CHAPTER-III

PERFORMANCE OF RETAIL TRADERS,
PROFILE OF GUNTUR DISTRICT & RESPONDENTS
CHAPTER-II

OBJECTIVES AND METHODOLOGY

2.1 INTRODUCTION:

The Principal objective of this chapter is to define the objectives set forth to outline the methodology adopted and explain the basic conceptual terms employed. An attempt is also made to present a brief survey of literature. Besides, it seeks to establish the importance of the study by identifying the gaps in research in this area and its policy implementations.

After 2000 A.D. many quantitative and qualitative changes have been taken place in the marketing sector and those changes affected the retailer's business. Those led to a great revolution in retail marketing sector not only in philosophy but also in the consumer habits. The present study "A study on the problems of Retail Traders in Guntur district with special reference to financial problems" has been undertaken with the following definite and detailed objectives.

2.2 PROBLEM OF THE STUDY:

It can be evident from the foregoing descriptions that the retail sector has become the hub for many economic activities in developing countries by virtue of its special features of capital sparing and labour intensiveness. In fact, the Retail wholesale sectors have a major role to play in developing
nations which suffer due to low capital formation and over populations. Realising the role of the Retail sector, Government of India took several measures for the promotion and smooth functioning of this sector. Besides these, Government of India carefully planned the development of Retail sectors in the country. It has earmarked millions of rupees for their development during the plan periods. But to the dissatisfaction of many, including Government agencies, the sector has not been working well owing to different problems faced by them both at the promotional and operating stages. In the light of this backdrop the present study has been taken up to identify the problem areas of this sector and thereby to suggest appropriate measures in order to resolve the problems faced by them. To carry out the study on sound lines, it is hypothesized that the Retail sector is suffering from several problems such as wholesalers, maintenance, co-Retailers, Government and finance.

**2:3 OBJECTIVES OF THE STUDY**

1. To highlight the significance of retail industry both at national and international levels.

2. To examine the various problems of retail traders.

3. To analyze the Financial Strength & weakness of retail traders and, there by to suggest such measures that would go a long way.
4. To identify the present Financial needs of the retailers.

5. To find out the goods, services, and schemes offered by different retailers.

6. To find out the satisfaction level of the retailers.

7. To study preferences of shoppers towards the different types of formats as perceived by retailers.

8. To identify the reasons that lead to dissatisfaction among retailers.

The study has some sub-objectives so as to focus its attention at micro level in relation to the services rendered by retailers to their customers

i. To have an understanding on the purchase activity of household goods and items of respondents in Guntur district.

ii. To know the opinions of respondents on the services rendered by the existing kirana stores and malls.

iii. To analyze the opinions of selected respondents on the malls and supermarkets.

iv. To study about quality, price and various other factors of a particular retailer

v. To see the response of the shoppers towards malls, which are now opening up in the cities and towns as perceived by retailers.
vi. To suggest measures that would help the store owners and malls to serve in a better way to cater to the specific needs of consumers

2.4 RESEARCH DESIGN:

The study is empirical in nature which is introduced to make an enquiring into the problems faced by retailers. The study is confirmed to Guntur district involving retailers and consumers in Guntur district.

The information from the end sellers was obtained using the Survey method. A structured schedule was administrated. The questions were mostly close ended. The questions were multiple choice and dichotomous. The schedule was designed in such a way that it draws a prompt response from the retailers. The schedules were administrated to sellers by visiting their shops in the study area. And convenient sampling was used to collect data.

The research consists of application of both primary and secondary data. Primary data was collected from explaining the retailers by supplying administrated schedules to them. Questions were explained to them in their mother tongue and then their answers were obtained. A set of schedules have been pretested before commissioning into the field for collecting of relevant data. The secondary data was collected through websites and from various Magazines and Journals. The collected data was analyzed by using scientific method and statistical tools.
2.5 SAMPLE SIZE AND SOURCES OF DATA:

The district is divided into municipalities and rural areas spread all over the district. The towns have been chosen at random in the first stage. These towns are Tenali, Repalle, Mangalagiri, Bapatla, Ponnur, Tadepalli, Battiprolu from costal area and Guntur, Narasaraopet, Chilakaluripet, Macharla, Sattenapally, Achempeta are from palnadu area. The next statistical is unit rural villages. 5 villages have been selected – by using random samples method.

For the purpose of the study the data has been collected in different places of the market especially in retail shops. Five hundred (urban 400, rural 100) retailers were randomly selected for the study as sample. The sample size has distributed on the base of geographical area of the district. Researcher have chosen 12 urban areas and 5 rural areas for the survey. For this purpose, a well structured questionnaire was used to collect the data. The data thus collected were properly organized and suitable tabular forms were made. Stratified random sampling was employed to select the respondents from three revenue blocks of Guntur District.

While deciding the validity of the results of a study, a clear understanding of the methods followed in the study is considered important. The study covers both the primary and secondary data. The primary data was collected by interview method by using a structured schedule. The secondary data was collected from the published records,
journals, magazines and web portals. Chi-square test was applied for testing the hypothesis. The validity of a research depends on the systematic method collecting the data and analyzing the same in sequential order. In the present study, an extensive use of both primary and secondary data was made. For collecting primary data, field survey technique was undertaken in the study area. First-hand information pertaining to behaviour, satisfaction, benefits, and problems in Retail marketing, in the study area, were collected from sample respondents in the field of retail marketing.

The information on some of the important aspects like business area, business strength, business capacity was obtained Secondary Sources include various publications, Journals, Research Articles, News Papers, census reports, statistical abstracts of central and state governments, trend and progress of Banking in India in respect of retailers. The researcher also visited web-site of Indian trade association and state government of Andhra Pradesh.

The sources include Review of books on retailing and promotional Tools, articles in newspapers on retailing and Promotional Schemes, magazines on Retailing and previous studies done by research agencies with the use of library search (literature review) and Internet search. The site, used to the maximum extent was the website of Retail Biz magazine. To surf the relevant data, the search engine maximum used was Google
TABLE NO. 2.1 GEOGRAPHICS DISTRIBUTION OF THE RESPONDENTS OF THIS STUDY AREA

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Area</th>
<th>Name of the Area</th>
<th>No.of respondents</th>
<th>status of area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Urban</td>
<td>Guntur</td>
<td>50</td>
<td>Corporation</td>
</tr>
<tr>
<td>2.</td>
<td>Tenali</td>
<td>50</td>
<td>Municipal counsel</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Repalle</td>
<td>50</td>
<td>Municipal counsel</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Narasaraao Pet</td>
<td>50</td>
<td>Municipal counsel</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Chilakaluri pet</td>
<td>25</td>
<td>Municipal counsel</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Ponnur</td>
<td>25</td>
<td>Municipal counsel with rural atmosphere</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Mangalagiri</td>
<td>25</td>
<td>Municipal counsel</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Bapatla</td>
<td>25</td>
<td>Municipal council</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Macharla</td>
<td>25</td>
<td>Municipal council</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Sattenapalli</td>
<td>25</td>
<td>Municipal counsel with rural atmosphere</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Piduguralla</td>
<td>25</td>
<td>Municipal council</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Vinukonda</td>
<td>25</td>
<td>Municipal council</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Rural</td>
<td>Chebrolu</td>
<td>20</td>
<td>Village</td>
</tr>
<tr>
<td>14.</td>
<td>Bhattiprolu</td>
<td>20</td>
<td>Village</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Achampeta</td>
<td>20</td>
<td>Village</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Cherukupalli</td>
<td>20</td>
<td>Village</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Amaravathi</td>
<td>20</td>
<td>Village</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data
search engine. The list of all websites, books and periodicals is given at the end of these research papers in a systematic manner.

The secondary data also pertaining to the study were gathered from books, Internet and from resources of the well equipped libraries in Hyderabad, Guntur, Andhra University, and Acharya Nagarjuna University.

They were utilized to get the latest information required for the study. Further, the secondary data were collected from leading journals such as “Indian Journal of Marketing, Indian Journal of finance, Indian Journal of Management to mention a few. A number of standard text books were studied to obtain pertinent literature on leisure services.

2:6 HYPOTHESES OF THE STUDY:

1. There is significant Association between age group of respondents with respect to problem relating to repayment of loans taken by respondents.

