3.1. INTRODUCTION

Currently, multiple formats are present in the Indian Retail. Multiple formats are necessary due to the diversity of our country. Retailers need to keep in mind local preferences when deciding on the formats as internationally successful formats may not work in India. Apart from the regional preferences and tastes, there is also the rural-urban divide. Hence retailers need different formats to cater to the needs of different segments. This explains the presence of many different formats in the country. Some of the popular retail formats in India are discussed in this chapter.

3.2 RETAIL FORMATS AND THEIR EVOLUTION

Retailers need different formats to cater to the needs of different segments of the population. This explains the presence of many different formats in the country.

Conventional Retail Formats Defined by the Marketplace

Retail formats in India first emerged when the barter system was in vogue with the primitive format of the “shanty”, where the produce was brought to the market for convenient access by consumers. As towns and cities grew, these retail stores began stocking a mix of convenience merchandise, enabling the formation of high-street bazaars that became the hub of retail activity in every city. To cite an instance, Ranganathan Street in Chennai came into existence initially as a high-street destination, followed later
by Pondy Bazaar, which had largely mom and pop outlets. Thus the gradual development of the marketplace led to the emergence of new formats.

**Contemporary Retail Formats by Customer Mediation**

When we think of retail formats, the first thing that comes to our mind is the various kinds of physical retail stores.

Most Indian organizations choose to reach the consumer through brick and mortar retail store formats. However, there are other methods too; including non-store formats such as catalogue, cable TV and the World Wide Web (WWW). While the method of mediation in the physical store format is human interaction, a non-store format like catalogue relies on paper and print. Television uses telecast/broadcast and the Internet, the web-site. The most interesting aspect of a non-store format is that the entire store is brought to the customer. In a physical store format, on the other hand, an attempt is made to bring the customer to the store.

**STORE FORMATS IN RETAIL PARLANCE**

Store formats – their positioning and differentiation create a distinct image of the store among its customers. These formats are defined in terms of location, layout, size, design, merchandise, service experience offerings, etc. As there are many formats at present, it makes sense to have a clear understanding of the key store format.

**Store Formats by Location**

If retail stores are multi-locational – linked by a common store presentation created by its store design, a synergistic merchandising plan, a cohesive promotional and
service strategy, and owned and operated by a single organization – the format is known as the chain store format. Store formats are defined by their location too. If a retail chain consciously seeks to locate its stores in busy shopping areas, it is known as the high-street format (generally less than 2,000 sqft. With no parking facilities, and focused merchandise categories)

Independent retail stores that are located in a particular area with alluring propositions for the customers to visit the store with the primary intention of shopping only there, rely on the destination format (usually large in size, with ample concessions, huge parking space, wide merchandise categories).

**Store Formats by Ownership**

Retail stores owned and operated by individuals on behalf of (and licensed by) a large supporting organization adopt the franchise format. When a retail store is owned by a single person or a partnership, and not operated as part of a larger retail institution, it comes under the independent store format classification.

**Store Formats by Merchandise Categories**

Retail store can be classified according to the merchandise categories they deal in. In apparel retailing, if the store deals with all categories of merchandise to suit the wardrobe of a family, the format is known as the family store. A retail store selling a variety of a particular group of merchandise is known as an emporium (sari emporium, art emporium etc.). Example: CIE-Bangalore, Chennai.
Store Formats by Size

A single-level large store (usually more than 5,000 sqft.) selling food and non-food items are known as a superstore. A superstore is generally twice the size of a supermarket and offers non-traditional goods and services like a pharmacy, flower shop, bookstore, salad bar, bakery etc. under one roof. (Nilgiris, Chennai).

A shopping mall is an arrangement of retail stores and places for leisure activities such as dining, entertainment, etc., selected according to their contribution to an overall merchandising plan. A mall is spread over a large area of more than 200,000 sqft and run as an integrated business by an individual or an organization, to which independent retailers pay for opportunities to participate.

Shopping Malls

The new shopping malls that have been expanding their footprint across Indian cities are well designed, built on international formats of retailing and integrated with entertainment and restaurants to provide a complete family experience. Over 300 malls are expected to be built over the next two years and most Indian cities with over a million population will be exposed to this modern method of retailing.

A shopping centre or a plaza is a configuration of five or more tenant spaces of approximately 1,000 sqft each used for retailing, and developed under one building plan such that it has a unified character (Fountain Plaza in Egmore, City center R.K.Salai, Spencer Plaza in Anna Salai)
Convenience store

If a retail store is located in a catchments area of its target customers who can quickly access it and choose from a wide array of consumable products and services, it is known as the **convenience store format** (typically less than 5,000 sqft, extended hours of operation, parking for a few vehicles, convenience merchandise such as beverages, ready-to-eat snacks, grocery type items, confectionery etc.)

Specialty stores

It deals in merchandise narrow in product lines but with a good depth within that area. Specializing in a given type of merchandise, the Specialty stores offer attentive customer service. For instance, Park Avenue by Raymond’s is a men’s specialty store.

They are retail formats that offer a wide range in a single category such as apparel, foot wear, consumer electronics, healthcare, books, furniture, auto parts, music, jewellery or opticals etc. Some of the prominent names in this category are: Adidas (sportswear), Croma (electronic goods), Bon-Ton (opticals), Titan (watches), Metro (shoes), Nakshtra (diamond jewellery) and Planet M for music and movies: all excellent specialist stores in their respective categories.

Departmental Store

A store with several departments – apparel, cosmetics and fragrances, accessories, home-ware, electronics, footwear, jewellery, furniture etc. - under one roof with each section within the store functioning as a strategic business unit (SBU) is known as a department store (large in size, usually more than 10,000 sqft, often owned by national chains, good concessions, with usually more than 100,000 SKUs). Shoppers’ Stop is one
of famous department stores in our country. Shoppers Stop is one of the largest departmental stores chain having around 9 stores in India spreading in cities like Mumbai, Delhi, Pune, Chennai, Hyderabad, Bangalore, etc. Departmental stores are organized into separate departments for purpose of efficient buying, assortment and providing ease of shopping for the consumer. They have witnessed a growth of 24% per annum.

