Abstract of the thesis

The retail industry in India is hailed as a sunrise sector, and is estimated to double in value from US$ 330 billion in 2007 to $640 billion by 2015. In fact, India has topped AT Kearney's annual Global Retail Development Index (GRDI) for the third year in a row as the most attractive market for retail investment. The bad news is, despite the fact that India has one of the largest number of retail outlets in the World, organized retail accounts for only 10-12% of the total market. This makes it especially difficult to apply sophisticated merchandising and sales tools, enhance consumer interaction and also, make very accurate analysis. Analysts believes the sector is likely to show significant growth of over 9 % p.a. over the next 10 years and also see rapid development in organized retail formats, with the proportion likely to reach a more respectable 25% by 2018.

Looking towards the facts we can understand that the organized retail companies have miles to go and this can achieved by entering in the untapped market of India, studies also revealed that tier II cities of India is having huge potential for organized retail with larger population and increased income level of people of small cities. Cities of Marathwada are also in the list of organized retail companies to test their fortunes in this region as Aurangabad is already encountered by many organized companies.

This research study focuses on estimating market potential for organized retail companies in Marathwada the region of tier II cities viz. Aurangabad, Jalna, Parbhani, Hingoli, Nanded, Latur, Osmanabad and Beed. The changing lifestyles, increased income, buying preferences are the various reasons which may lead to the prospective for the organized retail in the region.

There are many factors which may affect the demand for any product or industry, the research study covering those factors by considering the demographic sample of the respondents like age, gender, education, income and occupation. It is very important to understand customer needs, wants, expectations and their behavior to analyze the potential which is the crucial part of the study.
Many companies have started their operations in Aurangabad and also some have closed since the inception of organized retail in the region, the study is a descriptive research which tries to understand the reasons of it and also it examines whether there is really potential for organized retailing in the region.

**SCOPE:**

The retail industry across the country is witnessing exponential growth and expansion. The Indian retail market which is fifth largest retail destination globally, was ranked second after Vietnam as the most attractive emerging market for investment in the retail sector.

Present study focuses on studying the unorganized retail sector in Marathwada and at the same time it studies the current scenario of organized retail industry in India as well as the retail companies which have already functioning in Aurangabad.

This study focuses on the customer behavior towards organized retailing, it examines whether there is potential for organized retailers in Marathwada or not, what are the expectations of customers from organized retailers, the study also unveils the issues and challenges for organized retailers, this study will give insightful inputs to the organized retail companies at same time this research study will be helpful for local retailers for meeting the expectations of customers, adopt new practices to compete with the organized retailers.

Geographical Scope- The research study is focusing on the Districts of Marathwada viz. Aurangabad, Jalna, Parbhani, Hingoli, Nanded, Beed, Osmanabad and Latur.

Operational Scope- The research study concentrates on-

A) Local retail market i.e. unorganized market.

B) Organized retail companies which are operating in Aurangabad and those who have not come yet.

C) Different types of customers to know the buying patterns and behavior of customers of Districts of Marathwada.

**OBJECTIVE OF THE STUDY:**

1) To study organized retail industry in India

2) This research aims at examining in detail the readiness of Districts of Marathwada especially Aurangabad, for the organized retail companies.

3) To study the traditional retail market of districts of Marathwada.

4) This research study will also investigate the challenges that organized retail companies may encounter in districts of Marathwada.
5) The research study will provide insightful inputs that may help the forthcoming and existing organized retail companies to flourish in districts of Marathwada.

6) The research study will provide insightful inputs that may help the conventional unorganized retail players to come up with new value propositions and ways to compete with the organized retail companies.

HYPOTHESIS:

1) Aurangabad is promising market for organized Retail Business.
2) There are potential market opportunities for organized retail companies in districts of Marathwada.
3) Unorganized retail sector is dominating the market of districts of Marathwada.
4) Customer buying patterns and behavior is changing.
5) Prices offered by organized retail companies are more competitive as compared to Unorganized Retail players in Districts of Marathwada.

RESEARCH METHODOLOGY:

Research Design: The present research design is descriptive cross sectional design.

Two ways are required for collection of necessary information for research which is used by researcher.

These are 1) Primary Data 2) Secondary Data

1) Primary Data:
The primary data collected from survey of cities of Marathwada, by meeting the customers coming for shopping in organized retail outlets, and the outlets of unorganized retailers in Aurangabad and seven other cities of Marathwada.

Importance of the research study, inputs of the findings which would be useful for the customers were explained to the respondents, questionnaire was also explained to the respondents where ever they found difficulty but it is drafted in such a way that respondent can easily understand it.

Questionnaire was also made in Marathi language which is the home language of the region.

