Chapter 1

Introduction
Chapter - 1

Introduction

1.1 Introduction:

Retailing has occupied a prominent position in the modern society. The retailing encompasses the business activities that involved in selling of goods and services to the customers as final distribution process. Retailing is not only important aspect of the economic structure but very much a part of today's life. Organised retail has emerged in a big way since 2000 onwards also the business world has witnessed the emergence of new forms of retailing. The retailers market can be segmented on the basis of various retail formats to concentrate or focus on the need of particular consumer groups. Ultimately this has lead to the development of complex retail environment.

The retailing industry, as a member of economic system, has been as innovative as any other. The technological contributions of the department store, as members of the consumption side of Indian economy are quite extraordinary. The rise of the department store from the mid 1850s to the end of 19th century was nothing short of a major revolution, not only for business but also for all of society. In fact, what the department store did for the economy and consumers was as dramatic and as far reaching as any other major innovation the world has ever known.

The department store affected every facet of social and economic life through being a very entrepreneurial and innovative institution. The department store contributed directly and/or indirectly to the adoption of numerous new technological innovations. Its channel impact, both
upstream and downstream the distribution chain, revolutionized the retail store itself, the shopping experience availability and assortment of goods, credit policies, price awareness, media and promotional techniques, and was a major contributor to new managerial techniques from hiring practices to inventory control procedures. In fact, the department store was perhaps the very first American business to use mechanical data processing equipment for sales analysis and other managerial.

The department store was one of the society’s most democratic institutions and was a major force toward a more egalitarian society, especially for women. The department store made jobs available to women and opened new career opportunities such as the professional fields, and even in politics. The department store changed society’s values in accepting that women could go and shop on their own. Before, very few places were available, where it was socially and morally acceptable for a woman to be seen in public on her own.

This department store as a social institution was also instrumental in the mass production and selling of ready to wear clothes, and many other household items. In fact, the department store was one of the first large businesses, if not the first at least in North America, to make full use of the principles of vertical integration.

The department store evolved as the precursor of the modern shopping center with everything under one roof. Not only did the department store eventually give birth to the shopping center but also to the modern skyscraper. The need to supply, control and manage water, heat, light, waste, and the movement of goods and people in such large numbers and in such huge buildings, forced engineers and architects to
design the building using new materials and equipment. Thus, the
department store of the mid to the late 1800s was in fact a contributing
factor to the modern skyscraper. Cities such as New York and Chicago
became world famous and still are and it no coincidence that the
department store built in those cities were by far the most modern, the
most luxurious and the biggest stores the world had ever seen. No wonder
they were called cathedrals and even palaces of consumption.

The department store emerged at a time and place in history as a
result of mass urbanization and the concentration of people in a
centralized city core. The growth of suburbs proved to be one of the
department store’s downfall. The department store was from its inception
innovative, progressive and ready to tackle new challenges. But over
time, the department store lost its competitive edge to new forms of urban
retailers.

The department store contributed to the emergence of mass
marketing and the birth of a consumer society operating as a major force
in creating a culture of consumption for the world.

India is one of the most attractive retail markets in the world,
estimated at US$ 350 billion with a sizzling growth potential of 40 per
cent per annum. With such an explosive trajectory, it is hardly surprising
that many global and national players have announced ambitious
investment plans over the next five years to set up shop, as it were,
throughout the country. The global major Wal-Mart has a joint venture
with Bharti Enterprises and has plans to rollout its stores by mid-2008,
reaching 75 cities over the next 5-7 years.
India’s Fortune 500 private sector giant, Reliance Industries Ltd, has, in fact, been first off the blocks by launching its first Reliance Fresh outlets in Hyderabad in November 2006 and has since fanned out to 18 states. By end-2007, it plans to extend its retail footprint to 70 cities. To match the likes of Wal-Mart, Reliance has on the anvil plans to spend US$ 5.6 billion to set up its outlets in 784 cities and towns all over the country by 2010. India’s much-awaited retail revolution has, therefore, already been set in motion.

The revolution that is being retailed doesn’t, however, conjure this sector into existence out of nothing. Like England, India, too, has long been described as a nation of shopkeepers having an estimated 15 million small retail outlets, mostly single-store, family-owned fronts all over the country. This works out to 14 shops per 1,000 people, which is one of the highest densities of shops per population. The unorganized sector -- comprising small and medium retailers who employ over 40 million people -- is indeed the current face of retail that is in the throes of a transformation to a more organised form.

