CHAPTER - 4

LITERATURE REVIEW

A literature review is an explanation of the literature related to a particular field or topic which is written as part of a thesis proposal, or at the beginning of a thesis. A critical literature review is a critical evaluation of the relevant literature. Literature covers everything relevant that is written on a topic in books, journal articles, newspaper articles, historical records, government reports, theses and dissertations, etc. A literature review gives an overview of the field of inquiry and what the key writers have already said on the topic. It also gives an idea about the general theories and hypotheses. The review also indicates what questions are being asked, and what methodologies and methods are appropriate and useful. Knowing the facts requires the researcher to understand and get in-depth knowledge of the topic. Once the topic is selected, the researcher will try to carry out a entire study of the available literature to know the past, present scenario and also to understand the future trend. Literature review also helped the researcher to know of the deviations in the present study and if possible to give certain corrective actions.

Several research studies, review, examination, investigation, inspection, assessment, analysis, appraisal and survey have been undertaken about retailing industry across the globe and in India. Moreover, this one may also find articles in newspapers, business magazines online and off line pertaining to Consumer Behaviour and Retailing Industry of the globe as well as in a particular country. Important of them are as under.

As per 2015-16 Outlook for the Retail and Consumer Products Sector in Asia, A report published by P.W.C., www.pwc.com Asian retail sales are expected to amount to over US$10 trillion by 2018. China is expected to become the world's largest retail market by 2018 but growth is slowing and attention within China's retail markets is increasingly shifting away from physical retail towards fast growing e-commerce channels. E-commerce is becoming a focus for retailers and brand owners, with China becoming the world's largest e-commerce market and its leading e-commerce player, Alibaba, launching a record setting IPO. Other Chinese and Indian
e-commerce IPOs are also set to generate significant investment, with a number of incubator projects also in place across the region. Interest in India will remain significant but will be hampered by government opposition to foreign investment in multi-brand retail. As a result, foreign investors will be focused on single brand retail and paying close attention to the mooted liberalization of e-commerce channels as a means of developing the market.

As per the article published in Dandesh Newspaper, dated February, 2015 the conclusion is that the new address of new customers in India is Online Shops. The market size of Indian Online Shopping business will increase. Customers are of the opinioned that they will buy more from online shopping stores in 2015 than 2014.

As per the Pulse of Indian retail market — A survey of CFOs in the Indian retail sector—March 2014, carried out by Retailers Association of India Indian retail market is expected to grow at a CAGR of 13% till 2018. Organized retail market in India is burgeoning and is expected to grow at CAGR of 19-20% over the next 5 years. The Government of India, through its reforms in FDI for retailing seems to be repositioning the Indian retail sector on the global map of investments. Gradual liberalization of FDI policy for retailing in India has increasingly propelled global retailers to evaluate a foray in the Indian market. Furthermore, liberalization/modifications in the policy could result in speeding up the process of setting up and expansion of operations in India.

As per the report published by KPMG on Indian Retail—The Next Growth Story—In the coming years—2014, about 70% of world’s growth is likely to come from emerging markets, with 40% contribution from India and China alone.

Prof. Kalpana Singh (2014), The present research study carried out by the author conclude that Indian retail sector is evolving quickly. The size of India's retail industry is expected to more than double to $1.3 trillion by 2020.

Akram Hafiz Wasim, Anwar Mohammad and Khan M. Altaf (2014), In the research papers authors have tried to discuss on growth of organized and modern retail retailing which have favorable effect on the Indian economy and considered as India’s backbone in terms of employment generation after agriculture. The entry
of private brands are generating demand and sourcing tie-ups with manufacturers across products.

As per the article published in Business Standard Newspaper, (2014)\textsuperscript{v}, dated 31st December, 2014 Brick \&- Mortar Retailers also keen on digital footprint. As on today there are 35 million online shoppers are there in India and is likely to have around 100 million by 2016 according to recent research by Forrester Consulting and Google

As per report of equitmaster.com (2014)\textsuperscript{vi}, India is the 5th largest retail market in the world. The country ranks fourth among the surveyed 30 countries in terms of global retail development. The current market size of Indian retail industry is about US$ 520 bn (Source: IBEF). Retail growth of 14% to 15% per year is expected through 2015. By 2018, the Indian retail sector is likely to grow at a CAGR of 13% to reach a size of US$ 950 bn. Retailing has played a major role the world over in increasing productivity across a wide range of consumer goods and services. In the developed countries, the organized retail industry accounts for almost 80% of the total retail trade. In contrast, in India organized retail trade accounts for merely 8-10% of the total retail trade. This highlights a lot of scope for further penetration of organized retail in India.