2. There is no significant association between educational qualification of respondents with respect to problem relating to maintenance of Books.

3. There is no significant association between experience in business of respondents with respect to problem regarding indigenous bankers.
4. There is no significant association between forms of organisation of respondents with respect to problem regarding to awareness level of customers towards their purchase.

5. There is significant association between nature of business of the respondents and problem with concentration of shopes in same locality.

6. There is significant association between experience in business of the respondents and problem relating to behaviour of customers.

7. There is significant association between community of the respondents and their investment problem.

8. There is no significant association between age of respondents and annual sales.

9. There no significant relationship between nature of business of respondents and problem relating to co-operation of other retailers in all commercial aspects.

10. There is significant association between educational qualification of retailers and problem with poor inventory control.

2.6. PILOT STUDY:

After constructing the questionnaire with wide coverage of personal data, awareness, sources of information, extent of utilizing the new
generation stores, level of business satisfaction, impact of selling problems and suggestions, this questionnaire was pre tested with a few samples among the selected sample respondents of old and new stores. Taking into consideration the suggestions of the selected sample respondents, necessary modifications and changes were incorporated after the pilot study as suggested by the research supervisor.

Similarly, the interview schedule designed for the service providers was pre-tested. After pre-testing, necessary modifications were made in the interview schedule to fit in the track of the present study.

2.7. DISCUSSIONS AND INFORMAL INTERVIEWS

In order to know the general working pattern of the services, several rounds of discussion were held with knowledgeable persons in the field. For this purpose, a good rapport had to be established with the leading entrepreneurs, businessmen, professionals and the public concerned.

2.8. PERIOD OF THE STUDY

The data collection from the primary sources took 24 months. The secondary data collection took twelve months, preparing the master table, data analysis and interpretation consumed about one year. To present the data in the form of the report took another one year. The same was confined only to the study area and was related only to a period of five years. (1-4-2004 to 31-3-2009).
2:10 TOOLS OF ANALYSIS-STATISTICAL METHODS

The data thus collected has been subjected to statistical treatment. The tools and techniques are basically analytical and descriptive. Analysis of time series, correlation, tests of significance, analysis of variance techniques for two way classified data are applied. Correlation, Regression, multiple regression, tests of significance, are applied. $\chi^2$ test is also applied to test the significant association between different factors. Visual aids such as bar and pie diagrams are employed in order to illustrate the dry facts and figures.

2.10.1. CHI-SQUARE TEST

Karl Pearson in 1900, developed a test for testing the significance of the discrepancy between experimental values and the theoretical values obtained under some theory or hypothesis. Chi-square test is a test which describes the magnitude of difference between observed frequencies and the frequencies expected under certain assumptions. With the help of chisquare test, it is possible to find out whether such differences are significant or are insignificant and could have arisen due to fluctuations of sampling.

In scientific method, hypothesis suggests explanations for certain facts. Such tentative explanation is suggested by something in the matter and by our knowledge. In fact hypothesis is not a claim of truth but a claim for truth. It is not essential for a hypothesis to be necessarily true.
Hypothesis is a bridge in the process of enquiry or search which brings with it some felt difficulty or problem and ends without the resolution of the problem. The following procedeser as followed

i. Calculate the expected frequencies (denote them by E)

ii. Find out the difference between observed frequencies (denotes by 0) and expected frequencies. In other words find(0-E)

iii. Square up the various values of (0-E) or find out (0-E)² and divide each value of (0-E)² by the respective values of E or the expected Frequency.

In other words find old values

iv. Total old values of \( \frac{(O-E)^2}{E} \) and this will be the values of \( \chi^2 \) In other words

\[
\chi^2 = \frac{\sum (O-E)^2}{E}
\]

v. Compare the calculated value of \( \chi^2 \) with the independent value of \( \chi^2 \) (available in tables) for the given degrees of freedom and at the desired level of significance

vi. If the calculated value of \( \chi^2 \) is more than the relevant table value, the difference between observed and expected values is significant. If the calculated value of \( \chi^2 \) is less than the table value, the difference between the observed and expected frequencies is not significant and could have arisen due to fluctuations of sampling.
2.10.2. MULTIPLE REGRESSION ANALYSIS

Multiple regression is the average relationship between a dependent variable and two or more independent variables. A multiple regression equation is an equation for estimating a depending variable, say \( x_1 \) from the independent variables \( x_2, x_3, \ldots \) and it is called regression equation of \( x_1 \) on \( x_2, x_3, \ldots \). For two independent variables \( x_2, x_3 \) simplest regression of \( x_1 \) on \( x_2 \) and \( x_3 \) (called regression plane of \( x_1 \) on \( x_2 \) and \( x_3 \)) is of the form.

\[
x_1 = a + b_{12.3} x_2 + b_{13.2} x_3
\]

where \( a, b_{12.3}, \) and \( b_{13.2} \) are constants.

The values \( b_{12.3} \) and \( b_{13.2} \) are found with the help of the normal equations by the method of least square.

The equation of multiple regression of \( x_1 \) on \( x_2 \) and \( x_3 \) is

\[
x_1 - \bar{x}_1 = \frac{\sigma_1}{\sigma_2} \left[ \frac{r_{12} - r_{13}^2 r_{23}}{1 - r_{23}^2} \right] (x_2 - \bar{x}_2) + \frac{\sigma_1}{\sigma_3} \left[ \frac{r_{13}^2 - r_{12} r_{23}}{1 - r_{23}^2} \right] (x_3 - \bar{x}_3)
\]

2.10.3. Karl Pearson's Bivariate Correlation Coefficient

When the data are considerably large, they may be summarised by using a two way table. Here, for each variable a suitable number of classes are taken, keeping in view the same considerations as in the univariate case. If there are \( m \) classes for \( X \) and \( n \) classes for \( Y \), there will be in all \( mn \) cells in the two-way table. By going through the pairs of values of \( X \) and \( Y \), we can find the frequency for each cell. The whole set of cell
frequencies will then define a bivariate frequency distribution. The column totals and row totals will give us the marginal distributions of \(X\) and \(Y\) respectively. A particular column or row will be called the conditional distribution of \(Y\) for given \(X\) or of \(X\) for given \(Y\) respectively.

\[
\begin{align*}
\text{BIVARIATE FREQUENCY TABLE (CORRELATION TABLE)}
\end{align*}
\]

<table>
<thead>
<tr>
<th>Y Series</th>
<th>X Series</th>
<th>Classes</th>
<th>Total of Frequencies of Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(x_1)</td>
<td>(x_2)</td>
</tr>
<tr>
<td>(y_1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(y_2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\vdots)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(y_i)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\vdots)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(y_n)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[
f(x) = \sum f(x, y) \\
g(y) = \sum g(y)
\]

\[
r = \frac{N \sum XY - \sum X \sum Y}{(N \sum X^2 - (\sum X)^2)(N \sum Y^2 - (\sum Y)^2)}
\]

Note:

1. Value of correlation coefficient always lies between -1 and +1.
2. If value is positive we say there is positive correlation between variables.
3. If value is negative we say that there is negative correlation
4. If value is near to '0' we say that there doesn't exist correlation.
2:11 SCOPE OF THE STUDY

1. The study will bring to light the factors influencing the respondents in selecting their retail business.

2. It will also identify the problems faced by the retailers as well as wholesale dealers.

3. The study will also give certain strategic implications for the effective marketing of retail.

4. Appropriate remedial measures have also been given for the effective functioning of retail marketing.

5. Geographical conditions of the district affecting the business of retailers were also considered.

2:12 REVIEW OF THE LITERATURE

Literature relating to the subject has been surveyed before formulating the problem, which in fact, postured the awareness of the researcher in the field. There is different kinds of literature available relating the subject.

Eminent experts published a number of books in the field of marketing. Published research reports of various universities and a few research papers to reputed Journals in the marketing field were verified.