Only 2-3 per cent of retailers are large-scale who have the ambition of bringing organised retailing to the whole of India. This segment comprises the likes of the Future Group headed by Kishore Biyani, the country’s largest retailer having 3.2 million square feet of retail space across 36 cities. He intends to spend US$ 1 billion to increase that to 10 million sq ft by 2010. For a sense of perspective, only 4% of the 15 million retail outlets have floor space in excess of 500 sq ft. But considering the vast potential, this sector naturally has attracted majors like Reliance, Tatas, AV Birla Group, Godrej, Mahindras and ITC.
While the current policy regime bars foreign retailers from selling multiple brands directly to consumers, they are allowed to operate in the cash and carry or wholesale format that has brought in Wal-Mart and the Metro Group. The winds of reform are not freely blowing through India’s retail sector, as there are political sensitivities involved. Simply put, the entry of Wal-Mart and other global retailing giants is feared to threaten the livelihood of millions of retail stores. It bears mention that Wal-Mart employs only 1.4 million workers but its turnover is similar to that of India’s retail trade as a whole!

For starters, the revolution in retail entails tapping the huge opportunity at the bottom of the pyramid. This necessarily implies moving down from the top, comprising major metros like New Delhi (or nearby Gurgaon), Mumbai, Kolkata, Bangalore, Chennai and Hyderabad to smaller cities like Agra and Kanpur in the state of Uttar Pradesh or Indore and Ranchi in central India or Vijayawada and Visakhapatnam in the southern state of Andhra Pradesh, to name a few such examples. Then, moving on to the smaller towns and villages, where the real opportunities indeed lie at the base of the pyramid.

To be sure, major players like Reliance have all begun with the big metros like Hyderabad and Chennai in their foray into retailing. The reasons include higher disposable incomes and a large working and earning population in these agglomerations. But how many players can find this business viable if they concentrate only on this urban segment? A typical sight in most metros is the shopping mall where organised players retail their wares alongside each other. The action perforce has to shift to smaller cities and towns. To some extent, this is already happening in cities like Vadodara and Surat in the state of Gujarat.
According to India Brand Equity Foundation (IBEF) reports, there are 200 malls spread all over India and 700 new malls are coming up, 40% of which are concentrated in the smaller cities and towns. The reasons are not far to seek. The contribution of smaller cities to organised retail sales was 15% in 2005 and has risen to an estimated 25 per cent in 2006. With growth of 50-60 per cent every year when compared to 35-40 per cent in the larger cities, the smaller cities are the torchbearers of the retail revolution.

A factor that is fanning the move out of the metros is booming real estate costs. Players like the Future Group have been stating that the smaller cities have a 15-30 per cent cost advantage over the larger cities in this regard and, accordingly, have plans to set up 400,000 sq ft of retail space in Ahmedabad, Vadodara and Surat. Average rentals are in the range of Rs 50-60 per sq ft per month in the smaller cities when compared to Rs 100-120 per sq ft per month in the bigger cities. As lease rentals are an important aspect of the economics of organised retailing, the move to smaller cities will only accelerate further.

Ballooning employee costs in larger cities are another reason why organised retailers are also setting up training facilities in smaller cities. Although retailing is the second largest employer after agriculture, there is a requirement upwards of two million personnel. Existing players thus are scrambling to set up training facilities to bridge the gap between demand and supply. Bharti Enterprises has, for instance, set up the Global Retail School in Chandigarh to train the large numbers required by its parent's retail venture and plans to open 30 more centres in smaller cities like Jammu and Ludhiana by end-2007.
More importantly, the revolution in retail forges farm to fork linkages with thousands of farmers to procure fresh produce for the outlets. This necessarily entails huge investments in supply chain logistics, cold chain, warehousing and so on all over India’s rural hinterland. To be sure, some corporates like the agribusiness giant ITC have a head start as they have cut out intermediaries and purchase agri-produce from farmers at e-choupals. A logical step forward has been to set up Choupal Fresh grocery stores selling fruits and vegetables in Hyderabad, Pune and Chandigarh.