**Super Market**

A conventional supermarket is a self-service store of size 5,000 to 15,000 sq ft, They are generally located close to residential localities in local shopping centers where people can simply walk down or drive over for a quick purchase.A store that is departmentalized, specializing in foodstuff, grocery and rations and limited non-food categories with free access displays for customers so that they can pick products from the shelves is known as the supermarket (large, usually more than 3,000 sq ft. and more than 30,000 SKUs).

Supermarkets mainly cater to the food and grocery segment of retail. They normally sell grocery, fresh vegetables and fruits, toiletries, cosmetics, household articles, health and beauty products, stationery, gift items and other items of daily use. Supermarkets are the second most attractive retail formats after hypermarkets and are currently growing at 28% annually.

A hypermarket is spread over 200,000 sqft and more, retailing in groceries and general merchandise goods, with a pharmacy, flower shop, photo shop other concessions etc. It has a wide variety of merchandise offerings in large quantities in each category.
selling huge volumes at low margins. It is a combination of supermarkets, departmental stores, and discount stores. Hypermarkets are emerging as the most popular retail format in our country with 30% growth rate. Of the $30 billion investments in retail forecasted to come up over next 5 years, 38% of it is to be channeled into the hypermarket format.

**Discount Stores**

The store configuration can be defined by its pricing strategy as well. The discount format retails merchandise at 25% or more below MRP. They purchase stock lots from manufacturers in the form of irregulars like cut-sizes in apparel, unsold end-of-season merchandise etc., and retail them at discounted prices. This is also known as a bazaar format. There are discount specialty formats that specialize in a given type of merchandise line. There are discount stores (found in the West in large numbers) that adopt an everyday low pricing strategy, through the everyday-low-price (EDLP) format.

The warehouse format is a large sale of discounted merchandise by an individual or an organization in the free-access ambience of a warehouse. This format has a large width and depth in the many categories it retails. The factory outlet format is owned and operated by the manufacturer selling discontinued merchandise, factory seconds, cancelled orders, etc at very low prices and located in the vicinity of the factory itself. Some textile mills in Mumbai have their factory outlets in their factory premises. Outlet stores run by the manufacturers themselves or as their franchise are known as factory outlets.
The stopover store format is one that rides piggyback on another retail outlet, say a petrol pump. This stopover format is a concession that offers instant use or ready-to-eat categories of merchandise.

**Kiosks**

With the opening of a large number of malls and multiplexes in India, this retail format is increasingly gaining popularity with both retailers and customers. Kiosks are generally 100 sq ft. in size or smaller, tent-like structures, positioned strategically in mall pathways or located centrally in the mall atriums. They are square in shape and open on all sides or covered with glass on one side or two. With colourful and attractive displays, these formats provide character and interest to a mall’s design and layout.

In banking industry the ATM services offered by the banks come under this category of retail format. Banks have successfully used technology to improve customer service and increase it’s penetration across the country through this new retail format. Companies like Nestle, Cadburys’, HLL, Coke, Pepsi are increasingly using this new format of retailing.
### Table – 3.1

**Various Retail Formats & their Characteristics**

<table>
<thead>
<tr>
<th>Retail Formats</th>
<th>Location</th>
<th>Space/ Layout</th>
<th>Merchandise</th>
<th>Customer Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket</td>
<td>Marketplace in metros, towns, cities</td>
<td>Large</td>
<td>Multiple, cohesive food and household categories</td>
<td>Family profile, mostly loyal</td>
</tr>
<tr>
<td>Speciality Store</td>
<td>Strategic</td>
<td>Medium sized</td>
<td>Focused single category</td>
<td>Individuals, groups and cluster of same class, mediocre to high loyalty</td>
</tr>
<tr>
<td>Department store</td>
<td>Destination towns, metros and mega metros</td>
<td>Large</td>
<td>Cohesive category clusters/ brands, skewed toward garments</td>
<td>Family, high loyalty and involved</td>
</tr>
<tr>
<td>The Plaza</td>
<td>Marketplace in metros, large towns</td>
<td>Large</td>
<td>Independent categories</td>
<td>Family and individuals, young at heart and seeking to spend time in hangouts</td>
</tr>
<tr>
<td>The Mall</td>
<td>Destinations, mega metros</td>
<td>Huge</td>
<td>Independent but profiled and defined category mix like shopping, dining, etc.</td>
<td>Family and individual, young at heart, fun-loving entertainment seekers and diner</td>
</tr>
<tr>
<td>The Emporium</td>
<td>Marketplace</td>
<td>Medium sized/ small</td>
<td>Single group category</td>
<td>Family and individuals, need based spenders</td>
</tr>
<tr>
<td>The Bazaar</td>
<td>Strategic</td>
<td>Large</td>
<td>Multiple, cohesive categories in reduced price bands</td>
<td>Price conscious individuals and family, less loyalty</td>
</tr>
<tr>
<td>Stop-over</td>
<td>Piggy back location</td>
<td>Small to medium</td>
<td>Multiple, cohesive categories</td>
<td>Impulsive buyers</td>
</tr>
<tr>
<td>Single Price Denominatio n</td>
<td>Busy marketplace</td>
<td>Medium sized, small</td>
<td>Multiple, non-cohesive categories scrambled</td>
<td>Bargain seekers</td>
</tr>
<tr>
<td>Kiosk</td>
<td>Busy marketplace</td>
<td>Very small</td>
<td>Fast moving consumables</td>
<td>Impulsive individuals satisfying nick-of-the-time needs</td>
</tr>
</tbody>
</table>

*Source: Retail Management by Gibson G. Vedamani*
Though there are many kinds of retail store formats, it is the innovative combination of format elements that helps a retail store gain a competitive edge.

**Cash and Carry**

Cash and carry is a form of trade exclusively where goods are sold from a wholesale warehouse. The wholesalers buy primarily from manufacturers and sell to retailers, thus forming the link between the two.

**Non-store retail**

It is a segment witnessing a high growth rate of 32% over its small sales base. Rising consumer confidence in internet retailing and home shopping spurred high growth rates in these segments. The major categories of non-store retailing are direct selling, Internet retailing and catalogue, mail order and television sales.

