Chapter 7

Conclusion and Suggestions
7.1 Introduction

This chapter summarises the findings and draw conclusions from the study carried out. There are a few similarities and more differences in the activities carried out by Large retail chain shops and Small & medium retailers with respect to the services, facilities and infrastructure.

India is being considered as a potential goldmine for retail investors all over the world. Latest research has rated India as the top destination for retailers for an attractive emerging retail market. India’s vast middle class and its almost untapped retail industry are the key attractions for global retail giants to enter into India’s new retail markets.

7.2 Summary

Large retail shops in Bangalore city provide the services as expected by the customer. The study carried out in Bangalore revealed some interesting factors that indicate the reasons why the large retailers are emerging as leaders in retailing activities (Similar situation can be existing in almost all major cities and urban areas of India.).

Summary of some of the important findings are:

The study identifies that the large retail chain shops enjoy excellent built-up area compared to small and medium retailers. These large retailers
are capable of investing more for the infrastructural development and hence they are able to build excellent built up areas with good infrastructure and ambience, where as small and medium retailers are unable to invest for built up areas, creation of required infrastructure and ambience for the shops.

Most of the small and medium retailers are not providing vehicle parking facility and few of these shops do not consider this as a factor to attract the customers, where as the large retail chain shops are providing excellent parking facility to their customers.

In Bangalore city, a few small and medium retailers have adopted different shopping layout, but most of these shops do not consider this as an important act to attract the customers. In some cases, the small retailers are not allowing the customers to enter into the shop; the shop personnel will pickup the items for the customers as per their demand. But large retail chain shops are allowing the customer in side the shop and the customers enjoy the liberty of selecting the items as per their need and taste. Even these shops provide the help of shop personnel for selection and handling commodities.

From the study, it is found that the locations of large retail chain shops are within the reach of the maximum customers and majority of the small and medium retailers are not located with in the reach of the customers, due to the investment and increasing real estate cost.

Since huge investments are required for modern handling equipments, most of the small and medium retail shops are not provided with modern material handling equipments, where as most of large retail chain shops are
provided with modern material handling equipments, even a few large retail chain shops are now thinking of mechanized material handling equipments in the shop.

Most of the large retail chain shops are providing excellent air circulation and ample lighting inside the shop so that the customers experience comfort and easy shopping, where as majority of small and medium retailers fail to provide good air circulation and lighting facilities to the customer for comfort shopping.

Customised services, customisation and customer satisfaction are important mantras of the retailers for their success. Majority of the large retailing chain shops are providing shipment and delivery for the commodity purchased by each customer to their destination address. These shops have different shipment, delivery and distribution services to the customers, where as small and medium retailers are not providing shipment and delivery for the commodity purchased by the customers.

The study clearly indicates that almost all large retailing chain shops are providing refreshment and toilet facilities. This act of large retailing chain shops, satisfies the urban customers, where as small and medium retailers in Bangalore city are unable to satisfy customers in this regard.

From the comparison study, it was found that, the majority of the small and medium retail shops do not provide wide range of products to their customers. But large retail chain shops promote wide range of the product
line in each category of the product. By this act of the large retailing chain shops, there will be pulling of customers to their retail outlet.

In Bangalore city majority of small and medium retailers are not providing leading brands to their customers, compared to large retailing chain shops. So large retailing chain shops leads the race in providing leading brands to the customers. So customers are visiting these large retailing chain shops repeatedly for the availability of leading brands.

Since majority of these small and medium retailers are not promoting their own brand, due to which customers are not provided with guarantee of quality and reliability of the items purchased. Most of the large retailing chain shops promote their own brand so that the customers are guaranteed with quality and reliability.

Many of small and medium retail shops in Bangalore city are found to be congested and do not provide a proper shopping layout so that the customer will not be able to enjoy the shopping activity, where as majority of large retail chain shops provide the pleasant shopping layouts and creates ambience in shopping.

