Chapter-2

REVIEW OF LITERATURE
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Most of the consumers who visit retail outlets regularly are the youth. The rest of the population who visit the retail outlets under study can be listed in the following descending order of distribution – the working age group, the older age group, the middle age group, and senior citizens.

It is not surprising that the youth most frequent malls and retail stores. What is unexpected, however, is the fact that more people who fall into the older age group visit the retail stores than those who fall in the middle age group. Then again, this deduction cannot be applied to the entire population of Bangalore. The disparity can be attributed to the small size of the sample under study.

More women visit retail outlets than men. Two, more women are willing to fill out questionnaires and take a survey than men. A large number of consumers visit retail outlets for clothes/dresses/apparel. Accenture is the hottest selling item that any retail outlet can provide. One-third of the respondents indicated that the visit retail outlets to purchase groceries. Clothing is the fastest moving consumer good. Retail outlets that provide apparel can see a higher rate of turnover and sales volume. Customers give value to a great many number of factors when deciding which store to shop at. It would be prudent on the part of the company to identify their strong and weak areas, which attract or drive away customers to/from their stores. When choosing to shop at a particular store, or when favoring one store over the others, it is seen that most consumers make this decision based on the quality of the products on offer.

Majority of the respondents feel that television advertising is the most effective means of advertising. This is indicative in spite of large number of commercials that the public is bombarded with. Good number of target consumers is satisfied with
the stores at large. However, there are those who are unsatisfied or who have never visited the store at all. Such consumers form the potential market that the companies must strive to attract.

(“The Study of consumer perception on three retail chains in Bangalore.”)

The consumer’s preferences are changing rapidly and becoming highly diversified. It is difficult for the retail stores to satisfy all the needs of the customers. The most of the consumer’s want to get some attractive prices, good schemes and offers on every purchases and a shopping comfort as well. Those who are able to purchase their needs and want for a month in a bulk prefer to go to the retail chains. Because of competitions in the market the branded formals are also became cheaper so the younger generation prefers to purchase from the retail outlets of the brand the city. Only the big retail chains are able to satisfy all these needs of the new age consumers whereas there is still some consumers mostly of the old age are willing to purchase from the local kirana store. Some of them have perception that these big stores are too costly to afford and some of them are not able to make purchases in a bulk so they do not want to waste their time to go especially to the big store for 2-3 items purchase. In the case of other items like wristwatches, branded jewellery, mobiles, gift items and other, they prefer to take it from where they are getting cheap prices, good after sales services and the goodwill of the store.

After studying the customer survey questionnaire statistically and theoretically as well and after observing the consumer’s mood and their preferences I can say that Big Retail is here to stay. Assuming that improvements in infrastructure and lower real estate costs become a reality, Big Retail still has a long way to go before satisfying the highly diverse needs of the Indian population. As a result, there will be a steady state where Big Retail will co-exist with Small Retail.

(“Growth of Retail sector in India”)
From this research, there are majority no. of customers who buys more than 3 times in a month as compare to other customers. So these customers are loyal customer. No of other customers who buy more than 2 times, 1 time in a month is also there. There were higher percentages of customers who like to buy from Shoppers stop as compare to other competitors. (Pyramid, Pantaloons etc.) Means majority of customers are like to shop from Shoppers stop. So by organizing some events or with good product range & discounts, these remaining customers get diverted. As per the data collected through this survey, we can say higher no. of customers are youngsters. Along with professionals, businessmen etc. between the age group 25-35.

Majority of females customers are there, as compare to male customers. As per income range is concern, majority of customers are high class customer’s means income (30000+/month). who loves to shop in Lifestyle. They are really brand conscious. There is higher no. of customers who spend more than 3000 for their 1 time shopping, more than 3000 also. Some customers are there who even shop more than 10000 also.