Kamal and Ashish Kumar (2014)\textsuperscript{vii}, concluded that Indian retail sector has experienced high growth rate over the last decade with a visible shift towards unorganized retailing to organized retailing formats. The retailing industry is moving towards a modern concept. The size of India's retail market was estimated at US$ 435 billion in 2010. Out of which, 92% of the market was traditional or unorganized retail and 8% of the market was organized retail. India's retail market is expected to grow at 7% over the next 10 years, reaching a size of US$ 850 billion by 2020. Traditional retail is probable to grow at 5% and reach a size of US$ 650 billion while organized retail is probable to grow at 25% and reach a size of US$ 200 billion by 2020.

In the opinion of Ms Priya Vij (2013)\textsuperscript{viii}, the idea of retail is ancient in Indian context. There is existence of grocery stores, medical stores and lot many other stores working surprisingly excellent. It is the fear in the mind of the people that entry of modern shopping malls will force the local retail shops to be closed but people
should never forget how deep rooted is this old concept. The very modern organized stores have taken the idea of retailing nowhere else than from these old shops.

Adil Zia, Khalid Mohammad Azam (2013) in their research has explored fifteen dimensions and from this eleven have optimistic impact on shopping experience which are application, "place to enjoy", "store service quality", "returns and exchange", "shopping convenience", "reliability", "transactions", "merchandise", "product variety" and "store appearance" and remaining four which have negative impact on shopping experience in unorganized retail are "Shopping time", "complain handling"; "physical aspect" and "loyalty programs" lead to negative impact on shopping. According to the writer, the customer while shopping takes all aspect of retail outlet into consideration.

R.K.Srivastava (2013) in his research paper on comparative study, branding of the retail store is actively followed in South Africa but in India retailers perceives it as a part of business. Security system on purchase & prevention of theft is good in South Africa than Indian system and it has to be developed as a prime concern.

Lakshmi Narayana K, Ajata Shathru Samal and P Nagaraja Rao (2013) have explored that unorganized retailers which are nearby organized retailers are affected in terms of margin and turnover. There are certain factors that be a focus for unorganized retailers to consumers are nearness, goodwill, credit sales, bargaining, loose items, convenient timings, and home delivery.

In the opinion of Ms. Monika Talreja and Dr. Dhiraj Jain (2013), modern and traditional retailers will co-exist in India in a years to come as they have their own competitive advantages. Traditional Retail shops have low-cost structure, location advantage, and customer familiarity and on the other side shopping malls offer combination of product width and depth and excellent buying/shopping experience. Modern retailing is becoming a mart to shop for buying fresh fruit and vegetable.

Naganathan Venkatesh (2013), in his research paper has pointed out overall forecast from different researches have highlighted that retail growth will grow more that 10% in a years to come that is based on strong fundamentals of
macroeconomic conditions of India and its younger population, rising disposable incomes and rapid urbanization. Eye catching factors for foreign retail investors are the younger population of India's who are under the age of 25, a huge potential market is waiting to explore and the internet accessibility is also a key factor where from rural to urban city everyone has the easy access to the internet.

According to Deloitte (global powers of retailing 2013), a strong retail strategy must include: a strong vision of the experience the customer desires across all channels, a lively operating model that can adapt as the retail environment changes, a deep understanding of how to support the vision through inventive digital solutions and retail technologies, such as playbooks to operationalise the Omni-channel strategy.

M. Hameed unissa (2013), in his paper consumer psychology towards supermarkets has discussed how people's thoughts, beliefs and perception influence consumer behavior. The role of consumers psychology has been elaborated that how it affects a consumer towards buying from any type of retail format.

Anuja Shukla, Ankur Shukla (2013), the authors have concentrated on changing preference of customer from traditional retail to emerging new retail formats (shopping malls). Worth of customer to be treated as a king can be seen today because of the competition. The shopping experience has been increasing due to increase in the share of organized retailing.

Dr. Pawan Kumar (2013), concluded that Retailing offers a essential connection between manufacture and consumers. In India retailing is most vibrant industry and represents a enormous chances to flourish for domestic and international retailers. Shopping malls is not danger to traditional retailers as most of the consumers replied that they never stopped visiting traditional retail shops and agreed that there is coexistence of both. Their frequency of going to kirana stores is reduced but it is an opportunities for them to rethink to attract.