It is clear from the study that large retail chain shops are providing shopping assistance to the customers every time, in identifying the required and right commodity. This helps the customers to carryout shopping activity in pleasant and timely manner, where as the existing small and medium retailers are failed in providing shopping assistance to the customer.
From the study it was found that the shop personnel in large retail chain shops co-operates with customers in all respect for the shopping activity. Where as majority of small and medium retailers fail in this aspect.

The study clearly indicates that the most customers are satisfied very much with existing shopping activities in large retail chain shops, where as the customers are not satisfied with the service and the activities provided by small and medium retail shops.

The study in total finds that the majority of the customers are satisfied with the merchandising, shopping and service activities of large retail chain shops and only a few customers are satisfied with small and medium retail shops.

The study clearly reveals that the large retail chain shops are serious about the customer feed back and evaluation system and later they use this evaluation to improve their operation and services. But it was most unfortunate that the small and medium retail shops are not serious about this feed back evaluation system, even if it exists in their shop, they don’t make any serious effort to improve their activities.

In the existing market the large retail chain shops are adopting flexible pricing system for the commodities they are selling. These large retailers purchase the commodities in bulk and large quantity, directly from the producer and manufacturers. Hence they adopt flexible pricing system which benefits the customers, where as small and medium retailers depend on the whole sale dealers, middle men and even some times the local
mandies for the commodities. The small and medium retailers are purchasing these commodities in limited quantity and hence they are unable to adopt flexible price policy.

The study completely reveals that most of the large retail chain shops are much concerned about the customers and helping the customers in shopping by providing required information, where as majority of small and medium shops are not considered these activities, only few shops are seriously thinking about these aspects.

It is clear from the study that in implementing IT related technology, large retail chain shops are much ahead of small and medium retailers. Majority of the large retail chain shops are adopting information technology for all activities of retailing management in the shops, such as billing & payment system, inventory management, supply chain & delivery system, procurement & logistics system etc. Only a few small and medium retailers are adopting IT related technology for billing and payment system and inventory management system and majority of these shops are using IT for billing system only, while few are even yet to implement IT for retailing activities.

The Comparision study finds that large retail chain shops are ahead in the race in reaching and gaining of the customers' confidence in many aspects of retailing, compared to small and medium retail shops. The customer survey carried out in this study, reveals that the customers are satisfied with large retail chain shops; hence large retailing chain shops are
attracting customers in all respects, where as small and medium retail shops loose the customers’ confidence for their limitations.

The study also identifies customer attitude opinion and experience about retailing with different retail shops in Bangalore city.

Maximum numbers of customers are attracted towards large retail chain shops and they visit large retailing chain shops, because of product, price benefits, service, shopping, environment, friendliness, product display, quality and packing. More customers visit the retail shops, weekly as well as daily.

Majority of the customers are considering large retail shops in the first place for grocery, food products and cloths/apparels. In total the customers are satisfied with variety of the product available in large retail chain shops.

More customers expressed that they feel retailing in large retailing chain shops are best value of money, they get quality product at right quantity and expressed that the service quality in large retailing chain shops are excellent as well as good, even they felt the shopping and selection of items and cooperation of the staff are excellent or good.

The study also reveals customer opinion on retailing in large retail shop/mall, majority of the customer feel excellent towards best value of money, quality and quantity of the product, quality of service, selection of items and convenience of shopping, also expressed excellence towards cooperation of staff in large retail chain shop.
It is found that most of the customers visit the shop/mall for their regular home shopping, some of them visit for specific items or visits casually. Others visits for gift shopping or shop for others.

The study found that majority of the customers strongly agree that the large retail chain shops provide selection of required product, price worthiness, product delivery system and information about the shop.

The study identifies important customized attributes of the large retail chain shops; the customers rank the large retail chain shops accordingly. Maximum customers have the opinion that large retail chain shops are at top priority in sale assistance, convenience shopping, shopping environment and over all shopping experience.