Reliance, too, has begun procuring farm produce directly from farmers. To stock its Chennai outlets, its supply chain bypasses the Koyambedu wholesale market and sources greens and vegetables from farmers in nearby places like Tiruvallur. In Ranchi, despite the recent opposition to its outlets, around 300 vegetable and farmers entered into a deal to supply directly to Reliance’s purchase centres at Brambay and Pithori. Dealing with farmers and paying much higher prices for their produce within a few hours of plucking from the field enhances purchasing power at the bottom of the pyramid.

To be sure, there is a lot of opposition from vested interests like wholesale traders to the farm to fork revolution. Companies like Reliance face a tremendous amount of opposition in bypassing established intermediaries in states like Tamil Nadu and even West Bengal. But states like Haryana, Andhra Pradesh and some parts of Uttar Pradesh have allowed direct procurement. More states will follow suit. Like ITC’s e-choupal scheme, the US Agency for International Development also has a program in India to bring together farmers and organised retailers to help source fresh agricultural produce.
The retail revolution that is underway has all these potentialities, including delivering health, micro-credit, education and entertainment to the bottom of the pyramid.

While India thus is becoming one of the largest retail markets in the world, the transition to a more organised form, however, is not easy and will remain politically contentious. For all the fears of the demise of the so-called mom and pop retail stores, the point to remember is that "nowhere in the world has small retailing disappeared. But, nowhere in the world has modern retailing not come in.

India is a land of retail democracy- hundreds and thousands of weekly haats and bazaars are located across the length and breadth of our country by people's own self-organizational capacities. Our streets are bazaars – lively, vibrant, safe and the source of livelihood for millions. India has the highest shop density in the world, with 14 outlets per 1000 people. This does not include the village haats.

India's retail democracy is characterized by
1. High levels of livelihoods in retail with nearly 40 million employed which accounts for 8% of the employment and 4% of the entire population.
2. High levels of self-organization.
3. Low capital input
4. High levels of decentralization

Retail in India has started with the concept of weekly markets, where all the traders gather at one big place to sell their products every week. The people come to these weekly markets to buy the household
items for the next one week. Village fairs and melas were also common as it had more of an entertainment value. Once the people started getting busy with their lives and when they turned entrepreneurial, there emerged the mom and pop shops and the kiranas in the neighborhood. After independence, came into existence the system of Public distribution of foods through the ration shops, where food grains, sugar and oil for the daily consumption were distributed at subsidised rates through the government ration shops. The modern corporate retail formats are of the exclusive brand outlets, hypermarkets and supermarkets, departmental stores and shopping malls. But still the Indian consumer depends on the self-organized retail shops for their daily needs.

This is largely due to the excellent food retailing system that was established by the kirana (mom and pop) stores that continue meet with all the requirements of retail requirements albeit without the convenience of the shopping as provided by the retail chains. The Hawkers vendors and the local kiranas are the two main forms of unorganized retail in the country, which almost account for 97% of the total retail trade.

The cut throat competition and aggressive global expansion are the driving forces in the food retail sector will mean displacement of small retailers and farmers. The second myth is that corporate retail will have direct impact on tiny retailers, hawkers and shopkeepers. A study has shown that nearly 90% small retailers have been negatively impacted within a few months of a corporate retailers coming up in their neighborhood and 87% said corporate retailers has taken away their business. 66% small vendors said that they would have to close their shops because of declining business. Corporate Retail is clearly growing at the cost of small retail. Food retail in India has clearly become an
important part of global trade wars. But this is about more than trade. For the people of India it is about culture and ecology, about employment and food security.

With this growth of the corporate retailing industry in the growing Indian economy is posing stiff competition to the existing small and medium retailing sector. Though there are other problems associated with the growing organised industry but the problems mentioned has direct impact on the society, culture and economy. Hence a careful analytical study and the solutions are required to overcome these problems.

1.2 Significance and need for study

There has been a significance shift in the balance of power between consumer and the organization that provides, the goods or products or service to the consumer all over the world.

Business is struggling to sustain competitiveness in the rapidly changing global economy world over. The traditional industrial and organizational boundaries are vanishing. Technology is changing the economic and trading relationships and creating a wide array of business opportunities and challenges. Competitive advantage in the 21st century of an organization depends on speed, innovation, service, customization, volume, scale and cost.