("Retail sector in India")

In the past few years the whole concept of shopping has been altered in terms of format and consumer buying behavior. With the increasing urbanization, the Indian consumer is emerging as more trend-conscious. There has also been a shift from price considerations to designs and quality as there is a greater focus on looking and feeling good (apparel as well as fitness). At the same time, the Indian consumer is not beguiled by retail products which are high on price but commensurately low on value or functionality. However, it can be said that the Indian consumer is a paradox, where the discount shopper loyalty takes a backseat over price discounts.
Indians have grown richer and thus spending more on vehicles, phones and eating out in restaurants. The spending is focused more outside the homes, unlike in other Asian countries where consumers have tended to spend more on personal items as they grow richer. Spending on luxury goods have increased twice as fast with 2/3 of India's population is under 35, consumer demand is clearly growing. The mall mania has bought in a whole new breed of modern retail formats across the country catering to every need of the value-seeking Indian consumer. An average Indian would see a mall as a perfect weekend getaway with family offering them entertainment, leisure, food, shopping all less than one roof.

(An analysis of Indian Retail sector)

PJ GERMAIN

The customer's perception: Customer perception is an important component of our relationship with our customers. Given that 90% plus of our orders at some point involve the phone, how we handle the telephone is essential to creating a perception for our customer that aligns with the company mission of service. Smiling stretches your vocal cords, and gives a more upbeat presentation to the customer. Slowing down ensures that the customers perception is of an organized systematic company that can handle their project. Getting it done right and on time consistently.

(Article source: http://www.fibre2fashion.com)

BY SOUMEN CHATTERJEE

Unique customer perception (UCP): According to soumen, Unique Customer Perception is what is required by companies instead of Unique Selling Proposition. It is ultimately that customer look for satisfaction based on the picture of perception
derived from various sources. If these perceptions of customer can be analyzed then promotion would be easier for customer centric marketing. This has lead to the concept - “Customer Perception is the Rule and not Customer Satisfaction”.

(Article Source: http://EzineArticles.com/?expert=Soumen_Chatterjee)

BY JEN B

Brand recognition will change customer perception: According to Jen B, for a bigger stronger business you have to get some serious brand recognition happening. People need to know your name before anything else. You want people to think of you a certain way too.

This is the ticket to getting the image that you want. If you get a lot of blank looks from people that are not current customers then you probably have no recognition at all. That means it is time for an advertising switch. Even if people don’t buy the product they will recognized the name. Remembering a business is one step closer to trusting a business. Brand recognition is accomplished only by people seeing your logo and business name over and over again. This will create the repetition that your customers and future customers need to pick your product out of a crowd time and time again.

(Article Source: http://www.a1articles.com/article_1035917_15.html)

HUAWEI

Satisfy customers perception is the biggest challenge: In meeting customers' requirements and measuring customers' satisfaction indexes, customer perception should be definitely a key consideration. Qualified services in the operation execution layer, technical management layer and business development layer are necessary. It is
more important to understand customer expectations and make efforts to exceed their expectations. In customer satisfaction management, the biggest challenge is customer perception management, or customer perception satisfaction. The major characteristics of service is intangible, hence the core value of services is not like a physical product but the spiritual experience and perception of customers. The final aim and ideal effect of service provisioning is to have customers perceive and enjoy the service. Such perception is both at psychological and behaviour levels, and it is the contents of high quality life in the modern society. Customers are seeking for material deliverables as well as perceptive enjoyment when purchasing a service product.

Since perceptive enjoyment is a vital service objective, one of the key service management objectives shall be meeting customers' perceptive enjoyment.

(Article source: Huawei Technologies Co. Ltd)

MORGAN STANLEY

Quick Comment – Impact on our views: We met Rakesh Biyani, Director Future Group, who heads the retail business. Our investment thesis regarding improving business outlook and availability of capital to fund growth plans continues to hold good. Management has consciously shifted focus to growth quality rather than just growth. We reiterate our Overweight rating and believe that any volatility in the stock price should be viewed as an entry opportunity. Here are the key takeaways from the meeting: Aggressive growth and margin targets: PRIL has set an aggressive 16-17% same store growth (SSG) target for F2010. This compares with F2009 SSG of 7.0%. The company plans to achieve this target by adopting active merchandise management. First, the company is likely to ensure that its fastest-selling products

53
don’t go out of stock. It has increased its order per SKU range from 900-1,400 to 600-6,000 to ensure reduced stock outs for fast-selling products. Second, it has put in place a system to continuously monitor underperforming categories/segments/SKUs so that they can be immediately replaced. Third, it has improved product quality and pricing across its merchandise (particularly private label) to ensure market share gains.