Nobody has conducted research on the problems of retailers in Guntur district so far. Various articles in many journals and magazines, paper
presentations and reports have been studied thoroughly to present the selected data in an effective and meaningful manner. To offer valuable suggestions on the problems of retailers, complete knowledge of retail industry has to be required. For this purpose, thesis and dissertation of some research scholars, project reports and some websites have also been referred. Various discussions, arguments and counter arguments took place on retail industry in the past have been ascertained from daily news papers and other print media for clear understanding of the problems encountered by retailers and to make reasonable suggestions. The study of earlier papers presented on retail trade by eminent research scholars provides an opportunity to have complete awareness of the problems faced by retailers so as to arrive at constructive conclusions.

Subhashini Kaul\textsuperscript{92} says in his study on retail service quality scale (RSQS) developed in the U.S. for applicability in India. RSQS has five dimensions and six sub-dimensions and has been found appropriate in a variety of settings across different countries.

The five dimensions are physical aspects, reliability, personal intention, problem solving and policy. The six sub-dimensions are labelled as Appearance, Convenience, Premises, Doing it Right, Inspiring Confidence, and Courtesy/Helpfulness. The validity and reliability of RSQS in the Indian retail setting indicate that RSQS can be used to assess the overall service levels provided by the retailer and for tracking changes in the overall service levels over a period of time.

Thamas Huebner\textsuperscript{93} stated that supply chains and their efficiencies are often overlooked as key determinants of economic progress. Modern multi dimensional distribution formats using the latest but relevant technologies, are the need of the hour in India. The country has already demonstrated its ability to master technology, especially the IT based management systems that characterise efficient supply chains. To truly emerge as an economic power house, India needs to take the steps that Germany and Europe took in developing distribution infrastructure.

Moinuddin Afza\textsuperscript{94} has "discussed in his research that emerging economies are different from those of developed countries. He explained the hierarchical motivation dynamics in the Indian enterprises. He investigated the relationship between bases of leader power and several criterion variables such as commitment, satisfaction, intent to leave, and compliance. He found the power bases are influential predictors in the US, a society that is characterized by high level of Individualistic materialism, lack of distance among individuals and strong entrepreneurial mental behavior. In India the power bases are likely to be even more influential because of the society's unique socio-cultural characteristics.

S. Radhakrishna\textsuperscript{95} stated that the Indian motoring public has always considered filling at retail outlets. Rather than at branded outlets. The

\textsuperscript{93}Thamas Huebner"Tackling India's retailing challenges" Indian management. The journal of the All India Management Association Vol 45 Issue 1 January 2006 PP 38-42 New Delhi.


highly competitive petroleum retailing industry is poised to take giant strides in superior customer offerings". He also opined that quality, purity, availability, competition, customer satisfaction towards BPCL are necessary for its success.

RSS Nagaraju96 In his study stated that retailers should understand the changing needs of the customers by offering multiple channels. The retailer can beat the deficiencies of a particular channel through ensuring customer satisfaction.

Integration of various channels will help retailing to overcome the limitations of traditional formats as well as enabling them to get an insight into shopper's buying behaviour. He stressed the need for multichannels and the features of multichannel retailing.

DVR Seshadri97 said India's share of global GDP from '0' AD till about 1500 AD was the highest among various countries in the world. The figure for India was between 25 percent and 32 percent during that period. This was followed by China which had a share of about 25 percent during the same period.

Thereafter share of China steeply fell to about 5 percent by 1950. India's share had been falling continuously till about 1973 when it reached its nadir of about 2 percent. The usual perception in the minds of many observers both in India and abroad is that India is a low cost producer.

97 DVR Seshadri "understanding India from a Business perspective" Vikalpa "The journal for Decision Makers" Volume 31, July-September 2006. Pages 95
C. Rajendra Kumar, Dr. Sanjay, S. Kaptan say rural marketing in our country needs a different approach due to various reasons. First, it is vast in dimension and has high potentiality. Second, it extends to around 70.5 crore people comprising three fourths of the total population of the country. There was a time when rural consumers had no option but to purchase most of their requirements from nearby towns.

Recently it has been observed that they have shifted towards local outlets. This change has important implication for the rural market. Rural retailers now influence about 35 percent of purchase decisions. Hence, sheer product availability can influence the choice of brand volume and market share. Hindustan Lever Ltd aims at reaching 235,000 village retailers compared to the current 85,000 villages. Retailers in rural markets promote products, though, the rural consumer expects the retailer to provide relevant information and guidelines concerning the product.

FFY Barua says that the retail market in India is estimated at Rs 588,000 crore. Of this the unorganised market is worth 583,000 crore and the organised market, Rs 5000 crore, including the organised food and grocery (Rs 600 crore). Bulk of the retail stores are small family-run businesses utilising only household labour. Franchising emerged as a popular mode of retailing thanks to economic liberalisation, competition and foreign investment since 1990. The retail boom currently being witnessed in India is likely to have a significant impact on the commercial

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real estate sector. At present most major Indian cities have sizeable retail construction projects underway. In the past real estate costs were high in India. The affluent and upper middle classes are being attracted towards supermarkets, department stores and hyper markets, given the conveniences they offer such as shopping ambience, variety and a single point source for purchases.

Mohinder Singh\(^{100}\) explains that men and women differ in just about every other way in driving, conversing, laughing, eating, watching TV, handling money or drinking. Why should not they be different in shopping? Women tend to tally up coolly the pros and cons of every purchase. They can trudge from shop to shop looking for a bargain, placing little value on their time and energy. Big stores and shopping plazas are planning lounges where men can have drinks, snacks and comfortable seats in front of big screen TV tuned to sports while their women shop.

Dr. I. Satya Sundaram\(^ {101}\) finds out in his research that the television industry in India has made steady progress. A number of new players, particularly foreigners, are expected to enter the market. The industry will start consolidating in around three years. The fact of the matter is that India has a huge untapped demand. Recently it is estimated that there are only five colour T.V. sets per thousand persons in India as against hundred colour TV sets per thousand persons in China. During

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\(^{101}\) Dr. I. Satya Sundaram "Television going through a colourful phase." "Facts for you" Business and economic Journal April 2005, Vol 25. No.7 PP 7-8
the year 2003-04 production of colour TVs is estimated to have reached 8.9 million numbers compared to 7.5 million in 2002-03 achieving a growth of 19 percent.

G.P. Gandhi\textsuperscript{102} says in his research that the Indian gems and jewellery industry is one of the important foundations of our country's export growth. The jewellery market in India is estimated at Rs 60,000 crore. Of this, branded segment accounts for only Rs 2000 crore. It accounted for 18 percent share of India's total exports in 2003-04. During this year India exported $12 billion worth of diamonds and jewellery.

Dr. Neetee Parkash\textsuperscript{103} says in his research that emergence of retailing in India has more to do with the increasing purchasing power of the buyers, especially post liberalisation, foreign direct investment (FDI) in retailing, increase in product variety, brand popularity and increasing economies of scale with the art of modernised supply and distribution management soulution. The Indian retail business has witnessed revolution in the recent past in almost all the sections. The future of retailing in India is very bright. This is clear from the reports published by various government agencies.

Asif Zameer\textsuperscript{104} stated that with a large number of malls in the pipeline, one of the critical factors that will give an edge to one retail

\textsuperscript{102} G.P. Gandhi "Gems & Jewellery exports rising" "Facts for you" Business and economic Journal April 2006 PP. 9-13

\textsuperscript{103}Dr. Neetee Parkash"Retailing revolution". "Facts for you” Business and economic Journal December 2005, PP 30-32.

centre over the others is the way it is managed. The importance of mall management function is already being recognized. Competent mall managers are in short supply and the situation will remain the same for next 2-3 years (KPMGFICCI report, 2005). Some of the B-schools are launching specialized courses in retail management, which will also include mall management. Many persons, who are employed in this function, will acquire the skills of the job, still, the demand will be more than the supply.

Prof. Sharif Memon\textsuperscript{105} stated that Location of advertisement is the most important factor to be taken into consideration while using print media as the communication tool. Color and size of the advertisement are the least important. First page of the newspaper is gone through most frequently in detail by people. Pages other than 1st, sports page, international page and supplement page are normally never gone through in detail by people. Placement of advertisement in movies and TV programs can be regarded as the most effective unconventional medium of communication. Placement of advertisement on mobile billboards is not widely accepted medium of communication. We can think about the corresponding solutions and recommend those to be implemented by the retailers.