**Direct selling**

Non store retailing was mainly dominated by direct selling which accounted for 80% of non-store retailing. Direct sellers were able to leverage on their low capital investment and lack of reliance on specific stores or locations. Most of these direct sellers are concentrating on selling beauty/skin care products like cosmetics and toiletries with increasing demand for these among young urban women. The direct selling scene is mainly dominated by unemployed housewives as distributors with women accounting for 60% of the sales force. Most of the major direct selling companies use a multi-level distribution system.
Internet retailing

Also known as e-tailing, this is one of the fastest growing non-store retailing with growth rate of 29%. Internet retailing is becoming a very popular channel with consumers and retailers cannot afford to ignore this. The most popular products and services are railway and flight booking, purchase and sale of stocks and investments. As far as the retailers are concerned, it is also profitable for them as they can reach out to a larger consumer base in the tier II cities also and can have a wide geographic reach without having stores in all the cities. It also helps the retailer to track the shopping patterns of consumers and thus can retain consumers more easily through targeted advertising on the web pages. Even traditional retailers are offering their products through the internet known as the “Bricks and Clicks” model. Internet retailing can see higher growth in the near future if online security issues are tackled and other convenient modes of payment apart from credit cards are put in place.

Catalogue, mail order and television sales

This category had a very small sales base but had a high growth rate of 32%. The main reason for this was the higher penetration of television sets and cable television. Yet this category has been constrained primarily due to the need of consumers to touch and feel the products before buying them. Mail order catalogue were even more limited due to the lesser impact they have on consumers in terms of conveying the product features completely. The main products sold through this channel being fitness equipment, jewellery, electronic items and household appliances.
INTEGRATED STORES

This format is a combination of hyper mart and entertainment centre. Here, one can get a double experience of shopping and entertainment at one place. The main idea behind such stores is to combine two or more functions into a single store, which caters to a wide cross section of customers.

Exclusive Brand Outlets (EBOs)

EBOs are retail outlets that sell merchandise exclusively of one brand, normally having the store name as the brand name itself (e.g. Bata, Sony, Lilliput etc). They are typically located either on high streets or within malls. Goods are priced at full-price except during the clearance sale period. Normally, the trend followed by manufacturer brands is to get into the market through MBOs, and gradually set up their own EBOs outlets as their brand acquires recognition and a large loyal customer base.

Recent years have seen a quick turnaround for this format as rising brand awareness and growing aspirations of the customer have led to a preference for brands over non-branded local merchandise. People want best value, quality and choice for their money, even if it is a little bit more expensive. The satisfaction from purchase of a branded item far outweighs the higher price paid for it. Some of the EBOs that are doing well in our country are Tanishq, Hidesign, Reebok, Adidas, Sony, LG, Levi’s Nakshatra, Freelook, Peter England to name just few.

Forecourt Retail

These are small format stores that are located in the front of a building, e.g. a petrol pump. The focus being on convenience for the customer, these stores are usually
open seven days a week. They work for extended periods during the day, opening early and closing late. This concept has not been too successful in the past, but now in this era of multi-tasking, when time is of essence, these have started gaining popularity. The prominent players emerging in this sector are In & Out, Café Coffee Day, Crossword and more recently, Vishal Corner Mart.

**FOOD COURTS**

No mall is complete without food courts. Normally positioned at the top most floors in a mall or on the floor close to the multiplexes, these are mini-food counters of food chains such as Pizza Hut, Mconalds’s Dosa Express, Sagar etc. clustered in a chain-like structure with common sitting area in the centre for the customers. A mall/multiplex attracts huge footfalls, especially on weekends, giving ample business opportunity to the food court. How much any individual counter is able to succeed depends entirely on its product appeal.

**Express Formats**

Express Formats are mostly extensions/smaller versions of large retail formats such as hypermarkets and supermarkets or restaurant chains. For example, Pizza Hut Express is the home delivery format of the Pizza Hut chain. Café Coffee Day has express counters that it has set up in hypermarkets like Big Bazaar or department stores like Lifestyle that cater to the store’s customers. Some Express formats have also opened smaller express counters in malls and high streets that cater to the fast young crowds on the move. Express formats leverage the brand’s pull to reach a larger customer base.
3.3 EMERGING TRENDS IN RETAILING

Credit Cards

A barometer of the maturity of an economy with a few expectations is the stage of development reached by its payment systems. Cash in the form of notes and a coin makes up just one form of payment system. The development in banking brought about a second phase in payment system, namely paper instruction such as cheques and credit transfers. The requirements, for greater flexibility and convenience and development of technology have given rise to electronic payments and this where plastic cards have provided their worth.

The development of the credit card is one of the most significant phenomena of the modern financial service scene. Basically the use of credit card of one of the two essential aspects of the financial services function services function, the transmission of payment and the granting of credit. The development of the credit card allowed for the first time, the use of these two functions together.

Credit Cards in India

In India the foreign banks and organizations forayed first into the credit card market the pioneer in the Indian field is the City Bank's Diner's Club Card, which entered in 1969. Recognizing the potentiality of the credit cards, few Indian banks took early initiative to introduce them. However it was only during 1981 when Andhra Bank introduced its own credit card did the Indian bank constructively enter the field central bank of Indian in association with Vysya Bank, United Bank, of India issued the central card it 1985 the bank of Baroda along with Allahabad Bank launched the bob card. The mercantile credit corporation limited merchant came in 1986 the Canara Bank made later
entry into the credit card business in 1987 and the bank of India issued its own card, India card in 1988. Among the foreign banks the ANZ Grindlays Bank came with visa classic card by 1989. Citibank's master and visa card appeared in 1900m along with Taj Premium Card market turned busy with all the twenty-eight public sector banks operating in it.

The state bank of India has introduced also state bank cheque card. In 1992 the hongs Kong bank entered the field with its visa international card and master card international and recently it has launched the Hyatt regency prefer gold card. Credit card is given by the banker to the customers in which the name of the customer is embossed in blocks letters, the name of the bank of issues and expiry are also mentioned on the field the reverse side of the card will bear the specimen signature of the customers. A list of vendors or sellers will be given by the banker to the customers.

Credit Card which was considered to be a luxury, has become one of necessity. It was considered to be used only by higher income group. But today, with development in banking and trading activities, fixed income group or salaried class has also started using the same. There may be the criticism that it includes for more purchases or makes people spend thrift. This may be so in the initial stage, but when once a customer gets used to the credit card, he/she will know how to use the same in a discretionary manner.