Surveys conducted randomly to assess customer buying practices, patterns and behavior. This was done by personal interactions and with the help of questionnaires, mailers etc.
2) Secondary Data:
Secondary data collected through internet from various websites, various reports published online, statistical data collected from various government authorized websites, national and international journals were referred, various magazines viz. business magazines, retail magazines were also referred during the period of study to update the current facts and figures, news papers is the important source for current information for any research, books of famous national and international authors was used for the study, government reports as well as reports of private organizations were referred for secondary data etc.

SAMPLING PLAN:
Research conducted with the help of representative and cross-sectional sampling and simple random sampling.

The demographic sampling includes Age, Education, Occupation and income which is taken as follows,

<table>
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<tr>
<th>Demographic Variables</th>
<th>Sampling units in variables</th>
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| Age                   | 21-30  
                          | 31-40 
                          | 41-50  
                          | 51 & Above              |
| Education             | Post Graduate  
                          | Graduate             
                          | HSC                 
                          | SSC                  |
| Occupation            | Self Employed  
                          | Govt. Employee      
                          | Pvt. Employee        
                          | Professional         |
| Income                | Below Rs. 15000  
                          | Rs. 15001- 30000   
                          | Rs. 30001- 45000    
                          | Rs. 45001 & Above    |

Table: Demographic Sampling

Geographic sampling: Research sample is mainly Aurangabad and other seven cities of Marathwada i.e. Jalna, Parbhani, Hingoli, Nanded, Beed, Osmanabad and Latur.
**Sample Size:**

The sample of 5000 respondent is taken from all eight cities of Marathwada by taking 800 respondents from Aurangabad, 600 each from Jalna, Parbhani, Hingoli, Nanded, Beed, Osmanabad and Latur by using convenience Random sampling method.

Data was collected by meeting customers who were visiting shopping malls, customers who were coming on kirana shops, customers from the market, public places, visited to customer’s houses and offices etc.

**LIMITATIONS:**

Study is limited to the customers of Marathwada region hence it is not sure that there will be same perception of the customers of other areas of India, researcher is not sure that the findings of present study will be applicable to rest of the country. Limitation of this work was related with the co-operation level of the owner of unorganized retail outlets and authorized persons of organized retail companies in terms of their financial details.

**Presentation of research:**

The presentation of research was based on the following scheme of chapters.

**Chapter 1: Introduction**

This chapter consists of overview of retail sector, concept of retailing. A detail study of retail formats viz. organized and unorganized retail. History, evolution and growth of retail industry in the world & global retail scenario.

**Chapter 2: Literature Review**

Books, reports, articles and research papers were reviewed with respect to research work related to organized and unorganized retail sector. Research articles related to the impact of organized retail on unorganized retail sector. Consumer behavior towards mall culture was studied. Total 56 literatures were reviewed out of 4 Ph.D. thesis and 52 research papers and articles from various national and international journals were reviewed.

**Chapter 3: Retail Industry in India**

This chapter spreads light on the evolution and growth of retail industry in India, the organized retail in the form of shopping mall in India was pioneered by Ashok Piramal Group with the India’s first mall at cross, the mall opened in 1999 & received a record number of visitors on its opening day. This chapter also witnesses the expansion of organized retail by format. Further discussions are related with present scenario of retail industry in India, future
prospects for retail sector in India and Opportunities and challenges for retail industry in India.

**Chapter 4: Retail Prospects in Marathwada**

In this chapter the researcher tried to explore the information of districts of Marathwada i.e. Aurangabad, Beed, Jalna, Osmanabad, Parbhani, Nanded, Latur and Hingoli. At the same time this chapter explores the retail scenario in Marathwada specially Aurangabad.

**Chapter 5: Data Analysis and Interpretations**

Collected data was analyzed and tested by using SPSS 20.0 software and was presented by using cross tabulation.

Carl Pearson’s Coefficient of Relationship was used for various variables to know the relationship of dependent and independent variables.

**Hypothesis Testing:**

The hypothesis was tested by using one tailed Z test; each of the hypothesis was tested independently taking into consideration its relevance, positioning and other characteristics.