P. Thirumurthi & P. Karthikeyan\textsuperscript{106} found some facts based on retailer behaviour. The majority of the respondents were retailers (85%) and

\textsuperscript{105} Prof. Sharif Memon "Competitive Promotional Tools & Retailing - The Game where you differentiate or die" Indian Journal of Marketing July 2007, Vol. XXXVII, PP. 18-22

15% were from departmental stores. Majority of the retailers had 5 years and above experience in the market. Most of the retailers expected discount schemes. The majority of 66% of respondents feel that demand and supply are equal. The study was conducted to find out the customer attitude towards P&G detergent powder in Coimbatore city and it was carried out among retailers and customers. The different factors that influence the customers were found to be brand name, availability, advertisement, different varieties, price, quality, and type of packing. From the results of these factors obtained by respondents, the retailers are also satisfied with the services. The opinions obtained through the study, can be used for improving the margin of the brands offered for sales.

Dr. M. Anbalgan & V. Gunasekaran are of the opinion that “Though India is one among the large Asian economies to liberalize its retail sector, a number of Indian retailers are entering this nascent, though dynamic market and numerous international names have also evinced interest. Market liberalization and increasingly assertive consumers are sowing the seeds of a retail transformation that will bring bigger Indian and multinational players onto the scene.

The entry of MNCs has certainly transformed this sector. The supply chain and consumer interest and awareness in branded products have been built from starch. India remains one of the last frontiers of modem

107 Dr. M. Anbalgan & V. Gunasekaran "Retail Consumer Market In India- Diswss about next big leap"Indian Journal of Marketing, Vol. XXXVII. March 2007, Page No. 27-38
retailing. The complexities of the vast and varied market as well as adaptation to India’s unique characteristics will reap larger rewards over the long term. It is clear that the winner in this retail rush is going to be the consumer.

Amatul Baseer and G. Laxmi Prabha examined in their study that Shoplifters use different shoplifting techniques for the theft. It is done deliberately with the intention of robbing the possessor for the particular piece of property. Another term used for shoplifting is Retail Theft. It is considered as a crime and could lead to even jail term and legal action for the shoplifter. They discussed different types of people who do shoplifting that is addictive shoplifters, professional shoplifters, needy shoplifters, thrill seeking shoplifters. They suggested some measures to check shoplifting.

Prof. H. Venkateswarlu & Dr. CV Ranjani studied about malls in India. Retailing in India is in the process of getting more organised and professional. Large retail formats like hypermarkets, shopping malls are set to take over the retail scene. The consumer normally gets better prices, quality, selection and convenience for these purchases at organised retailing chains. In fact, the small retailer has to downgrade himself by giving up his position of being a monthly shopping stop. Small retailers have forced supermarkets to offer the same range of service such as telephone order and personalised service which defeats the very purpose of

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109 Prof. H. Venkateswarlu & Dr. CV Ranjani "Impact of Malls on Small Retail Outlets" Indian Marketing Journal; Vol XXXIV - Oct 07 PP. 29-33.
of the supermarket more importantly, supermarket operators have been unable to offer substantial price differentials to wean off the customers. The small retailer will be around because, by his very nature, he will be able to deal with several peculiarities in the Indian consumer psychology. They concluded that with the economy opening up, the retail industry, of late is undergoing several changes.

Big players and MNCs have started to enter the retail industry and a new dimension is being given to the retail business. The store size has started to bulge, investments began to skyrocket, ambience and skilled salesmen are being employed. Competition has become cutthroat. The survival of the retailer, irrespective of size, big or small, has become difficult. Supermarkets are yet to get the great Indian middle class and rural India in their fold.

M.V.S. Srinivasa Rao110 examined in his study and stated that there are numerous ways in which the government can please the protectionists and bring about the liberalisation. The time is just right for the Government to push for the liberalization of the retail sector in India, if they are sincere about making India a developed economy. The Government should not miss this opportunity to create millions of jobs throughout India, not to mention the boost to its overall GDP. Issues such as foreign investment restrictions, modern merchandizing in India, logistics and payment terms for distribution, role of channel members and growth trends in different

regions are needed to be discussed. Finally in his opinion a well calibrated approach to the opening up of retail sector for FDI will ensure balanced regional development without cannibalizing the business of domestic retailers.

H. Venkateshwarlu and C.V. Ranjani\(^{111}\) stated that FDI in retail in India would help generating millions of jobs for the teeming jobless members in India. FDI in retailing is a threat. Lifting floodgates of retail sector to FDI dislocating millions from their occupations and pushing a lot of families beneath the poverty line. They opined that Government should encourage exports in the retail industry to provide a global and wider platform for our Indian manufacturers and retailers. However the FDI policy certainly needs a relook and should evaluate measures for their liberalization to invite FDI in this sector to optimize youth employment opportunities. They also suggested some precautions in allowing FDIs into our country.

S.P. Chopra\(^{112}\) briefly explains VAT as multiple tax on sales. The then finance minister P. Chidambaram is reported to have discovered this instrument which would not allow the business community to adopt illegal ways in order to avoid paying increased taxes. Mr. Chidambaram came to the conclusion that the trading community was playing foul and that it was necessary to make it play an honest game. According to reports from the market the corporate sector is willing to pay the VAT honestly.

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\(^{111}\) H. Venkateshwarlu and C.V. Ranjani “FDI in retailing - A Boon or Bane?” The Indian Journal of Commerce, Vol 60, No.1, January-March 2007 PP 1-8

The problem is being created by dealers and distributors who directly face the consumers. The feeling in the market is that the new system will take some time to be successful. Mr. Chopra recommended some measures to implement VAT successfully.

Pradipta K. Mohapatra\textsuperscript{113} expressed his opinion that the Food World success story shows that it can work as long as the customer does not have to pay a price penalty for shopping in a place with good ambience. Food world is meant for convenient locations, enhanced ambience, a wide range of stock keeping units (SKUs), a self service atmosphere and low prices. The consumer always wants more. They want better service. Nobody wants to wait in front of a cash counter for more than three minutes. On receiving sustained value delivery, consumers move away from traditional stores to value added supermarket services. What about meaningful retailing? It has qualities of ethnic food, Great Indian fashion, branded laundry, customerised ladies garments, gifts for men, Solvation army stores.

P. Chandrasekar\textsuperscript{114} stated that shopping formats have developed in different countries across the globe at different paces-such as the Business of departmental stores, supermarket, fashion, fast food, fine dining, coming from the west to the east. The business of malls is in its nascent stage in India right now and unless there is careful planning many of them may turnout unsuccessful. Some malls launched in recent years such as

\textsuperscript{113} Pradipta K. Mohapatra "Inflection point for organised Retailing" Indian Management, November 2007 Vol 41, Issue8, PP 50-58

\textsuperscript{114} P. Chandrasekar "Shopping malls -is India ready for them?" The Hindu Survey of Indian Industry 2006, PP 327 and 332.
Spencer's in Chennai and Mumbai could be deemed pioneers. They had their own share of teething problems. Unless there is careful planning and Co-ordinated marketing, many of the new malls may fail. Shopping malls by themselves are business entities to be handled professionally in terms of marketing, management of infrastructure.

Manas Chakravarthy\textsuperscript{115} says that Indian industrial growth has been sluggish for several years now, thanks to massive build-up of capacity in the mid-nineties and the opening up of the economy. The new source of growth is retail finance. The growth in retail finance has been the consequence of two related factors - the sharpening of competition among banks and the sharp dropped interest rates over the past few years. Crisil has recently carried out a study on the credit profile of banks retail portfolios, but it has concluded that it is likely to remain stable for the next five years. That conclusion fits in nicely with the estimates of under penetration of retail finance in India compared to its peer markets. The retail boom is still young.

K. Dougals Hoffanan, L.W. Turley, Scott. W. Kelley\textsuperscript{116} stated that retail pricing articles, almost always focus on the pricing of tangible retail merchandise. The need for service pricing research is frequently voiced. The special considerations of retail service pricing are demand considerations, cost considerations customer considerations, competitive considerations, profit considerations, product considerations, and legal considerations.