**Applications of Information Technology in Retailing**

Information technology is the capability to electronically input process, store, and output, transmit, and receive data and information. It plays a very important role in
today's business world. New technologies evolved in retailing are Radio Frequency Identification (RFID), Smart Operating Solution Smart Ops, and Point of Sale (POS) etc.

The result indicates that, retail complexities may reduce with the help of Information Technology solutions. The right solution can result in improved productivity and major cost saving through key advantages such as more accurate supply chain, forecasting and better inventory management. Information Technology also help retailers to solve major problems related to customer services like customer loyalty and customer satisfaction.

3.4. NEED OF INFORMATION TECHNOLOGY IN RETAILING

Most successful retail store has a reliable and efficient IT system. Retail needs IT for all its core processes – planning, ordering, sales, finances, human resources and so on. Few key indicators to this need could are as follows:

- Which Goods are moving and which are not?
- Are the vendors supplying goods on time?
- Which goods are available at the warehouse and what needs to be ordered?
- What should be ordered in the next season?
- Which customer is buying which products?
- The financial performance of the company.
- Managing the employees of the organization.

Even in a single location large format store it would be difficult to manage these issues without good data capture and analysis. In a multi location store this can become a
huge problem. Inventory control and forecasting are just not possible without a good IT system in place.

**Diagram 3.1**

*Role of Retail Technology in India* (% of respondents)

<table>
<thead>
<tr>
<th>Requirement</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce Theft/Shrinkage</td>
<td>3</td>
</tr>
<tr>
<td>Replace Ageing POS Technology</td>
<td>35</td>
</tr>
<tr>
<td>Provide Sales Associates With Selling Tools</td>
<td>39</td>
</tr>
<tr>
<td>Provide Better Product/Service Information To Shoppers</td>
<td>45</td>
</tr>
<tr>
<td>Improve Data Integrity</td>
<td>55</td>
</tr>
<tr>
<td>Increase Reliability/Bandwidth of Data Communication Infrastructure</td>
<td>68</td>
</tr>
<tr>
<td>Faster Customer Checkout Process</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: The ETIG-IRMC 'State of Retail Technology in India' Survey
It also forms the basis of supply chain initiatives like Quick Response or Efficient Customer Response and Collaborative Planning and forecasting. Especially for merchandising and supply chain IT is the major enabler. IT links the various areas of retail business into one structure and helps the flow of information across organization. This helps in managing several contact points both at the front end and the back end. Without integrated systems the retailer may be unable to get timely information, which is the key to future purchases for the store.

**How Information Technology is involved in Retailing Operations**

**Forecasting:** It is the process of estimation in unknown situations. It's an essential and very important process in any business organization. Business leaders and economists are continually involved in the process of trying to forecast, or predict, the future of business in the economy. Business leaders engage in this process because much of what happens in businesses today depends on what is going to happen in the future.

**Retail Demand Forecasting:** Modern demand-forecasting systems provide new opportunities to improve retail performance. Although the art of the individual merchant may never be replaced, it can be augmented by an efficient, objective and scientific approach to forecasting demand. Large-scale systems are now capable of handling the mass of retail transaction data – organizing it, mining it and projecting it into future customer behavior. This new approach to demand forecasting in retail will contribute to the accuracy of future plans, the satisfaction of future customers and the overall efficiency and profitability of retail operations.
Inventory Management

Inventory can be either raw materials, finished items already available for sale, or goods in the process of being manufactured. Inventory is recorded as an asset on a company's balance sheet. To optimize the deployment of inventory, retailers need to manage the uncertainties, constraints, and complexities across their global supply chain on continuous basis. This allows them to improve their inventory forecasting ability and accurately set inventory targets. An IT solution is a proven and market leading solution for determining optimal time-varying inventory targets for every item, at every location throughout supply chain. This allows retailers you to significantly reduce inventory without adversely affecting service levels.

Store Management

Another example where Information technology can be beneficial is a store management. That alerts out-of-place or stock-out items. A store, commonly a shop or stall for the retail sale of commodities, but also a place where wholesale supplies are kept, exhibited, or sold. A place where something is deposited for safekeeping is called store. The in-store system use magnetic strips or barcodes or RFID to monitor actual versus intended product location on the floor or in the stockroom.

BARCODES

Bar coding is a proven technology for automated data collection needs of the business. In layman terms, “a barcode actually contains any given alpha numeric information encoded in the form of Bars and Spaces using international symbols which
are like language of the barcode.” On retail products, the barcode normally contains the product ID (e.g. item code, product code etc.) which is required to be entered into the computer system to update the data at the time of billing, receiving or dispatch. With the barcode in place, the data is fed into the system automatically by scanning the barcode using a bar code scanner instead of punching the same through a keyboard. The advantage of a barcode is that it helps avoid any error in capturing data as compared to typing in details and ensures accuracy and speed.

In order to ensure consistency and avoid duplication there are standards for the use of barcodes and each type of standard is relevant to a particular industry or application. This also defines the extent of data or detail that has to be communicated through a barcode. For example there are UPC codes (12 digits), EAN codes (14 digits), etc.

**Point of Sales**

The fast checkout and reduced queues attracts more customers and ensures that customer visit the store again and again. The Bar Code scanners at point of sales help in the elimination of queues with fast checkout by automating the data entry into system. The barcode scanner is basically a device which plugs into a computer system just like another keyboard and feed the barcode data into a computer. The benefit is that the data fed is nearly 100 per cent accurate and the whole Item code is scanned in a fraction of second. The scanners come in lots of varieties to meet varied needs of retailers.

**In the Store**

Barcodes solutions play an important role in utilising customised in-store marketing, increasing up-selling and cross-selling opportunities, quickly locating
merchandise, easily monitoring inventory and checking prices. The state-of-the-art solutions based on barcode technology enables retailers to improve the customer's experience at the primary point of decision – the selling floor. The Portable Data Terminals (PDT) allow the retailers to take the inventory status by scanning the items barcodes without need of counting them.