Rahman Tazyn (2012), has described India as a potential goldmine. It has been ranked 2nd in Global Retail Development Index of 30 developing countries drawn up by A.T.Kearney. Government is positive to open the door for the foreign retailing.
giants to enter into the Indian markets and many foreign investors giving indication to enter into the Indian market.

**Gupta Himanshu, Dubey Neetu and Patani Pawan (2012)** concluded that in India organized and unorganized retail sectors can co-exist and flourish. The development in the Indian organized retail market is owing to the change in the consumer’s behavior like increased income, changing lifestyles and patterns of demography. Indian consumer wants to visit that shopping malls where they can get food, entertainment, and shopping all under one roof.

**Mitul Deliya, Bhavesh Parmar and Dr. K. K. Patel (2012)** have carried out the research study on the impact of organized retailers on unorganized retailers and concluded that there is a decline in footfall of the customer visiting unorganized retail due to emergence of more organized retailers.

In the opinion of **Rama Venkatachalam and Arwah Madan (2012)** the customers do not alter their parameters to buy groceries either from organized or unorganized retailers. So far as quality and display of the products are concerned organized retailers are more favored by customers than unorganized retailers. Price is important parameter for the customers to select a retailer.

**Urvashi Gupta (2012)** in her study have elaborated that the organized retailer are suffering with their billing facility problems which need to be rectified and need to offer value added facilities to attract more and more customers. Range of variety to the customers.

**U. Dineshkumar and P.Vikkraman (2012)** In the opinion of the authors shopping malls offer better quality of service, product range as compared to the traditional retail outlets and value added Services provided by the shopping malls turn into to better customer satisfaction generate more business. The parking facility is a major issue with most of the shopping malls.

According to **Panneerselvam S (2012)**. Indian organized retail sector is rising and the role of supply chain becomes more important because the retailing activity is
possible if the product has reached to the shelf. Growth of the organized sector is also improving the supply chain of our country.

*Quazi Zubair V (2012)*.xxviii, is of the opinion that Retail segment is Flourishing year by year in India offering employment opportunities for larger population of India in every geographical area. As Indian retail sector is rapidly growing, the organized retailers are doing their expansion & entering into new market /segment/area and are giving lucrative salary to the employees to get good talent & to retain best talent. It is the great opportunity for the youngsters of India to get good job. But at the same time if they want a good career in this sector they need to develop their skills, qualification & need to do quality hard work.

*Sanjay Manocha and Anoop Pandey (2012)*.xxviii has conclude modern retailing is not danger to traditional retail shops as consumers replied that they are visiting both form of retailing. Organized retailing is advantageous for India because it’s not disturbing to unorganized retail stores but reshaping unorganized stores into promising organized stores. The author has also discussed the growth of modern retailing in India which is not at a very fast pace.

*According to Dr. Ramnathan V. and Dr. Hari K. (2011)*.xxix, customers prefer to buy products both from organized and unorganized retailers due to changes in the demographic system of customers and the awareness of quality consciousness consumption and retailers provide various value added services to customers for their pleasant shopping experience.

*Kushwaha(2011)*, compared the perception of consumers in both local retail shops and modern shopping malls and realized there are several factors that affect traditional retailing shops.

*Kumar(2011)*, studied on the strategies of grocery shops with reference to consumer durables products and found that a product strategy which means merchandise is the most vital factor followed by price, distribution and promotion.

*Mittal and Parashar (2011)* elaborated that irrespective of area customers prefer to retail shop to be nearby. Product variety is important for grocery business.

*Subhadip Mukherjee’s study(2011)* reviews the government policies of different countries including India with reference to unorganized and organized retail...
The study examines whether, for the small and unorganized retailers to sustain in this big fight the government provides a tight legal framework along with economic support. The study finds that small as well as big domestic retail chains had been helped by the governments of different countries (including India) through formulating appropriate policies over time, by providing capital support and/or formulating strict legislations to restrict entry of foreign retailers in their respective countries. In India, all the regulations regarding retail sector varies across states and their impacts are also heterogeneous since these regulations are still in state level and are being influenced by the existing political parties of different states.