\textsuperscript{115}Manas Chakravarthy "Why the retail boom is far from peaking" Indian Management Vol42, Issue9, September 2005, PP 64-65

Deepak Halan\textsuperscript{117} has opined that organised retailing has huge growth potential. But unorganised retailers, paan and kirana shops, who account for the bulk of retail markets share, need to be organised too. Despite the entry of big retail chains in India, the small retailer will continue to survive. It is, however, time to get this sector better organised and modernised. Retailing in India is on the rise and offers a huge potential to both companies and consumers. Perhaps, while it is slowly taking off, we need to look more closely at unorganised retailing which forms the major share.

Suman Basuroy, Muralik, Mantrala, & Rockney G. Walters\textsuperscript{118} stated that category management (CM) is a recent retail management initiative that aims at improving a retailer's overall performance. Category management is a product category through more co-ordinated buying, merchandising, and pricing of the brands in the category. They mentioned how it affects retailer prices, sales, revenues, and profits under different competitive conditions. Some interesting propositions emerged from the analytical portion of the study were subsequently confirmed by empirical analysis. The findings also show that a retailer enjoys higher profits under CM than competing non-CM retailers, but only under certain conditions. The research implications are useful for managers, researchers. They stated impact of CM on category pricies, sales, profits.

\textsuperscript{117} Deepak Halan "Organising the unorganised" Indian management January 2006, Vol. 43, Issue 1, PP 68-73

\textsuperscript{118} Suman Basuroy, Muralik, Mantrala, & Rockney G. Walters "The impact of category management on retailer prices and performance" Journal of Marketing Vol. 65, No. 4, October 2007, PP. 16-32
examined in their study and stated that Grocery retailers operate in a competitive environment that includes other retail formats, in particular mass merchandisers. The overlap in their product offering poses a threat to the grocery retailers prompting consolidation and strategic changes among them. An economic model is estimated incorporating consumer decision about both "where to shop" and "how much to spend". The former is modeled as a binary choice for each store chain, which is correlated across chains while the conditional spending decision at such store chain is modeled as a continuous variable and also correlated across chains. Households that prefer to spend more at grocery stores also prefer to spend more at mass merchandisers. Moreover the negative Preference correlations for patronage and conditional spending between grocery retailers and non-grocery retailers suggest that substitution within the grocery format is much stronger than substitution between grocery and non-grocery formats.

Srivastava, Joydeep and Lurise, Nicholas H. stated in their articles that a common strategy used by manufacturers and retailers for conveying price image is to offer a price - matching guarantee that promises to match competitors' lower prices. Unlike typical price promotions, they do not advertise a price reduction. Instead, they promise to match or


beat a competitor's lower price and refund some money providing evidence of lower price to the consumers. This article examines how market level factors impact the effectiveness of price matching guarantees as a signal of low store prices.

The results show that the effectiveness of price matching guarantees depend on consumer beliefs about the extent to which disciplinary mechanisms operate in the market place. While characteristics of the buyer need to be considered in deciding whether or not to offer a price-matching guarantee, the retailers also need to consider the competitive environment before assuming that such guarantees will be effective signals of low price.

Mishra, Birendra K and Raghunathan, Srinivasan\textsuperscript{121} stated that Vendor Managed Inventory (VMI) is a recent trend in supply chains encouraging collaboration and information sharing between trading partners. In a VMI system, the vendor or Manufacturer is responsible for the management of stock at the retailer, shifting the retailer's role from managing inventory to simply renting retailing space. The paper offers an alternative explanation as to why retailers might be interested in shifting the burden of managing retail inventory to manufactures through the VMI mechanism. The results thus suggest that retailers would push manufacturers to adopt VMI programme only if their inventory holding cost is sufficiently lower than the retailer.

\textsuperscript{121}Mishra, Birendra K and Raghunathan, Srinivasan "Retailer Vs vendor managed Inventory and Brand competition" Management science, October-December 2006, Vol.50, No.4, PP.445-457.
Neena Sondhi, Vina Vani122 say that despite the huge spending on food, food retailing in India is largely unorganized. Research indicates organic is better quality food. The Pesticide residue in conventional food is almost three times the amount found in organic food. They discussed organic food market at national level.

The size of organic market remains abysmally small. However, notwithstanding the market size, a number of astute and far sighted retailers have organized organic as a lucrative opportunity. This has resulted in competition among few leading players and thus managing organic market has become important for every one. They also analysed future market and demand for organic food.

Rahul Bharadwaj123 analysed that competition problems are likely to be particularly prevalent in retailing. While analysing competition policy in retailing, he has discussed certain difficulties. He recommended that competition enquiries should always start with an identification of the relevant competition issues, identification of the relevant market, existing approaches to vertical restraints. He also discussed the economic characteristics of end-consumer. According to his opinion a frame work to be required for assesing competation in retailing. Competition problems are prevalent in retailing, since markets will only tend to work imperfectly, when there are asymmetrical bargaining power, high transaction costs, information variations and vertical restraints.


123 Rahul Bharadwaj "Retailing in Competitive Environment"e-mail:rahul bhardwaj@rediffmail.com
He suggests that at the outset of every enquiry the competition issues are clearly identified. Each step in the assessment of competition in retailing has to be considered in the context of the specific competition issue and cannot be dealt with in isolation. He concludes that some competition issues are easily identified.

Dr. S.R. Subba Rao and Dr. Ch.S. Durgaprasad\textsuperscript{124} opined that the retail industry in India has been passing through a phase of significant growth with the establishment and expansion of retail chains of varying sizes in the organised sector. The unorganised sector continues to have its retail markets in the rural areas and may face some hurdles to grow in urban areas.

Metropolitan centres will see the growth of the retail chains significantly. Among the retail models, those to cater to the middle income only have a higher growth when compared to others. Malls may have their entry in metropolitan areas to some extent, the major constraint being the availability of space. The industry will also become more consumer centric. Overall, the retail industry will spur the economic growth of the country as a vital intermediary.

Wong, Chyew and Johansen, Jahn\textsuperscript{125} observed Just-in-time(JIT) retailers carry only inventories at their shelves and replenish JIT according to the consumer demand without pre-ordering large quantities. There


JIT retail strategy requires manufacturers to supply with quick and accurate response and to enhance their knowledge in communication, cooperation and coordination. This paper carries out an in-depth case study to understand the coordination journey of an international toy manufacturer and a JIT retailer in the nordic countries.


A. Matul Basser & G. Laxmi Prabha126 have observed that India has a large middle class society of 350 million and an educated workforce to handle various critical functions like merchandising, sales promotion, inventory management, purchasing and marketing. India also possesses IT skills in the area of supply chain management, database management and inventory management. A number of drivers are aiding the growth of the industry such as enhanced levels of income and increasing purchasing power, entry of foreign retailers and reforms in real estate markets. Given these developments, the organized retailing sector is poised for significant growth in the country. Indian retailing,

coming up with the application of smart cards and credit cards is finding huge acceptance with the populace. They also explained some problems: They were handicapped by higher taxes, multiple laws, wrong polity decision, unnecessary or illegal imports, poor infrastructure and logistics, high cost of equipment and packaging material, among others.

Marcus and hurt, Stephanic\textsuperscript{127} are of the opinion that business leaders initially considered "as-is" transfer of western globally accepted and time tested management practices to the post socialist economies as the best option. The country's specific diversities were however, gradually realized posing great challenges for the retailers at all levels. This study examines the French food retailing chains operations in Poland over a period of ten years to assess their ability to transfer their managerial practices and work routines to Poland store management and floor personnel. The study identifies three phases. In phase-I, the retailers attempted at convergence through integration and frontal confrontation of model. The phase-II is characterized by divergence through differentiation. In Phase III the managerial model is reaffirmed as the retailers reintegrate differenciated local practices into a converged global HRM policy.

Prof. H. Venkateshwarlu, Dr. C.V. Rajani\textsuperscript{128} have conducted a study with the following objectives: to know the impact of malls on small retail outlets, to know the impact of small retail outlets on malls.Large

\textsuperscript{127} Marcus and hurt, Stephanie "Transfer of managerial practices by French food retailers to operations in Poland" Academy of Management executive July-September 2006, Vol.19 No.2, PP 36-49

\textsuperscript{128} Prof. H. Venkateshwarlu, Dr. C.V. Rajani "Small Vs Mall" Indian Journal of Marketing, October 2007, Vol.XXXVII. No. 10 PP 29-33
retail formats like hypermarkets, shopping malls are set to takeover the retail scene. Medium-scale retail formats such as department stores and supermaket chains have already made an appearance and are slowly changing the face of retailing in the country. Small retailers no longer remain the primary source for the basic monthly shopping basket.