**Findings: Hypotheses testing**

- Hypothesis 1 (H1) is accepted and we can conclude that Aurangabad is promising market for organized retail
- Hypothesis 2(H2) is accepted and we can conclude that there are potential market opportunities for organize retail companies in districts of Marathwada.
- Hypothesis 3 (H3) is accepted and we can state that Unorganized retail sector is dominating the markets of districts of Marathwada.
- Hypothesis 4 (H4) is accepted and we can conclude that Customer buying patterns and behavior is changing i.e people would like to enjoy shopping, follow the current trend in shopping, prefers to shop when there are discounts and schemes.
- Hypothesis 5( H5 ) is accepted and we can state that prices offered by organized retail companies are more competitive as compared to unorganized retail players in Districts of Marathwada.
Major Findings:

Major findings are divided into four parts which are as follows,

**Part I:** Readiness of the districts of Marathwada.

**Part II:** The traditional retail market of districts of Marathwada.

**Part III:** The challenges for organized retail companies in districts of Marathwada.

**Part IV:** Inputs for forthcoming and existing organized retail companies.

**Part V:** Inputs for conventional unorganized retail players.

**Part I: Readiness of the districts of Marathwada.**

**Aurangabad:**

1. All the respondents of Aurangabad have visited shopping mall.
2. Respondent purchasing apparels and cosmetics is 35%, 30% respondent purchase grocery, 20% purchase electronics & furniture from shopping mall.
3. Almost all respondents like shopping mall. This is positive indication for organized retailers as respondents like shopping mall, there can be various factors which tends customers to like the mall. This analysis indicates that there is potential for organized retail in Aurangabad.
4. Almost all factors are important to attract the customers toward the shopping mall i.e. everything under one roof, space and ambience, freedom of choice, and parking facility, from these factors everything under one roof and Freedom of choice are the most important for the respondents as traditional retail lack these factors.
5. 70 % respondents agree that they go for shopping mall whenever they see advertisements of that mall in newspaper. Thus it indicate that the advertisement plays important role in attracting the customers.
6. 85 % respondents go for shopping in shopping mall because they get more discount as compare to nearby kirana shop.
7. 80 % respondents go for shopping in shopping mall because they enjoy shopping experience in shopping mall.
8. 70 % of respondent responded that they go for shopping in shopping mall because they can afford to shop in mall as their income has increased.
9. 60 % respondents disagree that they go for shopping in shopping mall because of membership card.
10. 60 % respondent agree that they go for shopping in shopping mall on weekends with family for shopping and family trip.
11. 65 % respondent go for shopping in shopping mall only to buy selected goods.

**Rest of Aurangabad:**

12. All the respondents of Aurangabad have visited shopping mall. It is knowledgeable to note that residents of Aurangabad are aware of benefits and facilities provided by Malls and ready to gear up with modernized retail culture and keen to know about more of it.
13- Almost 95 % of the respondents are responded that they would like to purchase from the shopping mall.
14- All respondents have done purchasing in the shopping mall they have visited in other cities.
15- Around 43 % of the respondents responded that the shopping mall is attractive destination for them to purchase because everything is under one roof. Around 38 % of the respondents responded that the freedom of choice attracted them to purchase from the shop.
16- While visiting the shopping mall in other cities around 53 % of the respondents purchased Apparels and cosmetics from the shopping mall, 25 % of the respondents purchased Kirana from the Shopping mall and around 12.5 % of the respondent purchased electronic and furniture from the shopping mall.
17- Almost 93 % of the respondents responded that their city needs the shopping mall. This shows that there is potential opportunity for the organized retail in the region.
18- Almost 93 % of the respondents responded that they would like to shop from the shopping mall if shopping mall comes in their city.
19- The income of 60 % respondent has increased and 50 % of the respondents think that they can afford to shop in mall and this is the reason for them that they will like to go for shopping in shopping mall.

Part II: The traditional retail market of districts of Marathwada.

Aurangabad:

20- Analysis shows that the almost 60 % of the respondents still purchase the daily need items from the nearby Kirana shop and only 25 % respondents responded that they purchase their daily need items from the shopping mall and super market.

21- Analysis indicates that maximum respondent i.e. 40 % purchase the monthly kirana from nearby kirana shop, 30 % of the respondents purchase the monthly kirana form the supermarket and 20 % purchase from shopping mall.

22- The analysis shows that 70 % respondents are having minimum 3 kirana shop in their locality this indicate the strong presence of the kirana shops all around the region, this is one of the strength of the traditional retail.

23- The most of the respondents know the kirana shop personally. This Indicate that the unorganized retail shop strong bond with their customers and they are having personal relationship with the customers, which make them still dominating in the retail sector.

24- Utmost respondent say that the distance between their house and nearby kirana is less than 500 meters, the Accessibility of the Kirana Shop is the strength of this sector.

25- Almost 70 % of the respondents are satisfied with the local kirana shop. The variable also scored mean 2.35. This mean the traditional retail enjoy the strong customer relationship and satisfaction.

26- Almost 90 % of the respondents disagree that the kirana shop owners gives them home delivery.

27- 60 % of the respondents agree that the prices of the Kirana shops are more compare to the shopping mall.