Retailing in India is thoroughly unorganized; there is no management prospective especially in small and medium retailers. It is found that Rs. 4000000 million market is unorganized and Rs. 200000 million retail market segment is organized.
Big players of retailing or large retail chain shops are the organized retailers, the volume, the area and the retailing format makes those large retail chain shops to grab major growth in retail business. The unorganized small and medium retailers suffer decline in their retail activities due to the impact of voluminous customer centered retail activities of large retail chain shops.

The problem faced by the small and medium retailers is increasing day by day in Bangalore city. Many large retail chain shops are starting their retail operations in Bangalore city and still many global big players of retail business are waiting at the side wing to start their venture in all most all important cities in India, Bangalore in particular, worsen the conditions of small and medium retailers in future.

Problems like, low sales volume, low customer satisfaction, lengthy sales cycle, increased inventory, warehousing and distribution, area of operation, business communication and low product profile are increasing day by day to small and medium retailers because of large retail chain shops. Hence a strategic solution is required for small and medium retailers especially in Bangalore city, to equip themselves to face the competition posed by large retail chain shops.

The nature of retailing is changing, retailers have to examine every aspect of their business to ensure a profitable return on investment. The new battle ground of e-retailing, using new technology, required for SMRs. The new technology means the unified retailing online, through e-enabled supply chain management. This creates norms for home shopping through internet near future.
The cost effective well managed and integrated system with new technologies adapted to the retailing will be the future of the retail industry and will provide solutions to the small and medium retailers to exist and compete in the big and wide retail market.

1.3 Review of Literature

Retail is the largest private industry in the world, with a turnover of $6.6 trillion world over and it is not only the oldest but also one of the most advanced user of technology.

The retail industry banking on the growth fuelled by consumer pull resulting from increased purchasing power rise in no. of double income families and demanding customers. Traditional retailing was a part of manufacturing; today it is treated as separate function by itself.

In India retail is the second largest sector after agriculture, this industry provides employment to 8% of the total work force of the country. This sector is highly fragmented and is dominated by the presence of a large no. of traditional formats. The total retail business estimated to be $180 billion, which is 6 times bigger than Thailand and five times bigger than South Korea or Taiwan.

India has the largest retail density in the world with 12 billion retail outlet for a population of 100 million, of which 92% dominated by small and medium retailers. The Indian retail industry traditionally small family runs kirana stores and medium retailers with big shop stalls. These traditional retail stores now adopting modern retail formats, these trends indicates that the retail is emerging as one of the most lucrative sector of the Indian economy.
Philip Kotler\(^1\), explains retailing as the activity involved in selling goods or services directly to find consumers for personal non-business use. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing.

Anshul Kaushesh\(^2\), estimates that the retail market in India is the second largest untapped market after China. The size of the Indian retail industry is pegged at Rs. 400,000 crores, which is expected to double to Rs. 800,000 crores by 2006.

India is the second largest consumer market in the world. The trade is highly fragmented in nature and is often remarked that the retail industry in India is nascent and mostly unorganized. Retailing is not considered as industry in India, it is difficult to get a correct a picture of the size of this sector. It is true that small and medium retailers are not using the appropriate modern technology.

Avinash Mulky and Rajendra Nargundkar\(^3\), opine that the structure of a country’s retail sector has an enormous influence on marketing strategy and marketing activities of firms. The Indian retail sector has arrived at a very critical stage. Stores in modern formats have emerged in the metropolitan cities but the bulk of the retail sales happen through traditional retail formats. The development of modern retailing is of great interest to marketing scholars, practitioners and policy makers. The modernization of retailing in India would be influenced by some important factors. These factors include economic development; improvements in civic situation; changes in consumer needs, attitudes and behavior; changes in government policies; increased investment in retailing and rise in the power of organized retail. The development of
modern retail will have several implications for managerial practice in manufacturing firms. Firms will need to proactively review and their sales structures, brand activities, logistics policy and price structure to cope with pressures from powerful retailers.

Aggarwal\(^4\), estimates that the Indian retailing is undergoing a process of evolution and is poised to undergo dramatic transformation. The retail sector employs over 8% of the national workforce but is characterized by a high degree of fragmentation with over 5 million outlets, 96% of whom are very small with an area of less than 50 m\(^2\).