**Manufacturer to Distribution Centre**

The barcode technology helps the retail products manufacturer (FMCG companies) to automate their process from manufacturing to distribution centre (DC). At the manufacturing floor, the fixed mount scanner integrated with conveyor system helps in sorting the manufactured items based on their packing and other parameters. The fixed mount scanner is basically a high performance scanner, which can operate on a 24x7x365 duty cycle. The use of 802.11 wireless networks with barcode technology, automate the process of material shipments from plant to warehouse. While shipping, the total shipment data then can be printed in the form of a 2D barcode. The 2D barcode can contain the contents of entire shipment as a single barcode, which could be read at the DC with the help of a 2D barcode scanner. The entire shipment data is entered into the computer on the scan of just a single barcode.

**Connectivity of Barcode Solutions**

Barcode solutions can be integrated to any application software to enable the printing and scanning of barcodes for various retail activities. Most of the industry standard ERP (SAP etc.) solutions available for retail already support connectivity to barcode equipment.
FDI, Participation in Retail Sector

India today represents the most compelling investment opportunity for mass merchant and food retailers looking to expand overseas. According to A.T. Kearney's annual global retail development index for 2005, India retail market totaling $300 billion is vastly undeserved and has grown at an average rate of 10% in the last five years. Present Government policy on FDI allows to have a presence of international brands through different routes i.e. Franchise, Joint venture, Manufacturing, Distribution, Cash and carry.

FDI is currently banned in the retail sector except for single brand retailing. Currently the only routes available for a foreign player to enter the food and grocery retail are:

- **Franchise agreements**: Franchising is the most widely used entry route by international retailers. A number of international firms like marks and Spencer, Dominoes, Pizza Hut have entered the India through this route. It also led to the high growth of franchises at 14% per annum.

- **Cash and carry wholesale trading**: 100% FDI is allowed in cash and carry. In this business model the wholesaler deals only with smaller retailers and not with consumers. Metro AG of Germany and Shop rite of South Africa entered India through this route. Wal-Mart is also planning to enter through this route in India.

- **Strategic licensing agreements**: This route involved the foreign company entering into a licensing agreement with a local retailer. Mango, the Spanish
apparel brand has entered India through this route with an agreement with Pyramid. SPAR has entered into a similar agreement with Radhakrishna Foodlands Pvt Ltd.

Benefits and Impact on the Country

Inflow of funds and investments, Growth of Infrastructure, Knowledge Base-Technical Know-how, Reduced cost and Increased Efficiency, Franchising Opportunity for local Entrepreneurs. Investment in Supply Chain, Cold Storage facilities and warehousing, Implementation of IT in Retail, Increase number and Improve Quality of Employment. Provide better value to end Customer Indian farmers will get a remunerative price for his contribution to retailers. Retailers can ensure lower prices, quality, better shopping experience and better customer services. Hence it will lead to overall economic growth and create Benchmark.

Online Marketing

E-business primarily concerns the applications of digital technologies to business within the firm. E-business refers primarily to the digital enablement of transactions and processes within a firm, involving information systems under the control of the firm. It does not include commercial transactions involving an exchange of value across organizational boundaries. For example, a company online inventory control mechanisms are a component of e-business, but such internal processes do not directly generate revenue for the firm from outside business or consumers. E-business applications turn into e-commerce precisely when an exchange of value occurs. And e-commerce and e-
business systems can and do blur together at the business firm boundary, at the point
where internal business systems link up with suppliers, for instance.

The people are living in an exciting time. The Power, capabilities, and worldwide
reach of the Internet are quickly changing the way the world does business. E-business
means any business conducted using electronic media such as the Internet, other
computer networks, wireless transmissions, etc. It also stands for electronic business and
refers to any kind of sales, services, purchasing or commerce on the Internet. E-
commerce means the use of internet and the web to transact business. E-commerce
primarily involves digitally enabled commercial transactions between and among
organizations and individuals.

E-Marketing or electronic marketing refers to the application of marketing
principles and techniques via electronic media and more specifically the Internet. The
terms E-Marketing, Internet marketing and online marketing, are frequently interchanged,
and can often be considered synonymous. E-Marketing is the process of marketing a
brand using the Internet. It includes both direct response marketing and indirect
marketing elements and uses a range of technologies to help connect businesses to their
customers. By such a definition, e-Marketing encompasses all the activities a business
conducts via the worldwide web with the aim of attracting new business, retaining current
business and developing its brand identity.


**Consumer e-Market in India**

<table>
<thead>
<tr>
<th>Market Size Estimate</th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Travel Industry</td>
<td>5,500</td>
<td>7,000</td>
</tr>
<tr>
<td>Online Non-Travel Industry</td>
<td>1,580</td>
<td>2,210</td>
</tr>
<tr>
<td>e-Tailing</td>
<td>850</td>
<td>1,150</td>
</tr>
<tr>
<td>Online Classifieds</td>
<td>540</td>
<td>820</td>
</tr>
<tr>
<td>Paid Content Subscription</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Digital Downloads</td>
<td>170</td>
<td>255</td>
</tr>
<tr>
<td><strong>Total B2C/C2C</strong></td>
<td><strong>7,080</strong></td>
<td><strong>9,210</strong></td>
</tr>
</tbody>
</table>

(E-Commerce Market)

(Figures in Rs.Crores)

*Source: IAMAI & IMRB Report: ‘Consumer E-Commerce Market in India 2006/07’*

E-retail can play a very important role in the growing consumer economy by providing access to organized retail into the deepest corners of the nation. The retailers themselves employ people, but unlike in the case of tickets or services, in e-retail, significant manpower is required to handle, deliver and track the packages. Multiple companies in the ecosystem employ people to drive the vehicle, to carry the packages to the customers, to assist in the call centre and to pack and process at the warehouse. E-retail can lead to large scale employment generation.
Prospective Luxury Retailing in India

Luxury retailing is still in its introductory stages in India and there is vast scope of research, especially about the evolving marketing practices in the related field with special reference to culturally-distinguished consumer groups. Luxury goods have always been associated with high quality, craftsmanship, uniqueness, creativity, exclusivity and innovation. Apart from these product attributes, consumers also get additional psychological benefits like higher self-esteem, prestige and a sense of a high status that reminds them and others that they belong to an exclusive group which can afford these expensive goods.