Fourth, it has now set store-wise, product-wise and SKU-wise, daily/weekly sales targets so that the monitoring and feedback system improves significantly.

Focus on efficiency to improve margins: The management is targeting 200-250 bps improvement in gross profit margin, a 30% reduction in logistic costs, and a reduction in non-store inventory during F2010. Gross margin improvement is likely to be driven by improvement in sell-through ratio (% of products sold through the primary store), from 79% in F2009 to 89% in F2010. The company achieved 79% in F2009, which was an improvement from 64% in F2008. Significant improvement in private label contribution, particularly in the apparel segment, may also help the overall mix improvement.

TRENT LEYSHAN

Creating the right ‘Value Perception’ for your Customers

According to Trent Leyshan Value Perception (VP) is the opinion your potential and current customers have of your product or service. This perception determines the value it adds to them in line with the problems it needs to solve or aspirations they want it to fulfill. Irrespective of your customer’s opinion being right of wrong in your mind, their opinion matters none the less, in fact, critically so. Some may suggest: “But the customer may have it wrong”. In this instance we respond: whose fault is
that: the customer, sales person, sales manager, marketing dept. or Company Directors? One this is for sure, it certainly isn’t the customers fault. Value cascades down the value deliver system into the customer. A breakdown on any level can be detrimental to a company’s success. The customer’s positive perception, along with an effective sales process will help the customer make the appropriate buying decision.

(Article source: www.trentleyshan.com)

MERCHANDISE ASSORTMENT PLANNING

The retailer must make decisions regarding the merchandise offered depending on the sales targets and financial objectives of the store.

Retailer should be very careful while deciding on the amount of stock to be maintained in each category; if large stocks are maintained in a particular category, there may not be sufficient resources left for providing a deeper assortment of goods.

By taking into consideration this phenomenon all Peter England specialty stores are maintained on the basis of the per square foot SKUs. It means that as shown into the figures of assortment, every SKU are replenished in the fix quantity.

STORE LAYOUT

There are some key factors that a retailer should take into account, while developing a layout prototype. The following are the optimizing factors:

- Increasing sales
- Maximizing returns per square foot
- Coordinating the merchandise with the store format.
• Allowing flexibility in store design.
• Recognizing the needs and safety of the customers

The store layout should enable and incite the customers to move around the store to purchase more products than they have actually planned for.

The store layout should tempt customer to walk along the inexpensive merchandise display section for impulse buying and then move on to expensive merchandise.

There are three types of store layout
1. Grid layout
2. Race track layout
3. Free-form layout

STORE EXTERIORS

Generally, the first impression of a customer about a store is formed by its exteriors. The exterior of a store plays a vital role in attracting new customers and retaining existing customers. Retailer while planning their store exterior may consider any of the following option.

1. Modular structure
2. Prefabricated structure
3. Prototype structure
4. Recessed structure
5. Distinct structure

Marquee:

Typically carries store name along with the trade marks. Here you can see Peter England marquee is not much blowy and outside signboard is put which matching with its positioning tag line “Honesty Impressive”.
Entrance and display window:
From the photograph we can clearly make out that there is only one entrance in the store which shows the display of merchandise which store offers, so that it can attract the pedestrians easily.

Door type and walk away:
The door is of push-pull type which eases traffic congestion at the entrance and allows the customer to see interiors. There is ample of space available for the customer to freely move inside the store but because of the smaller parking space available, which is outside the store, it becomes very congested sometimes.

STORE INTERIORS
The principal objective of any retailer is to maximize its sales and customer satisfaction, and to minimize the operational costs. Therefore, the interior of the store should be designed in such a way that it serves.

Lighting and Fragrance
In the store lighting is used intelligently to highlight the merchandise and attract customers to specific departments in the store.
Some of the main objectives they have achieved with lighting are following:

- Highlighting the displayed product.
- Capturing customer’s mood.
- Masking the unattractive features or places of the store.

There is also a mild fragrance available into the store to influence the Purchasing decisions of the target market.
India has been rather slow in joining the organized retail revolution that was rapidly transforming the economics in the other Asian tigers. The food retailing outlets in India are growing at a very fast rate in every city. The food retailing outlets in the recent years have shown tremendous impact in buying decision of the consumers. Retailing is one of the largest in the global economy, is going through a transition phase in India. The need of catering the shopping experience has been fulfilled by the shopping malls. They let customers experience their freedom of choice. They not only offer variety but also executive transparent pricing.

