CHAPTER 7

CONCLUSIONS

There is no doubt that India’s organized retail industry is on a high growth trajectory. Favorable demographics, steady economic growth (improving prosperity), higher disposable incomes, and easy availability of credit are providing the necessary impetus to the growth of modern retailing formats. However, there are several challenges that continue to stifle this growth.

7.1 Challenges for Organized Retail

7.1.1 Real estate – Availability and high rental costs

The real estate costs for the Indian organized retailers are 8-20% of sales compared to 3-4% for the retailers in other countries. This adversely affects the economics of organised retailers, especially the relatively smaller retailers. This is a result of a combination of several factors including the following:

- Most Indian cities suffer from poor city planning that has not provided for enough commercial space, resulting in high speculative real estate prices.

- The stamp duty rates in India (5-14%) are among the highest in the world. For example, stamp duty rates in the UK range from 0-4%.

- Archaic laws like the Urban Land Control Ceiling and Regulation Act and the Rent Control Act complicate the usage of land and reduce transparency in transactions.
7.1.2 Improperly developed malls

Quite a large percentage of malls already developed or under construction, are not designed keeping in mind the requirements of modern retail formats. Quite a few of the malls are developed with the idea of selling off the retail space, rather than managing it on a long-term basis. In most cases, the space is sold to the highest bidder without paying much heed to the mix of retailers who will occupy the mall. As a result, there is a fair possibility that such malls may not become destinations of choice because of poor retailer mix. With the passage of time, there is a good chance that the customer tastes and preferences also change. However, since the ownership of retail space in such malls is with several parties, changing the retailer mix to suit customers’ requirements becomes a difficult task. As a result, such malls can fall out of favour with the customers. In several developed markets, the developer leases the mall space on long-term contracts rather than selling the space upfront. At regular intervals, the developer reviews the tenancy mix to weed out retailers that are not able to attract good footfalls. This helps the long-term sustainability of the mall. The scenario, as discussed above, is however quite different in India with the concept of mall management not having caught up. Most of the mall developers do not follow a scientific method of selecting the retailer mix before the construction begins. As a result, the level of utilities available in such malls may be far lower than what is required by the traffic generated by the retailers in these malls, resulting in severe pressure on the mall infrastructure.
7.1.3 Underdeveloped supply chain

Efficiencies in supply chain will determine which retailers will succeed in the long term; in view of this, it looks like that the bigger companies that have more financial muscle to make significant investments will have a distinct competitive edge. The supply chain infrastructure in India is, however, still quite underdeveloped. There has been a lack of any meaningful investments by the existing retailers in developing robust and scalable supply chain. Retailers of food and groceries have not yet invested enough in setting up a cold chain system; hence, there is enormous wastage. Moreover, there is a very low level of automation in the supply chain and point of sale systems. There is little real-time link between suppliers, warehouses, and retail stores. This results in cost inefficiencies in the system, leading to increased delays and shortages.

The other reason for underdeveloped supply chain is the inconsistency in tax regime among states. Non-uniform VAT regime, multiple points of taxation, and taxes like octroi, and entry tax in some states prevent development of optimal supply chain models, acting as deterrents for organized retailing.

One way of tackling the supply chain problem is to contract out the function to a third party. For instance, Unilever has done so in India, where it has now achieved national reach with more than 20 distribution centres. Given the huge distances involved, Carrefour decided to use local networks for its logistics function in China from the beginning, rather than build its own platforms and systems. The president of Carrefour China, Jean Luc Chereau, says, “You have to work with local distributors, and the power in this case belongs to them.” It is estimated that the Chinese market share for third-party
logistic service providers will grow from the current 3% to 20% by 2010, with a market value of some USD30 billion. (Mc Kinsey 2006/2007)

7.1.4 Policy and taxation hurdles

India suffers from several policy and taxation hurdles. If these issues are addressed effectively, modern retailing could grow significantly. The government has still not granted industry status to retail. This makes financing from banks difficult, resulting in high interest rates, which ultimately pushes up capital costs. Approximately 37-45 licenses are required to start a retail operation. This causes considerable delay in starting a new store operation. Inconsistent agriculture and fertilizer subsidies by states lead to price anomalies and variation for the same product, thereby leading to supply chain inefficiencies. The government has allowed only 51% FDI in retail and that too in single brand retail. Further, talks to bring in FDI in multi-brand retail have met with severe opposition. These factors have restricted the entry of foreign retailers into the country, who could have otherwise significantly contributed in improving the supply chain and level of technology usage in the sector.