The growth of India as a luxury products market, and its emerging potential is very obvious now especially as the economy is booming, and there is a general positive sentiment towards global brands. India, as a retail market, is not uniform, especially when it comes to preference for luxury in terms of need fulfillment. Moreover, the market is not as mature as the European market where consumers seek fulfillment through experience. Few players have been able to fulfill the needs of the Indian consumer who is seeking luxury goods/services. Since this segment of the market remains untapped, a huge potential lies in the same.

Having suitable store locations is indispensable for successful retailers. Having prestigious store locations reinforces the core brand values and also the differentiated status of luxury brands. Therefore, the success of luxury brands in India or anywhere else is subjected to the availability of suitable store locations. In India, 80% of the luxury brands retail through their outlets in various hotels, which provides a very
restrictive environment, thereby affecting visual impact. ‘The Collection’ in Bangalore and ‘DLF Emporio’ in Delhi are two major malls which retail luxury in India. With increasing brand consciousness, the attitude towards luxury has changed and most of the prestigious fashion brands have started establishing themselves in India. The luxury goods industry is quite different from regular goods in terms of the market characteristics and behavior of consumers. Also, the level of acceptance and understanding of luxury in different markets is different. India is in the nascent stage of its development as a luxury retail market. Only a few cities like Delhi, Mumbai and Bangalore enjoy the presence of luxury culture thereby making the accessibility and visibility of these products quite low. Many experts see India as an upcoming market and the next China for luxury and have a huge potential for growth and development.

**The economic aspects of corporate and social responsibility**

Corporate social responsibility in the broader sense is taken to mean sustaining economic/business activity by co-mingling social responsibility of the enterprise in their external and internal relations with business prospects. Hence, corporate social responsibility is more than charity. It has some underlying economic implication. It is an innovative way to contribute by the firms to spend in towns and villages and to buy products from millions of artisans who are at the bottom of the pyramid. The fortune of the bottom of the pyramid calls for corporations to design products/services for the enormous population at the bottom of the pyramid. The primary assumption is that this population segment has some disposable income and firms can still make profits on large
volume. Hence it moves the corporation towards a set of socially committed and aligned work culture.

3.6 CHENNAI RETAILING

Chennai being the fourth largest city in India, it is a major trade center. The nucleus of the city consists of the old residential areas of George Town, Chintadripet, Triplicane and Purasawalkam, which are now decaying and in need of an urban renewal. The Central Business District (CBD) of Chennai is concentrated within a 3 kilometer radius around Anna Salai in Central Chennai. The prime commercial complexes are all located along the three main roads namely, Anna Salai, Dr. Radha krishnan Salai and Nugambakkam High Road. In addition, other major commercial destinations are TTK Road, Poonamalle High Road, Egmore and Adyar.

Keeping in view the fast pace of development of commercial and residential developments in the city, a number of malls are coming up in the southern part of the city by many private developers as stand alone malls as well as malls as part of townships.

In keeping with the international demand where customers look for an altogether different shopping experience, the shopping mall culture is fast gaining popularity. Earlier, limited to City's main artery such as Anna Salai or Mount Road, Chennai is experiencing an influx of newer, modern shopping centers all over the city. The feeling that FDI in retail industry is around the corner has triggered much activity among Chennai's well-known retailers. Even well established brands have been acquired by
bigger pan-India retailers, some local companies have chosen to ramp up to compete with the big boys.

3.7. RETAIL PIONEERS OF CHENNAI

Saravana Stores

Saravana Stores is a Chennai based chain store which is running very successfully. It is owned by Mr. Yogarathinam and Rajarathinam, the chain has a legacy of 60 years beginning with a small textile showroom in erstwhile Madras. Today, Saravana Stores is the one stop shop for all kinds of clothes-churidars, silk sarees, ghagras, designer sarees, readymades, mens wear, kids wear, footwear or perfumes.

The retailing philosophy that rules the Saravana Stores businesses is: Low margin, high turnover. In fact, it is a known fact that most articles at Saravana stores are sold at 20 to 30 below their MRP. Even for consumer durables and electronics, one is bound to get a product cheaper by at least one percent at Saravana compared to anywhere else.

The one lakh sq.ft Saravana stores showroom in T.Nagar, spread across five floors, caters to shoppers from India and abroad. In 2004, Saravana Stores set up a 30,000-liter-a-day ice cream production unit to launch their own ice-cream brand called “Jamal”. Saravana stores, a Rs 250 crore regional retail brand, retails stainless steel utensils, jewellery, textiles, consumer durables and provisions. Their online jewellery retail initiative a raging success with NRI’s the world over.
Pothys

Weavers to the maharajas of yore, “Pothys” was established 90 years back by K.V. Pothy Moopanar under the brand name “Pothy Moopanar” to sell cotton sarees, dhoties and towels woven in his own loom. In 1977 his son K.V. Sadayandi Moopanar established the name and expanded the outfit with a self-styled retail showroom at Srivilliputtur, branded as “Pothys”. The next generation ventured to newer pastures, and opened a showroom in Tirunelveli in 1986. Today, Pothy’s is indisputably the most popular silk saree’s showroom in Chennai—a fact corroborated by a survey conducted by Sun TV and AC Neilson Survey. The store successfully entered the Guinness Book of World Records for world’s longest silk saree at 1276 feet, endowed with images that trace the rich and varied heritage of India through five millennia. Pothy’s opened their largest showroom in Panagal Park, Chennai in 1999. This imposing six-storeyed showroom is popularly known as an “Aalayam”. Pothys offers variety of silk sarees and has a full floor dedicated to dressing up boys and girls, from tiny tots to teens.

Witco

Witco aims to be India’s leading retailer in travel requisites in premium segment. The store chain provides the best luggage and travel accessories brands under one roof. Witco was founded in 1951 by late M-P-C Mohammed, the pioneer of plastic industry in Chennai. Today, Witco has 17 outlets in Chennai and is also the exclusive retailer for Samsonite in India and VIP luggage in South India. The store houses internationally renowned premium travel brands such as Samsonite, VIP, Delsey, American Tourister and Giordano. Witco is also the founder member of RAI (Retailers association of India)
Nilgiri’s

It was started 10 decades ago as a family based organization. Nilgiri’s Dairy Farm operates 100 supermarkets in the southern cities of India including Chennai. UK based Actis, along with Singapore – based GIC Investments affected a management by out of a established brand in the south in October 2006. The group had a top line of around Rs 120 crore. Actis brought professional management and has attempted to modernize the retail processes at Nilgiri’s. Nilgiri’s product include dairy products , bakery , chocolates and a variety of other local foods and snacks. All of its products are soled under the brand Nilgiri’s. Ever since the take over, Nilgiri’s has been aggressive in expanding its retail presence, which consisted of 30 stores at the time of Actis entry. In addition to this, the new investors have been strengthening the group’s manufacturing operations in dairy, bakery and food segments. The plan for the future is to take the number of retail outlets to about 400 by 2010. Nilgiri’s now offer about 1200 private labels, which are particularly strong in the bakery and dairy segments. The company is in the process of setting up a hi-tech distribution center of 1 lakh Sq.Ft at Chennai very shortly.