Technical, in its “retail outlook October 2007” reports that the total retail market will grow from $336 billion in 2006 to $590 billion dollar in 2011, which translated to an annual growth rate to 12%. Even while the share of modern retailing to four-fold from 4% in 2006 to 16% in 2011 and further to 2016, traditional retail will still grow in absolute terms from $324 billion dollar in 2006 to $493 billion dollar in 2011.

A study by McKinsey point out that the Indian market for consumer goods is expected to reach $400 billion by 2010. Indian market is one of the five largest markets in the world. Liberalization of economy in the 1990’s and the entry of large players in the retail business have bought the retail industry in spot light.

India’s retail industry is the second largest sector, after agriculture, which provides the retail sector will create 50,000 jobs in next few years.

(According to Associated Chambers of Commerce and Industry of India (ASSOCHAM),
CONSUMER ATTITUDES TOWARDS FOREIGN RETAILERS’ PRODUCTS

Bircan Asuk

Abstract: Turkey has attracted foreign retailers for many years because of its high population, growing economy, growing market potential, young population and also its high labour force. Although conditions are attractive, foreign retailers face some problems related to different demographic characteristics, different values, attitudes and different cultures of consumers in Turkey and also, in the other countries. One of the most important factors that affects consumers’ attitudes towards foreign retailers’ products and their willingness to purchase these brands is consumer ethnocentrism (According to ethnocentrism; people evaluate their race more superior than the other races). The aim of this research is generally to examine Turkish consumers’ attitudes towards foreign retailers’ products. In this respect, consumer ethnocentrism is explored among Turkish consumers. Besides, it is explored how this consumer ethnocentrism affect product judgement of foreign products and willingness to buy these products. The effect of age and education on attitudes is also investigated. Data was collected through a questionnaire. And this questionnaire was applied to 50 people in October 2009

EVALUATION OF AND BEHAVIOR TOWARD THE VISUAL RETAIL ENVIRONMENT: FUNCTION OF CONSUMERS’ VISUAL AESTHETIC SENSITIVITY

Sarah Eubanks Willhoit

ABSTRACT: - The primary goal of retail environments is to stimulate positive behavior from consumers viewing the fulfilled plan of the designer or architect. This
study explores the influence of the consumer trait, visual aesthetic sensitivity, upon 
the visual aesthetic design features of the store environment and consumer behavior. 
Treatment of the visual aesthetic design features of the retail environment as an 
integrated, holistic arrangement demonstrate the dynamic interrelation of the 
environment and perception as explained by Gestalt theory. Data was collected 
through traditional survey techniques. Statistical analyses using exploratory factor 
analysis, ANCOVA, and MANCOVA reveal distinct differences between consumers 
with high versus low visual aesthetic sensitivity in store environment evaluations and 
consumer behavior.

CONSUMER ATTITUDES TOWARDS THE AMERICAN RETAIL SYSTEM

Charles A. Eugene

Abstract: - This paper develops a theoretical model of consumer purchase decisions 
in a competitive retail system. Emphasis is placed on the relationship between per 
household expenditures and consumers' surplus. It is shown that parametric changes 
can cause expenditures and surplus to move in opposite directions. Empirical 
evidence on factors which influence grocery and department store purchases is 
presented. Such evidence, in conjunction with the theoretical model, can offer insights 
into consumer attitudes towards the American retail system. A micro-level, behavioral 
analysis predicated upon this research is then proposed as a method of determining 
actual consumer attitudes.

UNDERSTANDING CONSUMER'S ATTITUDE TOWARDS 
RETAIL STORE IN STOCKOUT SITUATIONS.

Abstract:
The study showed that six of the independent variables considered, namely, shopping 
attitude of respondent, store loyalty (SL), perceived store prices, store distance,
shopping frequency, and brand loyalty (in order of importance of impact) significantly influenced consumers' attitude towards retail store in out-of-stock.