Sarma\(^5\), opines that because of their small size, Indian retailers have very little bargaining power with manufacturers and perform only a few of the flows in marketing channels unlike in the case of retailers in developed countries.

Bennett et al\(^6\), explain that the Indian retail environment is witnessing several changes on the demand side due to increased per capita income, changing lifestyle and increased product availability.

Sinha et al\(^7\). opines that in Indian retailing, convenience and merchandise appear to be the most important factors influencing store choice, although ambience and service are also becoming important in some contexts.

Rao\(^8\), explains that, modernization will have to address convenience issues while presenting strong alternatives to the weaknesses of traditional formats in selection of merchandise available for sale.
Modern formats need not be expensive and can offer lower prices to consumers.

Andrew Turnbull and Cardyn Mc.Nicholas\textsuperscript{9}, in their paper suggest that Small and medium retailers can take the advantage of the internet and to expand globally, as internet is considered to be an important medium for merchandising activities due to its vastness, fast and information flow.

Zigi Lio and Cheng\textsuperscript{10}, opines that changing in technology, life style makes the customers to go online shopping using the existing internet technology as the customer feels complete security for all aspects of retailing.

Hau.L.Lee and S.Whang\textsuperscript{11}, identify in their paper about integrating E-business and supply chain management, so that new area of e-supply chain management for retailing could be emerged by integrating the different operation channels.

Jianbing Wu et.al\textsuperscript{12}, in their paper suggest a generic framework to meet the needs of the next generation supply chain management system supported by distributed information management system, which provides all supply chain functions with optimization of customer services.

1.4. Statement of the Problem

Bangalore is the fast growing metropolitan city in India. There is a large potential retail business existing in this city due to a steep increasing in Multi National Companies operations in all most all business sectors,
Population migration from different parts of the country, increasing in middle class population etc. Hence Bangalore city is chosen for the study.

Earlier research works do not attempt to identify the problems faced by the small and medium retailers in Bangalore city. All these retailers are kept away from the advantages of advanced market technologies like e-business and supply chain management activities.

Small and medium Retailers share 90% of the retail industry, are unorganized sector, are vanishing day by day due to the stiff competition from the large retail chain shops and in future the situation will be still worsen due to invasion of MNCs in retail sector. In this context there is a need of introducing a strategy through conceptual architecture for e-retailing of Small and Medium Retailers in Bangalore city. This optimizes and effectively uses the concept of E-supply chain management and retail integration.

This conceptual architecture, which will be a strategic solution for SMRS in Bangalore, could be adapted to all cities in India.

1.5 Objectives of the Study

The study is aimed

1. to discuss the concept and history of retailing, e-retailing and supply chain management

2. to identify the problems of Small and Medium Retailers in Bangalore city.

3. to study the existing Large Retail Chain Shops in Bangalore city and compare Small and Medium Retailers with Large Retail Chain Shops.
4. to suggest a multi channel information hub to combine more Small and Medium Retailers and to develop a multi channel communication among players of e-retailing.

5. to design Web centric e-retailing architecture for Small and Medium Retailers

6. to draw the conclusions and suggestions

1.6 Hypotheses

To keep the objectives in focus, few relevant hypotheses are framed. The large retail chain shops are doing better business than any other retail outlets, with respect to the following aspects:

- **H1**: Large retail chain shops affect Small and medium retailers,
- **H2**: Customers satisfaction with Large retail chain shops,
- **H3**: Services provided by Large retail chain shops,
- **H4**: Customers dissatisfaction with the performance of small and medium retailers,
- **H5**: Adaptation of IT and modern marketing promotion activities improves retailing performance.

The above hypotheses will be treated as separate hypothesis and separate collusion will be drawn with respect to each hypothesis.

**Hypothesis 1**
“Retailing activities of Small and medium retailers in Bangalore city are not affected by Large retail chain shops”

**Hypothesis 2**
“Overall customer satisfaction is more with Large retail chain shops than any other retail outlet”
Hypothesis 3
"The service provided by the Large retail chain shops are excellent than Small & medium retail shops”.

Hypothesis 4
“The small and medium retailers satisfies the customers in Bangalore city than any other retail shop/mall”.