According to Pricewaterhouse Coopers India Report Case Study, October 2006, India is the world’s second-largest grower of fruit and vegetables. Foreign food retailers could do a great deal to help modernize India’s agricultural sector in which some 30% of produce is lost because of the lack of efficient cold chains, logistics functions and continuing inadequate infrastructure.
METRO, the wholesaler that has two distribution centres in India with three more planned, shows just what can be done. METRO works with Indian farmers to improve logistics, having:

- Launched a supplier relationship management portal to modernise supply chains.
- Partnered with the government of Karnataka to improve the infrastructure for fisheries in the state.
- Launched a pilot project for farmers near Bangalore, providing knowledge and training for local farmers.
- Initiated several training projects for Indian sheep farmers.

7.1.5 Inadequate human resources

The retail industry is manpower intensive. Countries with high penetration of modern retail employ 10-12% of their workforce in retailing. Given India’s large working population, the issue is not shortage of manpower, but competency gaps that exist because of absence of vocational training facilities for the organized retail sector. Most industry players feel that there is a significant shortfall of resources trained in retail specific skills sets, including supply chain management, merchandising, vendor management, facilities management, customer relations, and branding. This has resulted in high attrition rates and rising people expenses, hindering aggressive ramp-up of most retailers.

Attracting, training and retaining good staff continues to be a major challenge for foreign investors. This is exacerbated by the fact that in countries like China and India, there is an increasing lack of skilled workers. Although both these countries produce millions of graduates every year, they are often not immediately employable by multi-nationals as
they do not always have the operational skills necessary for corporate management jobs. This situation is pushing wages up as demand outstrips supply. One of the fundamental problems that many transitional economies have to face up to is that their populations cannot be educated or trained quickly enough to keep up with economic growth. Some companies are developing their own training facilities to fill this gap. An example is B&Q, which has set up its own university in China. The company’s CEO in China, Steve Gilman, says, “I could say that talent is among our biggest challenges.” Both B&Q and Carrefour use bonus strategies to motivate and retain good staff. Carrefour set up its China Institute in 2000. If trained staff members leave before their contract expires they have to reimburse their training expenses. In Russia, where the METRO Group has a high demand for qualified staff, the company has initiated a “METRO Education” project. In the context of this plan, the METRO Group plans to support business schools in more than 14 cities. It would contribute both learning material and additional training for teachers. In addition, foreign retail and consumer companies also collaborate with local leading universities on specific retail training programmes.(Mc Kinsey 2006/2007)

A case in point is the way Tesco handled issues related to employment in Poland (PricewaterhouseCoopers Poland Report Case Study, October 2006)

- Tesco 20,000 new jobs since it entered the Polish market in 1995.
- 40% of its staff was previously unemployed.
- 11% are graduates for whom Tesco is their first employer.
- Tesco offers a comprehensive training programme to help new recruits develop the necessary management skills as fast as possible.
• Tesco Polska’s talent development programme has been so successful that it is being used in the company’s operations in other countries, including China, the Czech Republic and the UK.

7.1.6 Protests against organized retailers

Thousands of traders, hawkers, farmers, and workers are protesting against the entry of large domestic corporations like Reliance, Spencer’s, and foreign players like Wal-Mart into the retailing space. These protests are on the back of the belief that the entry of the corporations into the retail sector will negatively impact the livelihood of the intermediaries and the traders, who form a large share of the society currently. These protestors are demanding a national policy that is agreeable to all the stakeholders including small traders, shopkeepers, wholesalers, and vendors be put in place, since retail is the second-largest employer in the country and the livelihoods of 40 mn people are likely to be affected if the entry of big players is allowed at such an alarming pace.

On the back of these protests, the government has deferred the proposal to allow FDI in multi-brand retail till a study is made to ascertain the impact on traditional retailers by the growth of organized retail. In case of any adverse decision on this front, the growth plans of organized retailers will be severely hampered. The impact will be pronounced in the food and grocery space, as most of the players are targeting this segment.