28- 55 % respondents disagree with the statement that they only purchase daily needs from nearby kirana and for monthly shopping they go shopping mall.
29- 70% respondents disagree that they get discounts from nearby kirana shop.
30- 60% respondents agree that they get the credit facility from the Kirana Shop.
31- 60% respondents agree that they have good personal relationship with Kirana Shop owner and also agree that this relationship is beneficial for them.
32- 79% respondents agree that the timing of kirana shop is convenient as compare to shopping mall as it open early in the morning and remain open till late night.
33- Almost 85% of the respondent agree that the will be the impact of the organized retail on the traditional retailers.

**Rest of Aurangabad:**
34- Almost 80% of the respondents prefer to purchase daily need items from the near kirana store. This indicates that the Traditional retail is still dominating in the Marathwada region.
35- Almost 57.5% of the respondents prefer to purchase monthly Kirana from the near kirana store and 15% of respondent purchase from wholesaler this indicate that the Traditional retail is still dominating in the Marathwada region. Whereas 28% of the respondent purchase their monthly kirana from super market.
36- Analysis shows that Traditional Retail is very dominating in terms of their presence, as almost 60% respondents responded that there are 3 or more kirana shops in their locality. This indicates the strong presence of the traditional retail in the region.
37- Majority of the respondents know the kirana shop personally. This Indicate that the unorganized retail shop owners have strong bond with their customers, which make them still dominating in the retail sector.
38- According to 95% respondents the distance between nearby shop and the respondent’s house is less 500 meters. That means for 95% of the respondents, nearby kirana shop is easily accessible.
39- Almost 70% of the respondents are satisfied with the local kirana shop. This mean the traditional retail enjoy the strong customer relationship and satisfaction.
40- Almost 93% of the respondents responded that the prices of the shopping mall and local shops are same.
41- Almost 93% respondents feels that the prices offered by local shops are fair.
42- 95% respondents responded that the nearby kirana shop do not give home delivery.
43- 93% of the responded that they do not get the discount from the nearby Kirana shop.
44- 78% respondents responded that they get credit facility from the nearby Kirana shop.
45- Around 63% of the responded that they have good relationship with the Kirana shop Owner.
46- 60% of the respondents responded that they do not get the benefits of the relationship with the kirana shop owner.
47- 90% respondents agree that the timing of kirana shop is convenient as compare to shopping mall as it open early in the morning and remain open till late night.
48- Around the 85% of the respondents responded that organized retail will affect the employment of traditional retailers.
Part III: The challenges for organized retail companies in districts of Marathwada.

Aurangabad:
49- Analysis shows that the almost 60% of the respondents still purchase the daily need items from the nearby Kirana shop and only 25% respondents responded that they purchase their daily need items from the shopping mall and super market.
50- The analysis indicates that maximum respondent i.e. 40% purchase the monthly kirana from nearby kirana shop, 30% of the respondents purchase the monthly kirana form the supermarket and 20% purchase from shopping mall.
51- The analysis shows that 70% respondents are having minimum 3 kirana shop in their locality this indicate the strong presence of the kirana shops all around the region, this is one of the strength of the traditional retail.
52- The most of the respondents know the kirana shop personally. This Indicate that the unorganized retail shop strong bond with their customers and they are having personal relationship with the customers, which make them still dominating in the retail sector.
53- Utmost respondent say that the distance between their house and nearby kirana is less than 500 meters, the Accessibility of the Kirana Shop is the strength of this sector.
54- Almost 70% of the respondents are satisfied with the local kirana shop. The variable also scored mean 2.35. This mean the traditional retail enjoy the strong customer relationship and satisfaction.
55- 60% respondent are agree that they get the credit facility from the Kirana Shop.
56- 60% respondents are agree that they have good personal relationship with Kirana Shop owner and also agree that this relationship is beneficial for them.
57- 79% respondents are agree that the timing of kirana shop is convenient as compare to shopping mall as it open early in the morning and remain open till late night.

Rest of Marathwada:
58- Almost 80% of the respondents prefer to purchase daily need items from the near kirana store. This indicates that the Traditional retail is still dominating in the Marathwada region.
59- Almost 57.5% of the respondents prefer to purchase monthly Kirana from the near kirana store and 15% of respondent purchase from wholesaler this indicate that the Traditional retail is still dominating in the Marathwada region. Whereas 28% of the respondent purchase their monthly kirana from super market.
60- According to 95% respondents the distance between nearby shop and the respondent’s House is less 500 meters. That means for 95% of the respondents, nearby kirana shop is easily accessible.
61- Almost 70% of the respondents are satisfied with the local kirana shop. This mean the traditional retail enjoy the strong customer relationship and satisfaction.
62- Almost 93% of the respondents responded that they would like to shop from the shopping mall if shopping mall comes in their city.
63- 78% respondents responded that they get credit facility from the nearby Kirana shop.
64- Around 63% of the responded that they have good relationship with the Kirana shop Owner.
65- 90% respondents are agree that the timing of kirana shop is convenient as compare to shopping mall as it open early in the morning and remain open till late night.