Hypothesis 5
“Adopting IT and modern market promotion methods will not improve retailing activities for small and medium retailers in Bangalore city”

Hypotheses on customer’s satisfaction with retailing in various retailing outlets, their attitude towards retailing, performance of large retail chain shops as well as small & medium retailers, viability and variables influencing the performance are tested based on the survey carried out. Statistical tools are used to validate to accept or reject the hypotheses.

1.7 Methodology
Bangalore city is selected for the purpose of study. The retailing business in Bangalore city is considered to be more complex. The complexity is due to increasing in number of outlets of Large retail chain shops, existing large number of Small & medium retailers and large number of middle class customers. The stages in the research are as shown in Fig.1.1.
The samples for this study considered are, Customers of retail shops, Small & medium retailers and Large retail chain shops in Bangalore city.

The Large retail chain shops and small and medium retailers (refer Appendix – 4) were approached for the study and the survey was carried out through the interview and questionnaire prepared for this purpose.

The questionnaire was divided into three sections.

**Section A** - covers survey of customers which focuses on retailing activities and performance,

**Section B** - covers survey of Small and medium retailers focusing on facilities, infrastructure and performance, and

**Section C** - covers survey of Large retail chain shops focusing on facilities, infrastructure and performance.

Fig 1.1 Stages involved in the study
1.7.1 Sampling

The study includes Small & Medium Retailers (SMRs), Large Retail Chain Shops (LRCS) and customers. The required data for the study will be obtained from selected Small & Medium Retailers, Large Retail Chain Shops and customers.

Bangalore city is divided into 7 zones for the purpose of study. These zones are selected on the basis of the area, population and the locality of Large retail chain shops.

The following sampling techniques are employed to collect the data. Stratified Random Sampling is employed to collect the data from Small and Medium Retailers and Large Retail Chain Shops and Convenience sampling is employed for customers.

The city is divided into 7 zones of 12 LRCSs, divided as follows:

<table>
<thead>
<tr>
<th>Zones considered for the study</th>
<th>Number of Large Retail Chain Shops present in the area</th>
<th>Total Large Retail Chain Shops considered for study</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 1.1: Retailing Zones and Large retail chain shops under study
Complete sampling distribution

<table>
<thead>
<tr>
<th>Study Zones</th>
<th>Large Retail Chain Shops</th>
<th>Medium Retailers</th>
<th>Small Retailers</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>20</td>
<td>10</td>
<td>75</td>
</tr>
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<td>2</td>
<td>1</td>
<td>20</td>
<td>10</td>
<td>75</td>
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</tr>
<tr>
<td>7 Zones</td>
<td>12</td>
<td>140</td>
<td>70</td>
<td>525</td>
</tr>
<tr>
<td></td>
<td>Large Retail Chain Shops</td>
<td>Medium Retailers</td>
<td>Small Retailers</td>
<td>Customers</td>
</tr>
</tbody>
</table>

Table 1.2: Complete sampling distribution

140 medium retailers i.e. is 20 each from 7 zones are considered through, stratified random sampling technique. Similarly 70 small retailers i.e. 10 each from 7 zones are considered through stratified random sampling technique and 525 customers i.e. 75 each from 7 zones are considered through convenience sampling technique. The summery of the sampling selected to collect the data is as shown above.

1.7.2 Questionnaire and schedule

Data are collected from the sampling classification mentioned, through questionnaire and schedule, such that

Questionnaire is prepared to collect the data from small and medium retailers. Questionnaire focuses on problems faced by the Small and Medium retailers in the context of Large Retail Chain Shops.
Schedules are prepared to collect the data from Large Retail Chain Shops and Customers.

The schedule prepared for Large Retail Chain Shops focuses on the retailing operations they are carrying out. Customer schedule contains the problems faced by them in getting the goods and services from Small and Medium retailers and the advantages derived from Large Retail Chain Shops,

The study was carried out in three phases;

First phase, Qualitative phase, was to identify the domains through critical analysis of existing retailing scenario and by the literature survey.

Second phase, quantitative phase, was the survey of customers, Large retail chain shops, small and medium retailers and collection of data through pre prepared questionnaire and schedule.

Final phase, validation phase, was analysis and validation of data and generating meaningful findings and suggestion.