In Asia, with the exception of Hong Kong, Singapore and Malaysia, traditional channels still command more than half of the grocery retail market in the rest of the countries in Asia (KPMG, 2006). However, the experience in China and Indonesia has shown that while both organized and unorganized sectors exist and grow for the first 5-10 years,
albeit at different rates, the structural changes start hitting the unorganized sector after the share of organized retail reaches 25-30 per cent (Gulati and Reardon, 2007). At present certain Asian countries which have witnessed high growth rates between 2003-2007 in modern grocery sales are China (105 per cent), Turkey (56 per cent), Vietnam (59 per cent), Indonesia (70 per cent) and India (49 per cent) (Gregory, 2008). Overall situation in Asia for grocery retailing indicates shrinkage in the traditional grocery sales with South Korea witnessing a 13 per cent decline in small retailers between 1996-2004, Hong Kong facing a decline in market share of traditional grocery channels by 21 per cent between 1994 and 2004, Singapore witnessing a fall of 8 per cent between 2002 and 2003 in the proportion of households spending bulk of their grocery money at traditional shops, Japan facing a decline in contribution of small and independent businesses to the grocery retail market to the tune of 7 per cent between 1998 and 2004, China having traditional style markets contributing to only 68 per cent of grocery sales in 2004, and Indonesia facing a shrinkage in traditional retailers, including wet markets, roadside stalls and independent grocers (KPMG, 2006). In India modern trade or organized retailing already account for 30 to 40 per cent of grocery sales in the top 6-7 cities of the country (Kakkar, 2008). To address the growing concern over the loss of livelihood, organized large-scale retailers like Reliance Fresh is inviting small retailers as well as individuals to become franchisees on a revenue sharing model (Thakkar and Bhatt, 2007).

To avoid political pressure and adversity, the large-scale retail players are out to prove that there is no threat to the smaller players and there is enough space for co-existence and are proposing plans of Business to Business model to service kiranas (Reliance
Retail), as well as suggesting formation of cooperatives by kiranas (HyperCity Retail) and lauding the three-fold strategy of kiranas, namely quality, service with a smile and ambience (Mukherjee and Himatsingka, 2007).

7.2 Opportunities for the Organized Retail Sector

In the past few years, India’s retail journey seemed poised for huge growth given the entry of several new players. Retail in India emerged as one of the most dynamic and fast paced industries according to the FICCI-Ernst and Young 2007 report (Winning with Intelligent Supply Chains). Favorable demographics, steady economic growth, easy availability of credit, and large scale real estate developments were fuelling the growth of India’s approximately USD 25 billion organized retail market. However the global meltdown had an impact on the Indian market. As per the Cartesian Economic Meltdown Survey 2008, almost all key industries in India have been negatively impacted by the slowdown and retail is no exception. Organized retail penetration, which was expected to touch 16 percent by 2012 from the current 5 percent, is likely to trace to 10.4 percent only (Businessworld-The Marketing Whitebook-2010-2011 pg283, Source:KPMG Analysis and Retailers Association of India). The retail sector is still registering decent growth, but heavy investments made during the boom period may make it difficult for retailers to show profits.

The KPMG Report, India Retail: A Time to Change Lane highlights the following;

- A large number of retailers have experienced a drop in footfalls thus impacting the time to break even for new stores. Although retailers are trying their best to combat this slowdown through constant promotional offers and deep discounts, consumers are expected to cut down on their discretionary spending.
• Retailers have been trying to compensate for falling sales by curtailing expenses. This has countered the effect of the topline on operating margins leaving it largely unaffected. However, with working capital requirements and expansion capital being financed through sizeable debt, interest costs have significantly dented the bottomline.

• The organized retail space was expected to receive investments to the tune of USD 25 billion over the next 4 -5 years as per KPMG’s report. However significant delays in retail real estate development and opposition to organized retail has resulted in delays in investment.

Given the current scenario, the present research has highlighted some insights which would be helpful to managers of organized retail as well as owners of traditional formats, to address consumer demands better and provide them offerings to ensure repeat purchase, higher recommendation and a greater share of wallet to improve their bottomline.

Further the current research will help retailers in choosing the segment they want to target and then tailor their delivery to cater to that segment most effectively. Moreover, the findings will help retailers differentiate themselves such that they remain attractive to a large enough customer segment thereby remaining viable.
7.3 Main Findings from Research

1. Consumers make frequent lower expenditure trips in traditional formats while they make less frequent higher expenditure trips in modern formats for food and grocery. On an average consumers visit/place an order at least once a week from the traditional formats spending less than Rs 500 per visit while visits to the modern format take place once in 15 days or once a month spending more than Rs 1000 per visit. The findings were significant for Mumbai. Further high income households tend to shop more frequently from modern formats. Thus the traditional formats will retain their hold in India even as organized retail evolves. Both will grow alongside, as has happened in China. The traditional formats will preserve their popularity and viability over organized retail.