Sivaraman (2010) xxxiv, evaluated customer approach toward traditional retailers on the parameters of store images, variety of products, brand preference, price, store surroundings, credit availability, shop nearness. The conclusion of the research study is that grocery shops are facing cutthroat competition from the shopping malls and resulted into downfall in sales, profit, and employment.

Bajaj Chetan, Tuli Rajnish and Srivastava Nidhi (2010) xxxv, in their book Retail Management highlighted on various new formats and packages related with retail industry in India as a result of LPG economic policies and boost given by the Ministry of Commerce and Trade to economic development in India. From the authors’ point of view, retailing consist of all activities involved in selling things and services to consumers for their personal, family and/or household use.

Lahiri, Isita and Samanta, Pradeep Kumar (2010) xxxvi, in their paper titled Factors influencing purchase of apparels from organized retail outlets mentioned that apparel segment of retailing has a large share in organized retail business and customers are more quality conscious than price.

Banerjee, Mohua and Dasgupta, Rajib (2010) xxxvii, in their paper titled Changing pattern of consumer behaviour in Kolkata with advent of large format retail outlets exposed the acceptance of mall culture in the city along with the reasons for such acceptance.

Cherukuri Jayasankara prasad (2010) xxxviii, has studied the multiple discriminant analysis for the various existing retail formats considering physical surroundings
(ambience, store design and visual merchandising), task definition (regular purchase, purchase in large quantities and getting ideas / knowing new products), perceived risk (time, financial, and physical), temporal aspects (time spent and convenient timing hours), and social interactions and experiences have significant affect on supermarket and hypermarket store format choice decisions.

Kamaladevi (2010)\textsuperscript{xxix}, pointed out that, to vie profitably in this business era, the retailers must spotlight on the customer's buying experience. To manage customer's experience, retailers should understand what customer experience' actually means. Customer experience management is a tactic that focuses the operations and processes of a business around the needs of the individual customers. The objective of customer experience management is to move customers from happy to trustworthy and then loyal to campaigner.

Goswami & Mishra (2009)\textsuperscript{x}, tried to know whether consumers are probable to move from Kirana shop to shopping malls for buying groceries. The research finding highlighted that both local retail shops and modern shopping malls have some competitive advantages over other.

Das & Kumar (2009)\textsuperscript{x}, observed the effect of promotion schemes on consumers shopping experiences and research finding disclose that keeping product satisfaction constant, sales can be raised by improving shopping experience that includes ease in shopping, easy check in and checkout, good sales people and customer centric selling policies. Buying behavior for the same product under same promotion at different stores may differ because difference in shopping experiences provided by different stores.

According to V. Ramanathan (2008)\textsuperscript{v}, Customer relationship management is very helpful if it work efficiently with reference to the retailing sector in India. It allows retailers to gather customer data swiftly, identify the most voluble customers over time, and increase customer loyalty by providing customized products and services.

Goswami (2008)\textsuperscript{vi} inquired into the shopping experiences in Kirana stores and in modern stores. The major finding suggest Kirana stores need to improve or to enrich shopping experiences. Kirana shops also have to remain vigil about the marketing environment, try to upgrade and have to improve on service quality while concentrating on innovation and efficiency.
Indian Council for Research in International Economic Relations (ICRIER) (2008) developed research report Titled "Impact of organized retail on the unorganized sector" indicates that there is good prospect retail trade as retail trade alone accounts for 41.83 percent job opportunities with 14.95 million employed in the sector.

Sasikumar, K. and Sibicletus, Regina (2008), in their paper Impact of Corporate retailing on small retail outlets pointed out that small retailers are being affected resulting in major social problems in the city of Cochin because of entry of corporate backed organized retailers.

Daxini, Susmita (2008), in the article Retail Food Sector in India talks concerning the growth of food retail by giving reasons like increasing rate of working women, growing urbanization, increasing purchasing power etc.

Levy, Michael; Weitz, Barton A. and Pandit, Ajay (2008), in their book titled Retailing Management have concentrated on widespread field of retailing, significant issues in retailing, globalization of the retail industry, types of retailers, buying behaviour etc.

Noronha, Mariam and Mulla, M.G. (2008), in their paper Consumer perspectives on jewellery retail: A study of Pune city discussed consumer viewpoint on jewellery retail, their thinking on design and price, satisfaction, choice of outlets for purchase, future possibilities and so on.

Olson et. al (2008), concentrated on the fact that consumers' response to different types of marketing strategies is the major question to be answered.