Part IV: Inputs for forthcoming and existing organized retail companies.

Aurangabad:

66- Respondent purchasing apparels and cosmetics is 35%, 30% respondent purchase grocery, 20% purchase electronics & furniture from shopping mall.

67- 70% respondents are agree that they go for shopping mall whenever they see Advertisements of that mall in newspaper. Thus it indicates that the advertisement plays important role in attracting the customers.

68- The customers do not get the home delivery of the goods they purchased.

69- 75% respondents are disagree that the shopping mall executives calls them and gives information of the schemes and offers on telephone and mobile. Thus it shows that the organized retail still lagging in the customer relationship management.

70- 80% customer disagree that they get benefits of the membership card every time.

71- 80% customers disagree that membership card motivate them to go for the shop. Thus it indicates the customers having the membership card of the does not means he is the loyal customer of the shop.

72- 57% respondents disagree that they have good relationship with the staff of the shopping mall. The factor scored the mean 2.20. This again indicates that the organized retail still not created strong personal bond with the customers which is actually the strength of the traditional retail sector.

73- 60% of the respondents disagree that they get fresh stock every time they visit the shop.

74- 50% of the respondent are agree that they get the offers on the brand that are not well known or the products seems old.

75- The 50% respondents are also agree that shopping gives offers only on selected goods.

Rest of Marathwada:

76- All respondents have done purchasing in the shopping mall they have visited in other cities.

77- When visited the shopping mall in other cities around 53% of the respondents purchased Apparels and cosmetics from the shopping mall, 25% of the respondents purchased Kirana from the Shopping mall and around 12.5% of the respondent purchased electronic and furniture from the shopping mall.

78- Almost 93% of the respondents responded that the prices of the shopping mall and local shops are same.

79- Almost 93% of respondent responded that they will like to go for shopping in shopping mall if they get more discount as compare to nearby kirana.

80- More than 62% of the respondents would like to go for shopping in shopping mall Because they enjoyed shopping experience when they had visited shopping mall in other cities.

81- 80% of the respondents think that if they get same thing at lower cost they will prefer shopping mall.
82- Majority of the respondents i.e. 92.5 % believes that shopping in shopping mall is new
trend and part of changing lifestyle.
83- 52.5 % of respondents think that shopping malls are having credit card facility so that
They will get time to repay this is the reason why they would like to go for shopping mall,
at the same time 32.5 % of the respondents don’t agree with this.

Part V: Inputs for conventional unorganized retail players.

Aurangabad:
84- Almost all factors are important to attract the customers toward the shopping mall i.e.
everything under one roof, space and ambience, freedom of choice, and parking facility,
from these factors everything under one roof and Freedom of choice are the most
important for the respondents as traditional retail lack these factors.
85- 80 % customer disagree that they get benefits of the membership card every time.
86- 80 % customers disagree that membership card motivate them to go for the shop. Thus it
indicates the customers having the membership card of the does not means he is the loyal
customer of the shop.
87- Almost 90 % of the respondents disagree that the kirana shop owners gives them home
delivery.
88- 60 % of the respondents agree that the prices of the Kirana shops are more compare to the
shopping mall.
89- 70% respondents disagree that they get discounts from nearby kirana shop.
90- 60 % respondents are agree that they get the credit facility from the Kirana Shop.
91- 60 % respondent are agree that they have good personal relationship with Kirana Shop
owner and also agree that this relationship is beneficial for them.
92- 79 % respondents are agree that the timing of kirana shop is convenient as compare to
shopping mall as it open early in the morning and remain open till late night.
93- 60 % respondent replied that they go for shopping in shopping mall because shopping
mall provides credit facility and they get time to repay.
94- 60 % respondent agree that they go for shopping in shopping mall on weekends with
family for shopping and family trip.
95- 65 % respondent go for shopping in shopping mall only to buy selected goods.

Rest of Aurangabad:
96- All respondents have done purchasing in the shopping mall they have visited in other
cities.
97- Almost 93 % of the respondents responded that the prices of the shopping mall and local
shops are same.
98- Almost 93 % respondents feels that the prices offered by local shops are fair.
99- 95 % respondents responded that the nearby kirana shop do not give home delivery.
101- Around 53% of the respondents responded that they purchase daily needs from the
nearby kirana shop and for monthly shopping they go for the supermarket.
102- 93 % of the responded that they do not get the discount from the nearby Kirana shop.
103- 78 % respondents responded that they get credit facility from the nearby Kirana shop.
104- Around 63% of the respondents that they have good relationship with the Kirana shop Owner.