1.7.3 Sources and Methods of data collection

Data will be collected from both the sources

(a) Primary source and
(b) Secondary source

The study is based on both primary and secondary data. Primary data will be collected through observation and survey of Small and medium retailers, Large retail chain shops and customers, through
questionnaire and schedule. The candidate visited selected customers, large retail chain shops, small and medium retailers in Bengaluru city for the survey. The main toll used for the purpose of collection of data is Questionnaire. The questionnaires were handed over to customers, Large retail chain shops, small and medium retailers. Each question in questionnaire was self explanatory and elicit quality information from the respondent. Sufficient time was given to the respondents to provide frank and fair information.

The secondary data was collected from various published sources like books, periodicals, research papers, seminar reports, news paper articles, magazines, inline journals etc. lot of materials and information were collected through various marketing, service marketing, retailing, supply chain, e-commerce, e-business, e-retailing and many universities web sites.

The research period was three years from September 2004 to August 2007.

1.7.4 Statistical tool

To make the study more comprehensive, exhaustive and perspective, variety of statistical tools are being applied to arrive at a meaningful results using either SPSS or MS-EXCEL and PH-Stat-2.

Charts used for analyzing the data collected in the study. Bar charts were used in the study for the analysis. Bar chart, also known as a bar graph, is a chart with rectangular bars of heights usually proportional to the magnitude they represent. Bar charts are used for comparing two or more cases.
Pie chart used, illustrates relative magnitudes or frequencies. In a pie chart, the arc length of each sector is proportional to the quantity it represent, together the sectors create a full disk. The pie chart is perhaps the most ubiquitous statistical chart used in the business world and mass media.

Tables were used to arrange data, use of tables is pervasive throughout all communication, research and data analysis. The precise conventions and terminology for describing tables vary depending on the context. Moreover, tables differ significantly in variety, structure, flexibility, notation, representation and use.

**Simple table**: A table consist of an ordered arrangement of rows and columns. This is the most basic kind of table used,
First row is only used to display the column name, traditionally known as “header row”, Column identified by a name, it consist of a word, phrase or a numerical index.

**Multi dimensional table**: Multi dimensional table are obtained by normalizing the data values into order of hierarchies. Multiplication table is an example of multi-dimensional table.

**Techniques of Analysis**

The data collected from various sources were classified, tabulated and analysed by applying statistical techniques. The statistical results have been derived with the help of the computer packages like MS EXCEL and PH-Stat2 macros. The statistical tools used for analysis
are Percentages, Cross tables, Likert scale, Chi square test, Spearman’s rank test and Kolomogorov – Smirnov Test (Annexure – II).

1.8 Limitations

Any study of this kind can never be exempted from limitations, though every care has been taken and all intervening factors considered, still some limits, mentioned here, are inevitable.

❖ It is important to caution that the findings of the present study are obtained under specific set of conditions, beyond which generalization may not be possible.

❖ The data collected during specified period i.e. September 2004 to August 2007, may not correlate with another specified period.

❖ Socio-economic status and educational level of respondents during the survey period may vary with different results, When the survey is conducted at different time period.

❖ As every method depends on the communication and behavior of the respondents, which may give untrue and misleading answers which may cause response errors.

❖ A sample survey designed to represent a defined and specified population over a given geographical area, may not suitable for other area.
1.9 Chapterisation

The findings of the study are presented in seven chapters sequenced as follows:

Chapter 1:

This chapter deals with significance and need for study, review of literature, objectives of the study, hypothesis of the study, limitations and dissertation layout.

Chapter 2:

This chapter deals with concepts and history of retailing, e-retailing and supply chain management.

Chapter 3:

This chapter deals with profile of Small and Medium retailers, Large Retail Chain Shops, their back grounds, problems of small and medium retailers.

Chapter 4:

This chapter deals with the comparison of Small and Medium Retailers with Large Retail Chain Shops.

Chapter 5:

This chapter deals with conceptual architecture of retailing, analysis of data.
Chapter 6:

This chapter deals with testing of hypothesis and new architecture of retailing, layout of conceptual architecture of retailing through web centric supply chain management and necessity of new architecture.

Chapter 7:

This chapter draws meaningful conclusions and suggestions. It gives retrospective view of improving the retailing activities for small and medium retailers. The study is hoped to provide the strategies to improve the retailing services for any retailing outlets.

The list of references and supporting materials are given in bibliography,
References


