening the image of the store that may prove beneficial to them.

14. One-point concentration strategy is adopted by most of the respondent retailers to compete with the other competitors in the market. The retailers practice this strategy by concentrating on their core strengths and thus gaining the competitive advantage over retailers in the market. 74 per cent of the respondent retailers have stated that while framing retailing strategies, the most important factor, apart from ‘efficiency of the organization’, they keep in mind is ‘customers’. The focus on strengths helps in building a distinct image of the store in the market in that specific product/service which proves beneficial in the long run. It is suggested that retailers must diligently determine the core strengths of their store and keeping that in focus, frame other competitive retailing strategies around it accordingly.

15. Young consumers have mentioned that costly parking and dearth of ample parking space may emerge as future problems at many shopping stores/malls. This restricts the chances of customers to visit that store/mall which may adversely affect the business. The retailers need to handle this by taking care of this requirement at the
time of the selection of the location or by securing sufficient space for customers’ parking.

16. The success of the modern retail sector needs to be backed by huge investments that can be fulfilled either internally or externally through Foreign Direct Investment (FDI). Despite the major steps taken by the Government from time to time to curtail the restrictions on the flow of foreign investment and promote the retail market, the market expects the Government to loosen up its strings in those sectors where only restricted investment through FDI is allowed.

The basic purpose of this study has been to analyze the emerging trends in Indian retailing and changing consumer behaviour. The Indian retailing is in the developing stage and a majority of the retailers still belong to the unorganized sector. The pace of transformation so far has been restricted by the slow adoption of new formats by the retailers (organized and unorganized). However, the results of the present study establish that retailing in India has been transforming with the coming of many new organized retail formats. The consumption patterns of consumers have also exhibited a dramatic change in recent times. These results have also been corroborated in various related studies such as *FICCI Report* (2007), *Technopak Retail Outlook Report* (2007) and *India Retail Report* (2009).

The above conclusions and suggestions are expected to bear direct relevance to formulating marketing strategies for the retailers. Taking these conclusions as the starting point, more detailed studies can be conducted in the specific areas of retailing.

**AREAS FOR FURTHER RESEARCH**

1. In the present study although an attempt has been made to include various factors related to consumer behaviour such as the store location, format, products, prices, motives that include discounts, offers, schemes, etc. yet it leaves the scope for inclusion of more factors for further analysis. Moreover, the analysis was made on the bases of two variables, viz., age and income of the respondents. Impact of other demographics like occupation, sex, etc. of consumers may also be considered.
2. The present study was confined to the respondents (consumers and retailers) of Delhi and NCR. Similar studies can be conducted in other metro cities and states.

3. The present study is limited to only five product categories, viz., apparels, accessories, home décor, electrical appliances and toys; more product categories can be considered for further research.

4. With time the consumer has began to accept the new formats of organized retailing, as it is evident in the rising trend of its growth. It has also positively affected the unorganized sector since the retailers have started modifying them on the lines of organized retailers. A comparative study of the organized and unorganized formats could also be undertaken to study the areas where they compete or complement each other.