The consumer normally gets better prices, quality, selection and convenience for these purchases at organised retailing chains. In fact, the small retailer had to downgrade himself by giving up his position of being a monthly shopping stop. The small retailer enjoys the customer loyalty by offering excellent PR, offering sales on credit and also by having their outlets very near to the customers' residence. The survival of the retailer, irrespective of size, big or small, has become difficult. Until then, small retailers will be the most sought after retail entities, especially by those marketers who are keenly looking at penetrating semi-urban and rural areas.

Venkatesan, Raj, Mehta, Kumar and Bapna, Ravi explained their veiws on necessisity of online trading. They are of the opinion that online trading competition should be based on quality and retailer's ability of price differentiation. It represents a hierarchial linear model to analyse in a single framework how the market and retailer characteristics interact and in the process determine the scope of price differentiation available to a given retailer. Based on a data set of over 13,000 price quotes for

129. Venkatesan, Raj; Mehta, Kumar and Bapna, Ravi "understanding the confluence of retailer characteristics, market characteristics and online pricing strategies"Decision Support Systems, October-December 2006, Vol.25, No.4, PP 489-512
1880 best selling products across light product categories from 194 online retailers, the results reveal a positive effect of service. Quality service is found to be in a position to charge higher prices with the increase in competition.

Dr. C.P. Gupta, Mitali Chaturvedi\textsuperscript{130} observed that Indian retail industry is poised for explosive growth. According to estimates by retail consultants KS Techno Pak, the organized retail sector is expected to touch Rs. 35,000cr, by the end of this year from Rs. 25,000cr. At present retail business contributes around 10-11\% of GDP and the retail industry is growing at a rate of 18-20 cr per annum. Modern retail has entered India as seen in sprawling shopping centers.

Multi-storeyed malls and huge complexes offer shopping, entertainment and food, all under one roof. Indian retail sector is in a boom period and many reasons are contributing to it. Few of them are the rising affluent middle class society, changing consumption patterns, rise in the number of dual income nuclear families and many more. Many Indian corporate houses like Reliance, Tata's, ITC, Bombay Dyeing, and Piramal Group along with real estate companies have ventured or planning to venture into the retail business. Retailers are using all the available media like print and visual to their utmost extent and are able to penetrate a variety of consumer goods, electronic items. One of the prime concerns of the retailers is the availability of the space for the

retailing in India. The availability of the prime space would definitely enable the retailers to deliver better-quality products and services to the consumers.

Dr.K.S. Jaiswal & Neetu Singh131 examine that Indian retail banking segments are housing loans, consumption loans for purchase of durables, auto loans, credit cards and educational loans. The study reveals that there is vast opportunity as well as challenges for retail banking in India. It has been found that due to technological innovations and significant change in demographic profile of consumers, there is huge market potential lying ahead. As there is increasingly challenging business environment, retail banking in India requires competitive tools, product development and differentiation, business process reengineering, micro planning, marketing, prudent pricing, customisation, technological upgradation, mobile banking, cost reduction and cross-selling. In future, banks need to equip themselves with internal capabilities and build efficient and viable business models to create advantage of new opportunities available into a long-term sustainable competitive advantage.

V. Vijaya Durga Prasad132 observes in his study that organized retailing is spreading and making its presence felt in different parts of the country. The trend in grocery retailing is recording a considerable

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growth. Though there are traditional family owned retail chains like Nilgiris, the retail revolution happened with the RPG group starting the Food World chain of food retail outlets in South India with a focus on Chennai, Hyderabad and Bangalore markets preliminarily. The issues covered in the opinion survey are: respondents, purchases of household goods and items, the satisfaction levels of the respondents on the services rendered by the outlets they visit, the respondents' preference of one-stop-shops, awareness levels of people on Foreign Direct investment (FDI) in retail sector, improvement in the quality of goods and services through FDI, entry of Multi National Corporations (MNCs) in retail sector into India, the affect of such large MNCs and malls on local retailers, measures to combat competition from large retail chains and outlets.

Prof. S.L. Gupta & Tripat Kaur\textsuperscript{133} examined in their study the present situation of organized retail formats with special reference to shopping malls. Because of changing consumer moods, increasing purchasing power and more frequent visits of teenagers, entrepreneurs have developed new formats for providing merchandise and services ranging in apparel, through shopping malls. It has been observed from the study that most of our customers do not look at pricing alone. They are looking for a sense of belonging, a brand of quality and innovation that they can trust. In fact, the small retailers have to downgrade themselves by giving up their position of being a monthly shopping stop. Further, among the

\textsuperscript{133} Prof. S.L. Gupta & Tripat Kaur " Exploring the trends of retail formats in India- A study of shopping malls". Indian Journal of Marketing, July 2007, Vol. XXXVII, No.7, PP. 30-36
different indicators, sales personnel are the most preferred criteria for customers to choose among the different stores. Therefore the retailers are giving lot of emphasis to sales staff as their behavior influences the customers. Thus retailers can create store image in the minds of the customer.

Dr. Moli.P. Koshy & Suresh N. observed that clothing as a basic necessity has transformed into a product that also reveals the person's personality and status. So the textile retailers are compelled to change their way of doing things in a more customized manner. Purchasing goods according to the changing trends and customer preferences is the most important and most difficult problem the retailer is facing. The retailer should be aware of the latest fashion, designs and material and must put those goods in their inventory at the right time. So he is forced to be in the buying market to know the latest trends and price fluctuations. In urban areas the retailers select employees who have experience, basic education, conversation skills and good references whereas in semi-urban area employees are selected from the surrounding areas and from poor families to give them a living. Most of the shops limit their advertisements to plastic carry bags, school labels and festival notices. Some prefer banners during the business seasons. During seasonal sales in semi-urban areas the retailers tap their customers by issuing handbills, bringing in fresh stocks, announcing discount sales, so on and so forth. In urban

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areas they go for banner advertisements, listing their goods and discounts, bringing in new stocks, appointing new employees etc.

R. Tamilarasan 135 opined that the recent trends include the changing profile of Indian customers who hitherto have been docile, the changing pattern of life style, the changes in the way of living and standard of living, the demographic changes, the changes in the level of income. The changes in the expenditure pattern, the influence of foreign culture etc warrants dramatic changes in the strategies being adopted by retail stores. Customer satisfaction is the sum total of the customer's expression of the service quality i.e. the degree to which the retailer conforms to the customer's quality specifications.

Hence, this study assesses the customers satisfaction against customer service quality/retail service quality dimensions such as tangibles, reliability, responsiveness, assurance and empathy. The study has identified the most preferred dimensions of store location as a) convenient location of the store b) ease of reaching the store c) ease in identifying the store etc., in that order. The study has assessed the importance assigned and 'actual quality' experienced among dimensions of exterior and interior atmosphers, store layout and merchandise suitability. The study has further revealed that the attributes under each quality dimension have to be improved by these stores to ensure customers' satisfaction and the rest.

R. Vaidyanathan\textsuperscript{136} observed that retail trade (including wholesale) constitutes one of the big segment of the economy. It is with a GDP of nearly Rs 33 lakh crore for the last year. There are no reliable numbers on the families or individuals employed by the trade sector. Retail Revolution impact on livelihood of millions of small and medium traders due to prime lands are occupied, and in some cases retailers excited to construct major malls, the new malls will be open longer hours, Government could focus for allowing MNC's. The roadside vendors and hawkers also face the problem of zoning by large retailers. The suggested that author government should make credit facilities to unorganised traders, a ministry should be exclusively set up for zoning. Finally finally should reformers understand the needs of retail traders.