105- 60% of the respondents responded that they do not get the benefits of the relationship with the kirana shop owner.

106- 90% respondents are agree that the timing of kirana shop is convenient as compared to shopping mall as it open early in the morning and remain open till late night.

Other Findings:
1. Almost 85% of the respondent are agree that the will be the impact of the organized retail on the traditional retailers.

2. The analysis shows that the 60% respondents are agree that the organized retail will benefits to the farmers, whereas the 40% respondents disagree to that.

3. The 60% of the respondents agree the farmers will get the fair price due to organized retailers.

4. Almost 65% respondents responded that organized retails will be beneficial for the growth of small industries.

5. 60% respondents’ thinks that if organized retail dominates the market there will be exploitation of farmers, because farmers will not be having more choices to sell their farm produces.

6. 60% of the respondent thins that government should allow FDI in retail.

7. 80% of the respondents think that if government allows FDI in multiband retail it will create monopoly of organized retailers in our country.

8. 80% of the respondents think that if retailers like Wal-Mart and Tesco comes in India it will be beneficial for customers.

Chapter 6: Conclusion and Suggestions

Conclusion

India is the country having the most unorganized retail market. Traditionally the format of retail is in the form of kirana store, grocery provision and adat shops.

Retailing has become such an intrinsic part of our everyday lives that it is often taken for granted. The nations that have enjoyed the greatest economic and social progress have been those with a strong retail sector. Why has retailing become such a popular method of conducting business? The answer lies in the benefits a vibrant retailing sector has to offer—an easier access to a variety of products, freedom of choice and higher levels of customer service.

The organized retail industry in India did not evolve till the 1990’s, until then the industry was dominated by the unorganized sector.
Today we stand at the crossroad of a retail revolution, after the unorganized retailing and fragmented Kirana stores with very basic offerings, fixed prices, and zero usages of technology and little or no ambience the industry have finally begun to move towards modernization, systematization and consolidation. The retail industry across the country is witnessing exponential growth and expansion. The Indian retail market which is fifth largest retail destination globally, was ranked second after Vietnam as the most attractive emerging market for investment in the retail sector.

The organized retail companies are entering in Indian market with the great enthusiasm. The organized retail companies are shaping the buying habits of the traditional Indian consumers and at the same time Indian consumers are providing vital clues for these organized companies to localize their standard practice.

Aurangabad, capital of Marathwada witnessed many up and downs of organized retail during last few years, presently there are big players like Big Bazaar, More, Reliance and Prozone are functioning in Aurangabad. Organized retail has emerged in Marathwada with Spencer’s hyper market in Aurangabad in 2005 and it is followed by retail chain of Subhksha, Vishal mega mart from Delhi also started their retail outlet in Aurangabad in 2007 near railway station. Then came Pantaloon group’s Big Bazaar which made a grand entry in Aurangabad followed by More, Prozone and Reliance mega mart etc. There are many reasons why many organized players are entering in region of Marathwada, promising market is one of the reasons which attracted many companies towards Marathwada especially Aurangabad. Many studies revealed that organized retail has a share of around 10% in the retail industry of India which has its existence mainly in metro cities of India. Studies further elucidates that tier II cities of India is having huge potential for organized retail with larger population and increased income level of people of small cities.

This research study focuses on estimating market potential for organized retail companies in Marathwada the region of tier II cities viz. Aurangabad, Jalna, Parbhani, Hingoli, Nanded, Latur, Osmanabad and Beed. The changing lifestyles, increased income, buying preferences are the various reasons which may lead to the prospective for the organized retail in the region.

There are many factors which may affect the demand for any product or industry, the research study covering those factors by considering the demographic sample of the respondents like age, gender, education, income and occupation. It is very important to understand customer needs, wants, expectations and their behavior to analyze the potential which is the crucial part of the study. Many companies have started their operations in
Aurangabad and also some have closed since the inception of organized retail in the region, the study is a descriptive research which tries to understand the reasons of it and also it examines whether there is really potential for organized retailing in the region. The research was done in the districts of Marathwada viz. Aurangabad, Jalna, Parbhani, Nanded, Hingoli, Latur, Osmanabad and Beed. The sample of 5000 respondents was taken for the study. Separate questionnaire was developed for Aurangabad and rest of the cities of Marathwada.

It has been found after testing the Hypothesis that Aurangabad is promising market for organized retail in spite of closer of some retail outlets in Aurangabad. The reason of closer for those retail outlets is having different reasons. Organized retail culture is liked by the customers of Aurangabad because it is the part of changing life style.

There are potential market opportunities for organized retail companies in rest of Marathwada i.e. cities of Marathwada other than Aurangabad.