2. There is a relationship between types of food items purchased and choice of formats with consumers preferring to purchase processed foods from modern formats and fresh produce from traditional formats. The street vendor and neighborhood store benefit from Indian’s habit of buying fresh food often and hence convenient location becomes an important parameter for consumers. Among the consumers who were dissatisfied with modern formats, the key reasons of dissonance were proximity to residence (modern formats were not close to their residence), hassle free exchange policy and freshness of products stocked. On the other hand proximity to residence was found to be a parameter where traditional formats score very highly. In order to build a large user base, modern formats will have to deliver on freshness of food especially fruits, vegetables and perishables. Traditional formats on the other hand
should carry product categories that are perishable and goods that consumers need in a hurry.

3. Satisfaction levels vary for individual attributes however overall store satisfaction is the same for both modern and traditional formats. Traditional formats score on location, free home delivery and offering credit. These formats have long maintained accounts for households, waiving payments till the end of the month and sending goods to the door, at just a phoned in request. Modern formats have recognized this strength of traditional formats and have made payment options like acceptance of all major credit cards and Sodexo coupons a convenient alternative. Further, modern formats offer great in-store experience, with a variety of brands, access to international brands and ambience.

4. Modern formats need to work on improving in-store service. Consumers are dissatisfied with the exchange policy as well as the slow billing. The transaction process is found to be tedious at modern formats as compared with traditional formats. Further store service was found to be positively related to store satisfaction for both modern formats and traditional formats and the relationship between store service and satisfaction was stronger for traditional formats than for modern formats. If modern formats can improve on the factor smooth transaction and interaction then it is expected to lead to substantial conversions.

5. Advertising of discounts, promotions and special offerings are clearly working for the modern formats. Consumers stated that their first source of awareness was through advertising (newspaper/magazine) followed by TV advertising or hoardings. Advertising by stores like Big Bazaar, Star Bazaar in newspapers is mainly to
announce new promotions, offers and discounts on the various items. The research indicated that attractive discounts, schemes and promotions were positively related to store satisfaction for both modern formats and traditional formats and the relationship between attractive discounts, schemes and promotions and satisfaction was stronger for modern formats than for traditional formats. Traditional formats enjoy lower operating costs and higher asset turns. However this cost advantage of traditional formats can diminish as organized retailers start to leverage their scales to negotiate better with their suppliers. Organized formats are able to pass the savings to consumers by offering huge discounts. Further consumers with large families tend to have higher spends at modern formats indicating that as their consumption rate is higher they prefer to shop at modern formats possibly for the discounts available. While modern formats are not easy to access, consumers are willing to travel more since they realize that there are substantial savings in their monthly grocery bill. Thus modern formats should focus on providing a broader assortment of products which constitute a market basket given that most consumers visit the outlets for their periodic grocery visit. Also consumers are willing to travel the extra distance to modern formats only if they see a significant net savings in their bill. Hence modern formats should continuously advertise their latest promotions, discounts and freebies in order to lure the consumers from traditional formats. Thus it can be inferred that the drivers of satisfaction are different for the two formats.

6. A factor analysis and multiple regression indicated that the major driver for traditional formats are smooth transaction and interaction and enhanced shopping experience. Ease of access was a significant driver but not a major predictor of
overall satisfaction. Performance of traditional formats on smooth transaction and interaction was average however it performed poorly on enhanced shopping experience. Consumers today are more discerning given high exposure to malls and hypermarkets. Hence expectations from what a retail store is supposed to offer have increased. Traditional formats score on the factor ease of access, however it is not a major driver of overall store satisfaction. Retailers need to be wary of the fact that as of now they score over modern formats based on proximity to residence. However organized retailers are making inroads into suburbs by opening stores in prime residential areas as well targeting consumers with their offering of huge discounts.