The study is aiming at identifying customer’s expectation and their affinity towards the large retail chain shop. Customer visiting the large retail chain shop because of the availability of the leading brand products, quality & reliability of the product and cleanliness as well as hygiene packing.

The study founds that there are few important factors which influence the customers for retailing in large retail chain shops. Majority customers strongly agreed that large retailing chain shops provides wide range of product, price flexibility, trained and knowledge workforce, vehicle parking facility, social status, and single roof retailing and saving of time as well as money.
The study identifies customer experience about retailing activities. The customers expressed excellent towards shopping experience of with large retail chain shops, majority of the customers expressed their experience with large retail chain shops as very good.

The survey was carried out on the customer’s views about small and medium retail shops. Majority of the customers are expressed poor about the retailing format of small and medium retail shops, co-operation of workers, service after sales, shipping assistance, time of shopping and customer friendly environment in Small and medium retailers.

The study focuses on the facilities available with small and medium retail shops as per customer view, majority of the customers strongly disagree with availability of the products in small and medium retail shops, availability of wide range of products, price flexibility, and immediate delivery of goods. The customers are also strongly disagree with neat and hygiene packing by small and medium retail shops, friendly environment of shopping, saving in time and money in shopping and Billing & payment systems in.

The study exposes that the large retail chain shops are attracting more and more customer. The important factors were identified through the study that maximum customers strongly agree that large retail chain shops maintains good customer relationship, good behaviour of Employees with customers, price flexibility, pleasant shopping experience, help full Shop personnel, easy billing and less time shopping, assistance in shipment and
delivery. Even the customers were strongly agree with the pricing policy of large retail chain shops,

The survey also includes the facilities provided to the customer by Small and Medium Retail shops and following is the analysis of the data related to the facilities available in the Small and Medium retail shops. Many factors were considered to obtain data. Among them one of the factor is the built up area of small and medium retailers.

The study identify that majority of the small and medium retailers are, poor in having correct built up area for the shop, poor in parking facilities, poor shopping layout, poor proximity to the customer, poor in usage of modern handling equipment, poor lighting and air circulation, poor shipment and delivery facility, poor in refreshment and toilet facility.

The study found that maximum customers say that the attention towards the customer is moderate, and the other says that the attention towards customers is either always or only during some times or the attention is not required at all.

The also focuses on shopping assistance is considered most of the small an medium retailers in Bangalore city are not provides shopping assistance always, it will be moderate in some or some times as demanded by the customers. But few SMRS are not serious about the shopping assistance.
The study reveals the availability of merchandise, most of the small and medium retailers in Bangalore city are not always available, majority of small and medium retailers are less serious about the availability of merchandise.

The survey also includes the other facilities such as automation and mechanized process in the shop, co-operation of the workers, billing and payment system, time management and interior of the shop provided to the customer only very few Small and Medium Retail shops consider these, where as majority not bothered about these aspects.

The study also focuses on the customer requirements at small and medium retail shops. Very few small and medium retail shops are excellent in providing wide range of products, right quality and right quantity of products, leading brand products, own brand products and information about the shop.

It was found that the few small and medium retail shops modifies retailing format according to according to the customer requirement and adjust as per the customer demand. Some small and medium retail shops neither modify nor adjust as they have adopted their own standard format. But maximum of small and medium retail shops do not have any specific standard format.

The study found that the some of the small and medium retail shops modifies according to the customer requirement and adjust for the customer demand. Some small and medium retail shops neither modify nor adjust as
they have adopted their own standard format. But maximum of them do not have any specific standard format.

The training provided to shop personnel is another factor considered for the study and the study reveals that few small and medium retail shops are always provides necessary training to the shop personnel, trained workforce. It is found that very few of the small and medium retail shops adopted the modern promotion activities completely. Few small and medium retail shops adopted these activities moderately, Where as majority of small and medium retail shops adopted these activities partly. Few small and medium retail shops have not adopted modern promotion activities at all.