Because of its strong presence, bonding and penetration unorganized retail is dominating in the Marathwada region.

Due changing lifestyle, increasing income and increasing young population customer’s buying patterns and behavior is changing. Since evolution of organized retail in Marathwada especially in Aurangabad, organized retail has seen many ups and down in this regions. Aurangabad has witnessed the origination and closing of some organized retail outlets, in this research I tried to find out whether Marathwada really has potential for organized retail or not where some are entering with great enthusiasm and some are closing down.

It has been found that Marathwada is having potential for organized retail especially Aurangabad, the reasons for closer of some retail outlets are different like Subhiksha and Vishal have closed their pan India operations. Big Bazaar and More were having property issues etc.

Customers lifestyles are changing, income has increased at the same time customers enjoy shopping experience in mall. Customers are getting attracted by mall culture where they get everything under one roof, freedom of choice they like space and ambience. More over customers get discount for the products they purchase from mall. But still unorganized retailers are dominating the market of Marathwada because of their existence in depth of the population. They have got advantage of location, personal relationship with the customers, credit facility they gives to the customers which customers don’t get from organized retailers.

Organized retail companies should work more on their strategies, they should try to focus on market penetration strategy, it has been observed that super market format is successful in this region organized retailers should focus on it. Organized retail companies should try to
work more on customer relationship management to retain the customers, should enhance advertisement media, should work more on conversion ratio by implementing on indoor advertisement and merchandising etc.

Organized retail companies are already functioning in Aurangabad but still there is domination of unorganized retail in districts of Marathwada as maximum number of respondents said they purchase their daily needs from nearby kirana, unorganized retailer should maintain this strength to compete with the organized retail companies. But there is a threat to unorganized retailers from organized retail companies as it may affect their employment if organized retail companies dominate the market. Unorganized retailers should work on discounts and schemes which is the biggest strength of organized retailers. There are opportunities for organized retail companies in Marathwada at the same time many challenges too.

**Suggestions**

**For Organized Retail Companies:**

1. Almost all the respondents like shopping mall and mostly has purchased apparels, cosmetics and grocery this is a positive side to work and malls can attract more visitors by making apparels, cosmetics and grocery as their core competency.
2. It has been observed that most of the respondents go for shopping in shopping mall whenever they see advertisement of that mall in news paper, organized retail companies must focus on advertisement campaign and should see for more alternatives to increase the advertisement.
3. Malls should opt for s.m.s., emails and telecalling to promote their schemes to membership cards holders. This will attract membership cards holders to shop more.
4. Organized retail should try to give home delivery of the goods purchased from the mall as most of the respondent said they don’t get home delivery of the products they purchase from mall as well as from kirana shop. Organized retails are having home delivery system they need to work more on it.
5. Organized retail companies should focus on Customer Relationship Management, they should have a special call centre or CRM department to call the customers, inform them about the schemes and do promotion, handle complains etc. with due consent of the customers.
6. Organized retail companies should work aggressively on Customer Loyalty Programs.
7. Organized retail companies should train the sales staff to maintain personal relationship with the customer as this has found that customers don’t have relationship with the sales staff of the organized retail and this is the strength of local kirana owners that they have personal relationship with the customers.
8. Organized retail companies should try to make the availability of the fresh goods, try to upgrade the product range, variety etc. with latest trend.
9. It has been found that organized retail companies are having offers on selected goods and again on those goods which are not famous brands or private labels and on those products which seems old in terms of trend, time and market movement. This shows the awareness of the customers regarding offers and schemes organized retail companies should try to maintain the balance of schemes and offers for all type of goods.

10. Timing of kirana shop is convenient to customers as it open early in the morning and remains open till late night, organized retail companies need to take this seriously and try work out on the timings of the store.

11. It has been found that organized retail outlet is not near to the houses of maximum respondents, they should try to minimize this weakness by adopting penetration strategy. Organized retail companies should come up with the super market format, they should do the tie up with kirana shops or they should adopt franchisee model and give franchisee to the kirana shops who are already functioning or give some new franchisee. In this model the shop and space will be owned by the shopkeeper but they will have to use the name of franchiser, the franchiser will have centralized purchasing scheme so that the kirana shop will get goods at lower price to sell and the selling price, offers, discounts, schemes will be uniform throughout the country at all outlets of the company. This help kirana shop owner to compete with the shopping malls and at the same time organized retailers will be able to penetrate into the market.

12. It has been observed that shoppers go for shopping whenever there is seasonal scheme, organized retail companies should try to remove this mental barrier by providing some other attractions for the customers so that frequency of visiting malls should maintained all the time.