7. For modern formats, enhanced shopping experience was the major driver of customer satisfaction. Modern formats are already delivering on this dimension. However Modern formats need to work on improving in-store service. Consumers were dissatisfied with the exchange policy as well as the slow billing. The transaction process was found to be tedious at modern formats as compared with traditional formats. Further store service was found to be positively related to store satisfaction for both modern formats and traditional formats and the relationship between store service and satisfaction was stronger for traditional formats than for modern formats. Below is a Theoretical Framework developed by the researcher which is indicative of the drivers of store satisfaction of traditional formats and modern formats.
Figure 7.1 Framework for examining Customer Satisfaction in Food and Grocery for Traditional Formats

**Smooth Transaction and Interaction**
- Availability of credit
- Promptness of handling customer complaints
- Loyalty program membership
- Hassle free exchange policy
- Courteous and well trained staff
- Error-free sales transactions and records

**Enhanced Shopping Experience**
- Availability of International products
- Availability of variety of brands
- Availability of products in pack sizes
- Ambience
- Freshness of products stocked
- Attractive discounts, promotions

**Ease of Access**
- Proximity to residence
- Convenient store timings
- Order is taken over phone
- Free home delivery

**Overall Customer Satisfaction**
Figure 7.2 Framework for examining Customer Satisfaction in Food and Grocery for Modern Formats

Enhanced Shopping Experience
- Availability of International products
- Availability of variety of brands
- Availability of products in pack sizes
- Ambience
- Freshness of products stocked
- Attractive discounts, promotions

Ease of Access
- Proximity to residence
- Convenient store timings
- Order is taken over phone

Smooth Transaction and Interaction
- Availability of credit
- Promptness of handling customer complaints
- Loyalty program membership
- Hassle free exchange policy
- Courteous and well trained staff
- Error-free sales transactions and records

Customer Satisfaction
8. When consumers were classified on the basis of their involvement in the process of shopping, a cluster analysis revealed, three distinct clusters. The size of each of these segments was significant, with the ambivalent shopper accounting for the largest proportion.

9. “Advocates of modern formats” accounted for 34% of the sample. Here the consumers preferred traditional formats for everyday purchase and modern formats for bulk monthly purchases. These consumers belonged to the higher income group (Rs75000 per month and above), were highly educated (Post graduate professional) and had a higher proportion of ownership for all durables like Flat screen TV, Handicam, Hometheater, Satellite TV, Four wheeler. Their monthly spends were less than Rs 1000 in traditional formats and more than Rs 2500 in modern formats. They highly recommend modern formats to their friends and family. Interestingly this group had a higher proportion of males. Modern formats have a clear edge with this segment since this segment is more of an experiential shopper. This segment is very satisfied with the ambience, availability of international products, assortment of products etc. However the transaction and service aspect needs to be focused on. Modern formats should improve their billing efficacy and exchange policy to convert the advocates into committed shoppers.

10. Cluster 2 consisted of consumers who preferred traditional formats and were found to be averse to changing their buyer behavior. They were labeled as “Patrons of traditional formats”. They belonged to the lower income group (Monthly income less than Rs25,000), were mostly graduates and were low on affluence parameters like ownership of durables like Flat screen TV, Handicam, Home theater and Four
Wheeler. Their monthly spends were higher for traditional formats (Rs 1000 to Rs2500) and lower for modern formats (Rs 500 to Rs1000). They recommended modern formats but not as highly as the Advocates. Retailers of traditional formats should actively cater to this group as they are the committed to traditional formats. As of now they have little interaction with modern formats. They are satisfied with most of the parameters of traditional formats and are comfortable dealing with the same store due to the relationship/long association. Retailers should focus on providing fresh products and continue with free home delivery, order over phone and providing credit facility.

11. Cluster 3 consisted of consumers who were shoppers of traditional formats but where seeking alternatives for a better shopping experience. These consumers belonged to the upper middle income group (Monthly household income (Rs 25000 to Rs75000), were post graduates and fared quite highly on the affluence parameters of ownership of durables. However the ownership of durables was not as high as the Advocate group. Their monthly spends were the same for both traditional and modern formats (Rs1000-Rs2500). Hence this group was labeled as “Ambivalents”. Also there were a higher proportion of consumers from Delhi in this group. This group is lured towards modern formats for the attractive discounts and promotions. Also the ambience of modern formats and the wide range of products is making them visit modern formats. Modern formats can convert ambivalents into advocates by continuously pricing offerings such that the consumers see a huge savings in their monthly grocery bill. Traditional formats need to tackle this group with a different strategy given that perception of freshness of food is higher for modern formats.
amongst this group. This group seems to be fickle and more price-conscious and hence savings are a big reason to defect to modern stores. However if this consumer finds that the travel cost does not justify the net savings, then this group of consumers will patronize the neighborhood store.