TR Vivek\textsuperscript{137} observed that there are a few disagreements over this proposition: "the future is in retail". But several uncertainties lurk below this overwhelming certainty, Indian retailers need to invest heavily in understanding the emerging needs of the consumer. A KSA Technopak consumer outlook survey says that retail spends can be broken into two broad categories regular spends and lifestyle spends. In KSA's view, retail success will depend on how entrepreneurs seek to cater to life stages: The 8-19 age group of "Technologies Babies" is fairly large at 31 million; the impatient aspirers group (20-25 years) is about 16 million

\textsuperscript{136} R. Vaidyanathan "Retail revolution - Trading away the livelihood of millions?" www.thehindubusinessline.com/2007/03/08/stories/2007030800640800.htm

in size; by far the largest group is 41 million strong "balance seekers" (26-50years); and the smallest is arrived "veterans" (51-60years) with 9 million. The speakers summarised that "The need basket of the average indian has changed sharply in 1991 nearly 80percent of the spending was on 8 items, where as today that spend is across 17 items. This provides a great opportunity for innovative retailers and marketers. There is no dispute on that..

Mohinder Singh138 observed that mall mania is hitting our country. Fears are already being expressed in some quarters that an over supply could hit the viability of these malls. Once the novelty value of the glamorous palces wears off, our culture of frugality and thrift would reassert; take buyers back to traditional stores and colony shops. Assuming enough purchasing power is there the Indian consumer will be lured by the "entertainment value" of malls with their high overheads. Other point that the discretionary consumer income of our middle classes is rising exponentially.

Decent buyers will increasingly prefer malls offering international labels at standard prices. Suburban malls are altogether different. They are entirely designed for people coming in cars and so located as to be well served by a network of roads. Finally he said the mall is a protected place. A controlled space, with a strict watch and free from grime and dirt.

Douglas A Ready observed the competition and customer expectations have changed. But most companies still develop leaders within the individual business units. They need a more holistic approach. Many companies have a sufficient pipeline of strong retail leaders, yet lack wholesale leaders. He has done a research in RBC financial Group one of the largest and most profitable companies in Canada. He concludes that the modern corporate needs wholesale and retail leaders. Men and women who can run business units, functions, or regions are called retail leadership and who work with a long vision are known as wholesale leaders. So the concept of retail is not permitted to trade, but it is also applicable to administration.

Tarun Narayan in his article said that, if you were to ask stock market counters, retailing is the place to be. The recent initial public offering by Shopper's stop was oversubscribed 15 times. Given the rush of malls and modern-format stores opening up in Indian metros, it would appear as if organised retailing is on rise. Actually, these are still early days in a long learning curve for the industry. Sujit Das Munshi, executive director (RMS), South Asia of retail research firm AC NielsenOrgmarts says "I wouldn't say retailing has reached inflection point. Inflection point means massive doses of investment. But Walmart isn't here, yet. Munshi, Whose firm recently surveyed the growth in modern format


FMCG retailing, found that the market shares of traditional kirana stores should drop from the current 95 percent of retail sales to around 75 percent by 2010, but the small retailer is still growing in numbers, if not flourishing. Shopper's stop banks generating on international shopping experience to bring in the malls. It engages international designers to design its stores.

P.K. Sinha and Arindam Banerjee\textsuperscript{141} discovered that convenience is still a major factor in store choice. Why do shoppers buy at one store and not another? reasons analysed are; grocery stores are casually visited by shoppers based on "proximity" and a long time patronage. Most shoppers visit stores with the idea of reducing travel time. While shopping for durables, consumers attach importance to merchandise, referrals and ambience. They prefer stores with product variety and good prices. In chemist shops, shoppers attach less importance to in-store service or ambience. It seems they want to make their purchases as soon as possible. Stores dealing in apparel, books and music are chosen purely on ambience, suggesting that customers want to take a decision only after gathering information.

RSS Nagaraju\textsuperscript{142} discussed that barcoding of every item is what has allowed modern format retailing to flourish. But over the next 10 years, Radio Frequency based technology (RFID) may make barcoding

\begin{footnotes}
\footnote{R.S.S. Nagaraju "Beyond bar Codes" Indian management; The journal of the All India management Association; Vol 44, Issue 6, June 2006, Business startrad publication, PP 48-52,Delhi Edition;}
\end{footnotes}
obsolete. RFID (Radio Frequency Identification) can dramatically improve supply chain efficiencies, reduce stockouts and thwart shoplifters. It can also be used to track the buying behaviour of customers. The opportunities for improving retail business through RFID are enormous. Barcodes and universal product codes (UPCs) offering a fraction of the advantages of RFID, were able to provide hard and soft savings of 2.76 percent and 2.89 percent for the grocery industry alone (Haberman 2001). RFID facilitates quick and accurate counts of store inventory giving stores reliable information for deciding when to re-order and how much to re-order. The future is very bright for this technology in the retail industry as Wallmart has started using it in a few areas like supply chain and order management.

Mrinmoy K. Sarma143 examines that though the Indian retailing enjoys many unique features, it is still done in a primitive way. Barring a few exceptions, the Indian retailers, Particularly FMCG, are not in a position to implement world class practices of supply chain management. The concepts of quick response of efficient consumer purpose are unheard in the Indian retailing. Indian marketing channel members are performing some unnecessary tasks that make the channel structure heavy and inefficient, though these inefficiencies are observed in all retailing irrespective of industry, the symptoms are more evident in Indian FMCG retailing. Inefficiency in retailing leads to lower profitability of the

retailers and lower service outputs for consumers. Some suggestions are made to improve retail management in the emerging business scenario.

Dr. P. Purushotham Rao; Aratijadhay\textsuperscript{144} observe that Indian retail growth is attributed to several factors like demography dynamics, IT boom, double income, plastic revolution, and urbanization. Organised retailing in India is on the rise and offers a huge potential for companies and consumers. Foreign Direct Investment is the most important issue in retail sector. They also explained the evolution of retail, the retail growth drivers, structure of Indian retail sector, components of retail sector. They conclude that while there are obstacles, there are clear opportunities for the small retailing, in modern retailing in India. Given the scope, the retail sector is certainly expected to catch the long term economic benefits for the country.

Das Munshi\textsuperscript{145} executive director of market research agency (South Asia) said in his paper, "Is modern retailing slowly killing off the corner kirana store?" You may get answer that is both yes and no. According to his data, in FMCG retailing, where the current ratio of kirana to modern format stores is 95:5, the share will change to 75:25 by 2010. In the south and west, modern format stores already will have a market share of 29 percent in FMCG retailing by 2010, they could be calling all the shots. So, is the small time shopkeeper ready to call it quits? Here's news

\textsuperscript{144} Dr. P. Purushotam Rao; Aratijadhar; Retailing in India-issues and prospects" Business Vision Vol3&4, Special Issue, Oct 07-March 08 No. 4&1 Hydrabad (AP) edition. PP 100-107

in 2003, small stores grew 8 percent in number and pan-bidi shops grow even faster at 17 percent. Not only that with 6.9 million stores vending over Rs 50,000 crores of FMCG products, more shop owners are now investing in telephones and cooling equipment.

The big impact of modern retail would however, come in urban areas, which account for 41 percent of retail stores and 69 percent of FMCG sales. However, Das Munshi, confirmes that kirana stores now have to manage on lower turnover due to the growth of modern retail formats. Rural retailers, he says, now have average monthly FMCG sales of Rs 3200

S. Durga Rao; C. Madharaiah; P. Janakiramudu\textsuperscript{146} observed in their study that Radio Frequency Indentification (RFID) has become a buzzword in the corporate world in general and in retailing in particular. RFID can improve inventory control, reduce out of stocks, theft and enhance in store marketing and sales. The bar code is a form of OCR (optical character recognition). Technology, which is most widely used in point of sale systems in super markets and retail stores. But companies can bear RFID by considering its returns on RFID investment in future. They also explained Bar code Technology, working on RFID, origin and development of RFID, potential areas of application. Finally, they conclude that India has just started using bar codes and we are far from adopting RFID technology in our industries.

Dr. C.V. Rajani, Prof. H. Venkateshwarlu\textsuperscript{147} say that retailing innovations that have taken place in the Indian marketing scenario shift from unorganised retailing to organised, usual merchandising and store design, emergence of discount stores, development of malls, impact of technology, changing consumer buying behaviour, cyber retailing, demand for high quality and sustainable products. They also explained impact of technology. Changing consumer buying behaviour, specialised retail management skills, growth of non-store retailing, foreign direct investment, implementation of value added tax. Finally they pointed out that retail industry is generating employment, superior quality products at competitive prices, opening up of the economy gradually to international markets, providing consumers with world class shopping experience, giving more value additions to products etc.