13. Most of the respondents go for shopping in shopping mall only on weekends, organized retail companies should grab this opportunity and try focus on more on these days to increase the sale as most of them are doing and at the same try to make customers to visit on other days also as Big Bazaar is having “Special Wednesday” offers.

14. Many customers go to shopping mall to purchase some selected goods, organized retail companies should take care that whenever a customer enters in shopping mall they should have such internal promotional strategy that customer should buy more from the mall.

15. Conversion ratio of footfalls need to be focused, there should be such internal promotions so that customers should inclined to purchase from the mall.

16. Organized retail companies still not managed to enter into districts of Marathwada other than Aurangabad.

17. When asked whether their city needs a shopping mall utmost respondents from districts of Marathwada other than Aurangabad said yes their city needs a shopping mall and they will purchase from mall, this is an opportunity for the organized retail companies and they should think to enter into this market.
18. It has been observed that super market format has been accepted in the districts of Marathwada, organized retail companies should enter into this with super market format.

19. Maximum number of respondent do not get discount from nearby kirana and this is the plus point for organized retail as they are having good discounts and schemes, these companies should encash this USP (unique selling point) in districts of Marathwada.

**Suggestions for Unorganized Retailers:**

1. Organized retail companies are already functioning in Aurangabad but still there is domination of unorganized retail in districts of Marathwada as maximum number of respondents said they purchase their daily needs from nearby kirana, unorganized retailer should maintain this strength to compete with the organized retail companies.

2. It is the matter of concern for unorganized retailers that 20% of the respondents are inclined towards shopping mall for purchasing their monthly kirana, they should concentrate towards the customers purchasing monthly kirana and try to retain them.

3. Maximum number respondents said they don’t get home delivery of purchased goods from kirana shop, this issue can be solved by providing home delivery facility for those customers whose house is not near to kirana and who have purchased reasonable amount of goods.

4. Unorganized retailers should think on the prices of goods and also discounts and schemes, as organized retail companies are having offers, discounts and schemes which attracts customer and motivate them to do purchasing in mall.

5. Credit facility is the strength of unorganized retailers they should make some credit schemes to retain the customers.

6. Unorganized retailers should try to maintain the timing because according to maximum number of respondents the timing of kirana shops is convenient.

7. Unorganized retailers should keep credit card facility in their shops, because many respondents think it is convenient for them as they get time to repay. There are many banks that provide this kind of services to small retailers, also there is company who provides credit card swiping device with mobile and facilitate the small retailers.

8. Unorganized retailers should provide seasonal schemes to the customers if they are unable to give regular schemes because of low margin.

9. Maximum numbers of respondents are having good relationship with kirana shop owners, this is the strength of unorganized retailers and they should encash it by maintaining this kind of relationship. Give the customers special treatment like home delivery, service at a call, credit facility, should keep social gathering once in a month or quarterly.

10. Unorganized retailers should keep the track record or purchasing record of their customers so that to maintain the stock which is having regular sales and minimizing the excess stock which again will be helpful to minimize the operating cost.

11. Unorganized retailers should upgrade themselves with the time, they should adopt new strategies, technological changes, they should change themselves and the way of
business according to the changes happening in the market, as I have mentioned
earlier unorganized retailers should provide credit card facility, they should use
technology like smart phones, computers and internet to upgrade themselves, to
update customers, contact and inform customers.
12. There are many wholesalers in our country who are coming up with their own website
and doing business through it.
13. There are IT companies who provide services to small shops to maintain CRM
(Customer relationship Management). The retailers just have to update these
companies with the data base of their customers, they do rest of the job and work for
retailers’ behalf, contact customers, update them with offers provided by the retailers,
inform them about their likely purchasing time etc.
14. Unorganized retail companies should think of making cooperative societies, which
will unite them and help them to compete with big organized retailers. With the help
of cooperatives unorganized retailers will be able manage many things like bulk
purchasing, it will increase their bargaining power which in result help them to lower
the prices of the goods, these societies will have their own infrastructure like
transportation, warehouses etc. which will help small retailers to stand in the
competition and price war.

Scope for Further Research Work:

Present Study is limited to the customers of Marathwada region hence it is not sure that there
will be same perception of the customers of other areas of India. The further research can be
done for other regions of the country. Present study was done in urban part of districts of
Marathwada, study can be done for the rural areas also. Scope for organized retail was
studied in present research work there is scope for further research in many areas like retail
marketing strategies, effect of advertising in retail, retail promotion strategies, retail
customer buying behavior, retail franchising, retail distribution and logistics, use of
Information Technology in retail, e-tailing (e-commerce), online shopping which is booming
and getting popularity like anything. Further research work can explore the issues and
challenges in the field of e-tailing at the same time opportunities for retailers in Indian
market.