To conclude, internationally, while some studies suggest that large scale retailers like Wal-Mart are responsible for widespread closings of mom-and-pop stores (Wal-Mart Watch, 2005; Basker, 2005) and question whether cost to communities in terms of labor displacements and higher poverty is offset against benefits of lower prices and greater convenience (Goetz and Swaminathan, 2006), other studies suggest that the process of creative destruction unleashed by Wal-Mart has had no statistically significant long-run impact on the overall size and profitability of the small business sector in the USA (Sobel and Dean, 2006). The present research has shown that modern formats have revolutionized retailing but they have not killed traditional formats in India. Rather, they have increased the importance of consumer and product specific strategies.

The other major aspect that has emerged from this research is that modern formats are preferred since they offer an enhanced shopping experience whereas traditional formats are preferred because of the smooth transaction and interaction with customers. The Indian consumer being extremely value-conscious with 80 per cent of his spend comprising essential and need-based purchase from the store next door; the critical question is whether he would travel all the way to the big store (Karwal as quoted by Tarun and Chopra, 2007). Findings from the present research show that consumers visit
modern formats mostly once in fifteen days while visits to the traditional formats happen more often. Locational advantage is clearly the strength of traditional formats but with corporate involvement and large business houses like Reliance, Subhiksha, Bharti and RPG Enterprises coming into foray by opening stores in residential areas like the small-box retailers, this advantage may be short lived. Further, modern formats are spending huge amounts on advertising in national newspapers that consumers can save four times more when shopping at their store vis-à-vis traditional formats.

The present research has proved the hypothesis that consumers make frequent lower expenditure trips in traditional formats while they make less frequent higher expenditure trips in modern formats for food and grocery. Thus traditional formats are facing the threat from the modern retailers in terms of providing the matching attributes and shopping experience.

However, traditional formats can continue to thrive if they focus on superior in store service, increased product assortment, salespeople who understand consumer requirements and proving rapid delivery at the door step.

The present research also indicates that there are three distinct consumer groups and patronage of a customer largely depends on the importance the customer places on various attributes of the store. For the “patrons of traditional formats” the attribute long association with the store was clearly a major factor. On the other hand, “advocates of modern formats” represent an upscale market compared to the general population.
Significant differences were found between the demographic profiles (e.g. age, education, household size) and lifestyle product ownership of the three consumer segments “advocates of modern formats”, “ambivalents” and “patrons of traditional formats”.

In addition, the importance of catering to diverse consumer groups remains important in the modern format which attracts a diverse customer-base as compared to traditional neighborhood markets that tend to draw on more homogenous local and regional customer bases. Modern formats should consider diversity in staffing, product assortment and customer service. Given the growth of diverse family oriented consumer groups in India, understanding the needs of this evolving consumer group could be an important competitive advantage for food, grocery and household items formats in the coming decade.

7.4 Limitations of Research

The present research was a general study on understanding consumer behavior among modern formats and traditional formats in food and grocery. Specifically the study focused on the drivers of satisfaction for the two formats and patronage behavior for the two formats. It also focused on understanding the hierarchy of shopper needs and arriving at inner needs. However, the study did not focus on different type of formats within modern formats for example – discount stores, hypermarkets and supermarkets. Also the research was restricted to Mumbai and Delhi. The impact of modern formats on traditional formats was not studied for other cities or mini-metros specifically South India namely Bangalore, Chennai and Hyderabad. Hence the results may vary if one were to compare across 4 or 5 major cities.
7.5 Scope for future research

As for future research, there exists a need to study the development of modern formats in greater detail. A lot of research has been carried out in the modern retail sector in Asia, such as in Thailand (Feeny et al. 1996), Hong Kong (Kawahara & Speece 1994), Vietnam (Venard 1996).

Since the sample size for Delhi was only 72, the Delhi findings are exploratory in nature. Studying the impact of modern retail on traditional retail and understanding the shopper needs for food and grocery in Tier II main cities like Surat, Kanpur, Indore, Jabalpur, Kozikode, Nagpur, Pune, Kolhapur, Nashik, Kochi, Vishakhapatnam, etc. should be pursued. Further it would be interesting to study the rural market and understand how retailers can aim their offerings to the rural market. It would be interesting to study in detail the way neighbourhood stores and local grocery stores are adapting themselves to the influx of modern retail giants like Big Bazaar, Reliance Fresh, etc.