It is found that most of the small and medium retail shops carryout market research either by shop personnel and sometimes they take the help of other agencies. Some small and medium retail shops consider that the research is not required for their work.

The study reveals that most of the small and medium retail shops are interested in promoting the leading brands where few of them are interested promoting only their own brands. But some of the small and medium retail shops are promoting both leading brands as well as their own brands.

The study exposes the retailing philosophy and importance toward the customers provided by the small and medium retail shops. It was found that very few of the small and medium retail shops, flexibility in price for commodities, feedback and evaluation and carry out market research activities.
The survey also includes the facilities provided to the customer by large retail chain shops and following is the analysis of the data related to the facilities available in the large retail chain shops. Many factors were considered to obtain data. Among these factors one of them is the built up area of large retail chain shops.

Majority of the large retail chain shops identified as having excellent built up area for the shop, parking facilities, shopping layout, proximity to the customer usage of modern handling equipment, majority of large retail chain shops expressed lighting and air circulation shipment and delivery facility to the customer was very good, good Refreshment and toilet facility read refreshment and toilet facility.

The study revels that the maximum customers are getting the attention from large retail chain shops always and only few of the large retail chain shops indicates that the attention is either sometimes or rarely towards customers. But for some of the large retail chain shops are providing moderate attention to the customers.

The study also includes the other facilities provided to the customer by large retail chain shops. According to the study, the majority of the large retail shops indicate that their training to the employees is excellent, the automation and mechanized process in the shop, assistance to the customers and co-operation are good. The large retail chain shops also have very good billing and payment system. Majority of the large retail chain shops are excellent in time management and interior of the shop.
The study also focuses on the performance and activities of large retail chain shops. Majority of the large retail chain shops are excellent in providing wide range of products, right quality and right quantity of products, leading brand products, brands of their own. The retail format, shop layout and information to the customers are excellent in large retail chain shops.

It is found that most of the large retail chain shops modifies according to the merchandise and adjust to the customers’ demands. Some large retail chain shops have adopted their own standard format. It is found that the maximum percentage of large retail chain shops is adopting pricing policy either completely or moderately. Only few of them are interested in customized pricing policy.

The study reveals that the most of large retail chain shops are purchasing either from the manufacturer/producer or from the wholesaler. Only few of them are interested in purchasing from both manufacturer/producer and wholesaler. And none of the large retail chain shops are purchasing from the open market. Most of the large retail chain shops have healthy inventory policies and very few of them have moderate inventory policies. It is found that the maximum percentage of large retail chain shops is adopting modern marketing principles either completely or moderately. Only few of them are adopting these principles some times, when required.

As far as training to the shop personnel is considered, most of the large retail chain shops in Bangalore city make appointments directly form
institutes. Some large retail chain shops provide the necessary training and the others just provide the required information for the shop personnel.

The study found that the most of the large retail chain shops carry out market research always by shop personnel and sometimes they take the help of other agencies. Few large retail chain shops consider that the research is not required for their work. It is found that the most of the large retail chain shops are interested in promoting the leading brands where few of them are interested in promoting their own brands. But some of the large retail chain shops are promoting both leading brands as well as their own brands. The study found that most of the large retail chain shops large retail chain shops adopt the Information Technology completely, where as few large retail chain shops adopt Information Technology moderately.

The study exposes that large retail chain shops follow the retailing philosophy and provide importance towards the customers. It was found that majority of the large retail chain shops strongly agree that, customer satisfaction is their important philosophy of retailing, half of the large retail chain shops strongly agree that they provide quality merchandise and shopping assistance to the customers. Flexibility in price for commodities, feedbacks & evaluation and market research activities are strongly agreed by the large retail chain shops.
7.3 Suggestions:

The major inference of the research is that, in Bangalore city, there is more number of large chain retail shops that are functioning or about to function. But these large retail chain shops are more liked by the customers.