Irawali Gowariker\textsuperscript{148} stated in his paper that private labels are here to woo the brand loyal and claim their share of the market. Private labels are of equivalent quality of better than branded products, and are available at significantly lower prices. In developed markets, around 40 percent of the sales of large retailers are from private labels. Some experts say that the growth of private labels against brands depends on economic cycles-a recession fuels private labels, while an economic boom creates greater demand for brands, says Atul Takle, chief executive of Pantaloon retail India, we believe that private labels have a great future irrespective


\textsuperscript{148} Irawali Gowariker "Retail tas line" The week September 14, 2008. Vol26, No.42. PP.62-63 Kochi -682 036.
of inflation. Pantaloon has around 1000 stores spread over 10 million sqft of retail space. However private labels could become a significant growth propeller for Indian retail sector.

D.K. Prathiba\(^{149}\) observed in her study that Indian rural retail with its vast size and demand base offers a huge opportunity that MNCS cannot afford. With 128 million households, the rural population is nearly three times the urban. She discussed major problems of rural retailing, underdeveloped people and underdeveloped markets; lack of proper physical communication facilities; many languages and dialects; Dispersed market; Low per capita Income; low level of literacy; prevalence of spurious brands and seasonal demand. She suggested that empowerment in terms of economic power, purchasing power, knowledge and information dissemination is crucial for rural retail ventures to succeed.

Ashish A. Kotecha; Josh Leibow ITZ; and Ian Machin ZiE\(^{150}\). Down turns touched retailers. Recent McKinsey research indicates that during the last two recessions (1990-91 and 2000-01) growth slowed for nearly every retail sub-sector in the United States. 93 percent of the retailers surveyed in that existed. During both down turns experienced slow revenue growth in one of them, and 59 percent endured it in both. The average retail subsector growth rate during the first year of recovery following the 90-91 and 2000-01 downturns area 0.3 percent. And 12 of


15 retail sectors lagged behind even that rate of growth during one or both upturns. In their opinion retailers should start by taking a rigorous look at the health of their balance sheets, management teams, and overall operating performance. More broadly retailers should bear in mind that the least effective thing to do during a downturn is to simply "hunker down" and watch the storm". Though there's no escaping some pain moving quickly to improve performance can reduce the odds of a deep dip in sales and position retailers to participate fully in the inevitable upturn.

Dr. S. Annamalai, R. Muthu IIAkkuvan\textsuperscript{151}. Examined that retail payments are transactions which can be classified as person to person, person to business, currency with draws and advances. These payments generally refer to obligations arising from retail, commercial and financial transactions.

The development of technology resulted in numerous innovations in payment system area. The retail electronic payment system in the country area national electronic funds transfer system (NEFT) and electronic clearing system. There are six settlements during a day the NEFT system. The other electronic money systems are electronic clearing service, card based payment, credit card, charge card, debit card etc. It indicates that in future, Indians will make use of credit cards and debit cards to a greater extent.

Jathin P.P. observed that confusion prevails in the Indian retail sector. The Industry must be streamlined with proper initiatives, policies and rules to prevent the boom from going down. Modern retail formats require large open spaces with improvements like fit-cuts, back-up power and vast parking space. The required car parking ratio of at least one parking space for every 300 sq.ft of built-up area is not available in popular marketing centres. According to GRDI report, retail investment activity among 30 emerging markets is increasing global consultancy firm AT-Kearney has said, India and Russia occupy the first two spots in 2007.

J. Ramanadhan and K. hari observed that inspite of excellent potential, India poses a complex situation for retailers, as this is a country where each state is a mini-country by itself. The demographies of a region vary quite distinctly from others. In order to reach to all classes of society in India, Organized retail formats should design a comprehensive and prospective business model which offers the quality product/services at affordable price and generate more socially balanced business. They find that it would take enormously long time before the nation wide successful organized retail chain emerges. This is the main reason as to why the successful organized retail chains in the country today operate at regional segments and are not aiming at national wide presence, at least for the time being.

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T. Srinivas and M. Kishore Babu\textsuperscript{154} are of the opinion that Women no longer remain as niche market or as an exclusive market segment, rather they have merged as major buyers of all kinds of products. They quote the words of Sharon Barbano, president of women products marketing group; "Retailing to women is a mass marketing process and moving towards to becoming Bull's eye of industry". They also feel that women control 80% of family purchases. Most of retailers, media and marketers are beating drums around women involvement. With a phenomenal change in women consumer profile, financial status and decision-making power, retailers are targeting women to market their products. Most of the marketers are coming up with strategies to manufacture women friendly goods while distribution, especially retailing holds the key to success of marketing activities and customer focus approach remains a vital factor.

Vaisali Agarwal and Dr. Sanjay Misra\textsuperscript{155} bring out various factors in terms of their importance for the customer satisfaction while buying a particular brand of a refrigerator, television and mobile phones from a retailers and also highlight the reasons which cause fluctuations in the demand. The after sales service is one significant factor of satisfaction which in turn depends upon the availability of the stock of spares and the companies need to address this issue by developing means of frequent supply.


\textsuperscript{155} Vaishali Agarwall, Dr. Sanjay Mishra "Role of Retailers in Reducing Inventory and Improving customer Satisfaction : An Empirical Study of Consumer Durables" Vol. XXXVIII. No.9, PP.22-26 Endwith 35. Indian Journal of Marketing. Sep.2008
Today, the customers crave for convenience and availability of the product as and when desired by them, it has become a challenge for the companies engaged in high value products. The time has come for the companies to partner with their downstream supply chain players to ensure retention of their customers and seek ways to reduce cost. Thus to retain customers loyalty to their brands, companies need to develop and monitor effective supply chains which ensure low inventory and high customer satisfaction simultaneously. The study also unveils the areas for further research in the supply chain of spare parts for consumer durable goods which is very significant for the success in this industry.

2:13 ORGANISATION OF THE THESIS

The present empirical study has been divided into six chapters. The first chapter deals with the introduction, retail segment analysis, trends in Indian retailing industry, prospects in retail trading, the growth of retail industry, present scenario of retail industry, demographics and consumer behaviour, opportunities in retail sector.

The second chapter deals with objectives of the study, research design, hypotheses of the study, methodology, selection of the sample, sources of data, tools of analysis.

The third chapter deals with history of Guntur district, geographic & demographic elements, retailers' performance in Guntur district and profile of respondents in Guntur district.
The Fourth chapter deals with interpretation and analysis of respondents' opinions, problems, statistical analysis, testing the significances and correlation between the problems.

The Fifth Chapter deals with Financial strengths, and weakness of retail traders, financial sources and problems, the role of banks in promoting retail industry.

The Six Chapter deals with summary, findings, conclusions and suggestions.

2:14 LIMITATION OF THE STUDY

The study suffers from the following limitations.

1. The study was confined to the study area namely Guntur, and is pertaining only to a period of five years.

2. Out of the total population, only five hundred respondents were selected for eliciting first-hand information. In view of time and monetary constrains, it was not possible to contact more respondents than the selected number of respondents.

3. Due to vast geographical coverage of the population, only some towns and villages of Guntur dist were covered.

4. The market survey was conducted only in Guntur district of Andhra Pradesh. Hence, the results arrived from the study may vary
from other areas. Further, the survey method which was adopted for collecting the data in this study has its own limitations.

5. Most of the respondents gave information about their personal problems and business problems and the like from their memory as they had no accounts or records of them.

6. Research is based on comparison of only three regions in the strategic groups within the competitive structure.

7. The time and accessibility constraints.

8. Moreover, in presentation of charts and tables, the researcher faced difficulty in describing full data labels and titles since the software was not compatible for unlimited characters to be incorporated in the graphical analysis.

9. The primary data collected from the sample retailers may not be accurate because they provide information by recall method from their memory but not recorded information. In view of recall lapse on the part of the respondents, the information gathered cannot be treated as totally free from errors. Efforts were made to collect reasonably satisfactory information from the sample respondents.

Hence, the generalization of the findings of the study is subject to these limitations.