Univercell

A Eureka Forbes sales head in Karnataka , Mr.Satish Babu, launched Univercell in 1997 with six employees in the beginning. Now the organization has 1300 employees and from one showroom on T.T.K Road to 155 showrooms across the southern peninsula dealing with Skycell ( now Air Tel) postpaid connections and genuine branded mobile phones. Then the company went to partner with Skycell Teleshop and signed up the first SkyCell Teleshop in Chennai. Univercell is aspiring a Rs. 1,000 – crore turnover. The company signed up Mr.Madhavan, the film actor, to be its brand ambassador for a
stronger zestful brand image. Univercell will be spreading to other regions of the country very shortly. It plans to achieve 1000 showrooms by 2010. Univercell has plans to take cell-phone to rural India as well.

**Viveks**

Vivek limited is the largest consumer electronics and a home appliance retail chain in India. Lakshmi Narayana Setty influenced by the lofty ideals of Swami Vivekananda setup a small shop of 200 sq-ft, at Mylapore, Chennai, with an investment of only Rs. 10,000 to sell folding chairs. Slowly he added radios, fans, mixers, irons, heaters and other household equipments. He named his business Vivek and Company inspired by his Guru Swami Vivekananda. After his demise, B.A.Kodandaraman took over the reins of Viveks and increased the turnover of Rs. 1,60,000 in the first year to a stunning figure of Rs. 25,76,000 by 1980. Viveks grew from three stores and turnover increased to over 80 million US dollars. It also becomes a public limited company a family run enterprise. Viveks group has a 42-year old legacy and today operates 52 stores in South India in a total area of 1,75,000 sq.ft with an annual turnover of Rs.400 crores.

**Vasanth & Co**

Vasanth & Co, a Rs.2.5 billion turnover company is a leading Chennai – based chain store dealing in consumer electronics and home appliances. The company was established in 1978, and currently has a network of 39 showrooms operating in almost in all towns of Tamil Nadu. Vasanth & Co enjoys tremendous brand loyalty amongst its customers so much. So that those who purchased black and white TV sets from
Vasanth & co way back in 1978, when TV’s were launched in India, continue to be Vasanth & Co. customers.

**Style Spa**

Headquartered in Chennai, India – Style Spa furniture limited, a company promoted by the Zuari-Chambal group of the K K Birla conglomerate was established in India in 1977 to manufacture and retail furniture. The manufacturing facility located near Chennai is a fully automated sophisticated plant equipped to manufacture exquisite pieces of furniture of impeccable quality. The plant is also one of Asia’s most modern and largest manufacturing facilities. The products-elegant and contemporary furniture for homes and offices, mattresses and pillows-are retailed in exclusive Style Spa showrooms spread across the country. Style Spa is the largest retailer of furniture in India with over 90 exclusive showrooms spanning the length and breadth of the country. Style Spa’s competitive edge lies in its elegant range of products which are difficult to replicate, its state of the art manufacturing facility that ensures consistent quality, a large retail network, experienced and qualified personnel that make up the Style Spa team and not to mention the tens and thousand of homes that revel in the Style Spa a brand of “Good Living”.

**Apollo Pharmacy**

Apollo Pharmacy, a division of Apollo Hospitals Enterprises Limited, is India’s largest branded pharmacy network, with over 700 hundred outlets, in key locations across 17 states including Andaman & Nicobar. The first Apollo Pharmacy was opened in Chennai in the year 1983 and the chain has served over one crore customers. The
pharmacy business of Apollo is growing at a phenomenal rate of 70%, with revenues of Rs. 600 crores achieved last year and plans to increase the outlets to 1000 this year. Apollo has started expanding through the franchise route. Recently, the company launched a new concept – Nurse Station – at its pharmacy outlets where the nurses are available to attend to the patients at their houses, or refer them to and Apollo Clinic nearby.

**Land Mark**

This book and music store chain was set up in 1987, with its first store at Chennai’s Apex Plaza. At present,landmark has ten outlets. The projection is to have 16 outlets very shortly. Land mark was present in 6 cities in 2006 but now it is present in 11 cities. In 2006 it had a total retail space of 2,15,000 Sq.ft. It now has a retail sq.ft of 4,35,000 sq.ft. In August 2005, Trent Limited, The retail arm of the TATA group, acquired 76% stake in the chain.

**Odyssey**

Odyssey India Limited, the Chennai – based book retail venture belongs to Deccan Chronicle Group, Publishers of Deccan Chronicle and The Asian Age newspapers. In 2007, they had 20 stores, which they seek extended to 175 outlets in 2009. In terms of retail space, it had 1,42,363 sq.ft of retail space which they propose to increase to 4,70,754 sq.ft by 2010.
**Saravana Bhavan**

Saravana Bhavan received for the 2008 Best of Mountain View Award in the Restaurants category by the US Local Business Association (USLBA), which recognizes outstanding local businesses throughout the country. Saravana Bhavan which has a chain of high-quality vegetarian restaurants was launched in 1981. It has 22 outlets in South India and 3 in North India. Besides, Saravana Bhavan is also present with 16 outlets in 6 other countries, namely, US, UK, Canada, Singapore, Malaysia, UAE and Oman.

The multi-cuisine restaurant has won accolades in every country of presence for its unique cuisines cooked in strict ethnic flavours. Saravana Bhavan restaurants also provide services in fast food, take away, outdoor catering.