Gupta, Agarwal and Sinha (2008), in their article explained that marketers should give a chance for the customers to experience their products/services before purchasing. It is expected that after experiencing the product the buyers could assess the quality. This strategy could act as a word of mouth publicity.

Ramanathan and Hari (2008), discussed that in future the number of large size retailers will be more and Indian market is constituted by various types of retailers at present and among them small-sized retailers are more in number. Mass media
and word of mouth publicity are main source of information sources for middle class families. Indian customers are smart and intelligent in deciding their requirements from the given information retailers should use the mass media to some extent.

Kuruvilla and Ganguli (2008) narrated that shopping develops an important feature in the life of people, as they are becoming financially sound to do purchase from shopping malls and they begin to consider the shopping value as an important factor along with the price of the products. In 1990s the modern trend in shopping mall concept had been introduced by Spencer Plaza in Chennai and Crossroads in Mumbai. After that, there has been a great improvement in this modern concept.

Kumar (2008) explained that in India, after agricultural field, retail is field which offers lots of employment opportunities to the people directly or indirectly and approximately forty million individuals are engaged in retailing business.

Mathew Joseph(2008), concluded that local grocery shops in the surrounding area of organized shopping malls resulted in downfall in their turnover and margin in the initial years after the entry of shopping malls. The unfavorable impact on sales and profit reduce over a period of time. There is no confirmation of a decline in overall employment in the unorganized sector as a result of the entry of shopping malls.

Armstrong et.al (2007), discussed that buyer’s black box is the vital point that business organizations and other actors in the market have to discover from various researches. Authors are of the opinion that culture is one of the main external factors that have a huge effect on consumer behavior and consumer behavior is almost a learnt process and culture has power on our behavior.

Baseer and Laxmi (2007), concentrated on marketing strategy adopted in China like to take test drive at sales place like automobile cities while in computer cities customers are allowed to observe and operate the presented products like digital camera and PCs. Internet is an successful media for product promotion. Word of mouth publicity has both advantages and disadvantages and it is necessary to follow well planned careful steps to increase the advantages and to reduce the disadvantages.
In the opinion of Piyush Kumar Sinha & Sanjay Kumar Kar (2007), India’s retail development is inevitable. Most of the organized retailers in India are harping on quality, service, convenience, satisfaction and assured benefits to lure shoppers into the store. Retailers should create value for the consumer and must decide suitable vehicle to deliver desired consumer value.

Kalhan (2007) analyzed the effect of shopping malls on nearby grocery shops and there is downfall in the turnover of traditional retails shops due to superior shopping environment, convenience, availability of variety, ambience of shop, and availability of parking space and perception of quality of products sold in shopping malls.

Terblanche & Boshoff (2006) mentioned that retailers / marketers will have to recognize that it is not only what they are marketing but also how it is done. The personal (face-to-face) interactive between retail staff and shoppers is of critical importance.

As per MRI report (2006), Indian organized retail sector might get a business of around one thousand billion Indian rupees in 2012, if the present performance is maintained.

Backstrom & Johansson (2006) culated factors that influence consumers in store experiences. Shop experience are decided by traditional values such as the performance of the personnel, a satisfactory choice of products, price and a layout that facilitates the store visit.

Irudaya Rajan (2006), explained that as per the population report, there are 192 million families in India. Around 6 million families have yearly earnings of more than INR 2, 15,000. He also added that seventy five million households have a range of annual income between INR 45,000 and INR 2, 15,000. As the Indians have started to receive high packages they could manage to pay for amusement, food and beverages and nightlife.

Bhatnagar and Ghose (2004), explained that the promotional activities targeting only on developing the image of the business will not create any outcome amongst the customers. The Indian customers are experts in identifying the necessary information and will not change their priorities at any cost while selecting the brands.
Sinha & Banerjee (2004) observed the parameters of store preference in a variety of product categories. Study highlighted that Indian consumers of unorganized retail market do not require the service belongings offered by many retailers. Store environment plays a vital role for store patronage and repeat purchases which includes convenience, value for money products, etc.

According to Dholakia (1999), the justification for shopping is making a visit in person to a shopping site. It is presumed to be as a household task as well as a form of recreation, relaxation and entertainment. Shopping is most positive attribute of being a leisure activity along with work.

Loudon and Della (1993) recognized that the function of several parameters involve the customer's motive for store choices like store design, store employees, advertising and sale promotion, merchandise assortment, physical facilities, customer services which have a larger impact on the store selection.

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