**CONSUMER SHOPPING BEHAVIOR AMONG MODERN RETAIL FORMATS**

Hotniar Sirjoringo

**Abstract:**
The given article shows that individual determinant such as shopping intention, attitude towards retail outlet, and shopping habit plays important role on consumer shopping decision. Attitude towards retail outlet and shopping habit influence shopping intention. This implies, retailers should concentrate on strategies in building consumers' positive attitude towards retail, so that consumers visit their retail in order to make purchases regularly. However it found that it is no different of this individual determinant among retail format. This imply, consumer visit all format in making convenience goods purchase.

**STUDY OF RURAL CONSUMER BEHAVIOR TOWARDS RURAL RETAIL STORES**

Krishan Kumar

**Abstract:**
In India for a long time a large chunk of retail outlets were grocery shop. This pattern had been changing in recent years, in urban and rural markets. Of late, India's largely rural population has also caught the eye of retailers looking for new areas of growth. A slew of supermarket chains, including those of the Tata and ITC, are set to storm the rural areas of the country as corporate realize the huge potential of the untapped market ITC launched the country's first rural mall 'Chaupal Sagar', offering a diverse
product range from FMCG to electronic appliances to automobiles, attempting to
provide farmers a one-stop destination for all of their needs. Companies such as
Godrej and DCM Shriram Consolidated are launching 'one-stop shops' for farmers
and their communities. Godrej Agrovet, for instance, is planning to set up 1,000
Aadhar stores across rural India by 2010. DCM Shriram plans to set up 35 rural/semi-
urban utility marts over 2006-07. Positioned as a one-stop shop, the Hariyali Kisaan
Bazaar Chain will cater to a variety of farmers' needs by providing access to retail
banking, LPG outlets and even a motorcycle showroom.

Marketers are trying to grab this untapped market but still the reach of those players is
merely they should more focused and rural oriented. There are some points which they
should undertaken

- The retailer approach should be more professional like in urban
- The retailers should try for up selling and cross selling rather to focus on the
  bulk selling
- The promotion strategy should be local and easy to grab able for the target
  audience
- The quarries and questions should be addressed by retailer
- The awareness about product quality should be spread between customer so
  they can shift to these stores rather to traditional stores
- Stores should enhance their portfolio so that more and more customers can
  find their needs.
CONSUMER SHOPPING BEHAVIOR IN MALLS WITH LARGE SCALE ENTERTAINMENT CENTERS.

Abstract:-

The concept of 'entertainment' is hard to define in the context of a shopping center. It could be viewed in a very narrow sense as consisting of just rides, games, and shows, or in a broad sense as a combination of the entire shopping experience. The present study, however, focuses specifically on common area entertainment centers within malls, operationally defined as a concentrated, centralized, entertainment area of at least 30,000 square feet and containing a variety of entertainment opportunities, including various types of rides for children, carousels, miniature golf courses, soft play structures, simulator rides, etc. Although malls have traditionally offered several different types of entertainment options, it is this category that has seen the most growth in recent years.

Most previous academic research studies have treated such entertainment centers as just one additional characteristic of a shopping center which could be included in retail gravitational models to predict consumer patronage of shopping centers or the market potential of a particular location. Such gravitation models have traditionally included factors such as distance and travel time, size of a shopping area, characteristics of the shopping center, consumer characteristics, and the cost of shopping to consumers (Craig, Ghosh, & McLafferty, 1984). In terms of shopping center patronage, Bellenger et al. (1977) found that some consumers placed the greatest value on convenience and economic attributes including convenience to home, accessibility, and the presence of services such as banks and restaurants. Others, however emphasized recreational attributes including atmosphere, fashionability, variety of stores and merchandise. More recent studies have supported
these results on the importance of recreational attributes including atmospherics (Donovan & Rossiter, 1982); pleasurable shopping experiences (Dawson, Bloch, & Ridway, 1990); and the social aspects of mall shopping (Feinberg, Sheffler, Meoli, & Rummel, 1989; Jarboe & McDaniel, 1987).

The present study seeks to provide this support by investigating the effects of the entertainment centers on the shopping behavior of consumers. In particular, the characteristics and shopping behavior of consumers who visit the entertainment centers is investigated and compared to the characteristics and shopping behavior of consumers who do not. Factors investigated include the distance traveled to reach the mall, demographic characteristics and group composition, the amount of time and money spent at the mall stores, the department stores, and the food court.