More and more customers are being attracted by these large retail chain shops every day, whereas the retailing activities of small and medium retailers are declining day by day, especially in Bangalore city.

The research is aimed in identifying the reasons for downfall of small and medium retailers. Through the research it was clear that small and medium retailers are at threat and they are not carrying out the retailing activities efficiently. This may be due to less or insufficient customers requirement facilities, in capable sale work force, inefficient inventory management, inefficient promotion least flexibility in pricing and low sales volume.

A strategical solution is provided in this research for the improvement of the retail business of small and medium retailers, since Indian scenario of retailing comprises of about 60% of these retailers operating in Metros, cities, urban and rural areas.

The new model suggested will be ‘the conceptual architecture of e-retailing through web centric supply chain management’. Also by adopting ‘the 9Ps of retailing’ to the traditional shop retailing, retail activities can be improved.
The strategic solution suggests the new architecture, which integrates many small and medium retailers and other related service providers under this model. A suitable programme design would make the functioning of this architecture easier so that small and medium retailers will be able to face the challenges posed by large retail chain shops/malls (Operation of the this architecture in explained in chapter 6)

9 (nine) Ps of Retailing

Along with the normal four P's of marketing (Product, Price, Place and promotion) retailing should have five more P's that play much more importance in success in retailing. The new Five P's that are been suggested should oriented towards customer areas of action.

Fig 7.1: Shift of marketing mix from 4Ps to 9Ps
The process of adopting these additional new Five Ps has already begun among large retailers as the old four P's are more or less taken for granted in these days. In the present scenario, any successful retail model will have the additional five Ps, implementing in one or the other way, being the secret behind the success of retailing.

Retail is all about People, people & people, it may be the customer or employee, (on the employee front - much time is spent on in recruiting or training, on the customer front – the retailers differentiate by service, delivery, loyalty etc.) therefore People are most critical P.
Process or retailing process is another important P of retailing. This directly reflects the capability of the retailer to attract the customers in to their outlet. The process reflects the facilities provided inside the shop that make the shopping in the retail outlet is more comfort and ease.

Parking is also an important P, as it could have huge bearing on individual store performance. Parking facility provided by the retailer attracts the retail customers especially in Urban and metros.

Position of the retail outlet is another important P, as this certainly helps the customer to choose the store, location of the store, the time of operation, the identification of the store is vital for the success of the retail outlet.

Pulse or the pulse of the customers or the customer's attitude and behavior are important factors, the retailers should know and act there onwards about the potential customer inside the shop, and hence Pulse is another important P for successful retailing.

7.4 Scope of further studies

The architecture suggested through this study would help the small and medium retailers to improve their retailing activities in Bangalore city. The architecture requires strong web based network system with suitable software to monitor and control e-retailing activities through web enabled retailing supply chain management. Further this system can be improvised by developing clusters of small & medium retailers in City, Urban and Sub urban areas.
The advancement in IT/ITES, Telecommunication, Supply chain, Transportation technology enables the architecture to speed up the process of retailing activities so that more and more customised services in retailing is possible. This enable small and medium retailers can able to compete with the large retail chains.

In the existing retailing scenario, in India, the retail growth potential is immense. Since only 10% of the retail business is organised till date, scope of retailing industry is still wide open, there will ample opportunity available for small and medium retailers to tap this potential marketing activity and to be in the forefront of the retail industry.

Development in IT, ITES, Telecommunication and development infrastructure will certainly have bright future in developing system architecture for localised E-retailing activities through web centric supply chain management for small and medium retailers.

The advancement in technology will help the retailers to carry out traditional retailing by suitable, improved, customer attractive marketing mix, that can make retailing activities more customer centric so that small and medium retailers can carry out both advanced E-retailing and regular retailing activities.