**Food World**

In May, 1996, the 100-year old Chennai – based Spencer’s and Company, started a super market chain from Chennai with the brand name “Food World”. This company has expanded in the south over the previous years. The company also operates other store formats like Health and Glow and the Music World Chain stores. Food world began their operations with a very professional approach and with good in – house training.

They were able to provide relatively higher levels of customer service. The company is absolutely committed to retailing and this is justified by its efforts and investment it has made in setting up a much – desired Retailing Management Institute to train young managers in the principle of retailing.
Globus

Launched in January 1998, Globus is a part of the Rajan Raheja group. The company opened its first store in 1999 at Indore followed by the launch of its second store in Chennai (T.Nagar). Globus Stores Pvt. Ltd. was formed to contribute in the revolution sweeping the retail industry. Globus promises to bring about a perceptible change in the way apparel and lifestyle.

Lifestyle

Lifestyle is part of the Landmark Group, a Dubai-based retail chain. With over 30 years’ experience in retailing, the Group has become the foremost retailer in the Gulf. Positioned as a trendy, youthful and vibrant brand that offers customers a wide variety of merchandise at exceptional value for money, Lifestyle began operations in 1998 with its first store in Chennai in 1999 and now has 12 Lifestyle stores, 5 Home Centers and 1 Baby shop store across Chennai, Hyderabad, Bangalore, Gurgaon, Delhi, Mumbai and Ahmedabad.

Pantaloon Retail

Pantaloon Retail (India) Limited, is India’s leading retailer that operates multiple retail formats in both the value and lifestyle segment of the Indian consumer marker. The company’s leading formats include Pantaloons, a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain, blends the look, touch and feel of Indian bazaars with aspects of modern retail like choice, convenience and quality. Some of its other formats include Depot, Shoe Factory, Brand Factory, Blue
Sky, Fashion Station, Top 10, mBazaar, Star and Sitara. The company also operates an online portal, futurebazaar.com.

**The Chennai Silks**

The Chennai Silks was started in the textile town of Tirupur, South India, in the early 1960s. The stores were metamorphosised into grand textile showrooms in the major cities of Chennai, Coimbatore, Trichy, Erode and Tirupur. The Chennai Silks has its own exclusive jewellery division, Sree Kumaran Thangamaligai having the unique distinction of being the first BIS 916 hallmarked jewellery showroom in Tamilnadu.

**The City Centre**

The City Centre offers an awesome 1,50,000 sq. ft. of shopping area. Its ambience seems to be adding a new dimension to the City's looks. It is promising to be a very important one-stop entertainment destination.

**Spencer Plaza**

Spencer Plaza on Mount Road is a hot favorite particularly with children and teens. The mall is 125,000 sq ft, fully air-conditioned and accommodates more than 400 shops. Located at about half-hour ride from the airport, all the leading international brands have an outlet in Spencer Plaza. Branded apparel shops, reputed jewellery shops, food, grocery, IT products, electronics and entertainment items, healthcare supplies, handlooms and handicraft shops, bookshops provide an overwhelming shopping experience to consumers. The world's first shopping mall dedicated entirely to gold has been opened in the City. Luring the customers to buy branded jewellery, dress jewellery
as well as traditional gold seems to be the primary objective of this unique 'only gold mall'.

**Express Avenue**

The Express Avenue is a venture of Express Infrastructure Private Limited which is a 100% subsidiary of Express News Private Limited, With Express Avenue, express infrastructure brought Chennai to the forefront of fashion in India. Being in the heart of the Chennai, the location of the Express Avenue is a winner from the word go. The Express Avenue is definitely a destination mall. The depth of the retail mix at Express Avenue, with all the leading luxury brands, all zoned but under the same roof, is bound to be the first in India. Similarly, its mixed-use status with a hotel and commercial spaces on either ends makes it a home to the single largest captive audience for a shopping mall. Express Avenue houses approximately 200 brands.

In the Express Avenue approximately 30% of tenant mix is franchise driven. It is a new direction in Chennai’s retail scenario, and it is successfully generating overwhelming response from the people of Chennai.

The socio-economic scenario in Chennai is destined to change with the arrival of Express Avenue. There would be 8000 to 10,000 new jobs created on account of express avenue. Also, Mount road would get a fresh lease of life. Express Avenue has amenities that ensure comfort and shopping pleasure of the visitors. The visitors can have unfettered movement around the mall through the means of escalators and elevators. Facilities for the physically challenged, environment friendly features such as natural lighting, water treatment facilities, recycling facilities and low emitting material are used
in the construction. Express Avenue has deployed state-of-the-art equipments and trained manpower to ensure that shopping experience is wholesome without any hitches.

**Kirana Shops in Chennai**

India is a land of kiranas and Chennai is no exception for it. Small retail outlets with less than 500 Sq.ft, platform shops, hawkers and peddlers are doing considerable business in Chennai. Some of the prominent places are Pondy Bazaar, Annai Satya market in T.Nagar, Burma Bazaar in Parrys Corner Vegetable platform shops near Mylapore tank and North Madras, and Ritchie Street near Anna Salai are some of the prominent places.

The modern organised retailings are providing significant competition to the standalone *kiranas*. Majority of kirana stores in Chennai believe that there has been a change in consumer buying patterns since the onset of modern organised retailing. They are confident that they will not be wiped out of the scene but will continue to co-exist along with the modern organized retail outlets.

In order to counter the competition from organized retail, kiranas have used certain transformational strategies: while some have changed their store format, majority of them have made changes in their merchandizing. A few have incorporated value added customer service.
3.8. CONCLUSION

Over the last few years, retail has witnessed rapid transformation in many areas of the business by setting scalable and profitable retail model across categories. New and indigenized formats such as department stores, hypermarkets, supermarkets, specialty and convenience stores, malls, multiplexes and fun zones are fast dotting the retail landscape. The emergence of shopping centers is already beginning to define a new lifestyle. A huge demand exists for clean, contemporary shopping and entertainment complexes that will house local brands and retail formats and offer an exciting and rewarding shopping experience for the whole family.

A number of winning solutions will doubtless emerge over the next few years but the dominant centers for the long term will be those that are designed around the consumer and cater to the long term specific needs of a particular location. Similarly, many trends have also emerged in retailing it is up to the retailers to use all of them or a few among them constructively for the betterment of their organization, society and the economy as a whole.