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ABSTRACT

The Indian retail sector is going through a transformation and the emerging market is witnessing a significant change in its growth pattern. Both existing and new players are experimenting with new retail formats. These emerging retail formats provide wide variety to customers and offer an ideal shopping experience with an amalgamation of product, entertainment and service, all under a single roof. Changing tastes and preferences of consumers’ are leading to radical transformation in lifestyles and spending patterns and this in turn is giving rise to spurt in new business opportunities. Consumer dynamics in India is also changing and the retailers need to understand the changing dynamics and its impact on shopping behavior and formulate their strategies accordingly to deliver the expected value to the consumers.

The present study is a comprehensive study of both organized and unorganized retail outlets influence on customer buying preference. Consumers’ perspective covers all the important aspects of retailing. Firstly, it covers the types of organized and unorganized retail formats. The study also does an in-depth various factors influencing on consumers, to choose particular retail formats. Furthermore, it also attempts to study the preference of diverse retail formats for purchasing different categories of merchandise and service. Based upon all this analysis, a framework of consumers’ perspective for emerging retail formats has been designed to cover consumers’ preferences for organized and unorganized retail formats. Questionnaire has been used to gather data from 300 consumers at Bangalore City. The study uses a five point Likert scale for assessing data from consumers. Descriptive statistics, ANOVA, Factor analysis and Regression, Correlation, t-test, Percentage analysis and mean and Std. Deviation, analysis has been used to identify the consumers perception, preferences and attitude on unorganized and organized retail formats. Results of the study depict that choice of emerging retail formats
are influenced by consumer demographics and other factors. Type of product category also influence consumer's buying from different retail formats. The results highlight that young consumers prefer to shop more at organized retail outlets. On the other hand, older consumers prefer to purchase from unorganized retail store. The results reveal that the emerging retail formats are changing consumers preference due to changing life style, increase in income of respondents, conscious of quality, different taste and habits, service, ambience, etc, which enhance the shopping experience of consumers like: good parking facility and friendliness of employees. Moreover consumers' are more inclined towards emerging retail formats. Regarding the purpose of visiting emerging retail formats, consumers prefer to go there not only for shopping purpose, but also for entertainment and relishing food at food courts. The study also throws light on format-wise-preferences of marketing strategies and the results explain that the new emerging retail formats.
Chapter - 1

INTRODUCTION

1.1. Introduction

Retailing is one of the largest industries in India and one of the biggest sources of employment in the country. The Indian retail market has around 14 million outlets, the largest retail outlet destiny in the world, (Sinha and Uniyal, 2007). After agriculture, retail industry generates 12% of the Indian GDP (RNCOs Report, 2008). Retailing in India is broadly divided into organized and unorganized retail sectors. India has been identified as the third most attractive retail destination globally from among thirty emerging markets (Kearney, 2010). As per this report Indian retail market is worth about $410 billion, out of which 5% of sales are through organized retail. Though the sale percentage of organized retail in India is less, but the modern retail formats are showing very interesting trends due to changing lifestyle of consumers. In the Indian retailing scenario include millions of retail outlets, changing lifestyle of consumes, perception of customer towards price. Modern retailing formats are cluster of retail in metros, etc. with the evolving consumer market, Indian consumer buying behavior becomes very important.

The Indian retail industry has strong linkages with the economic growth and development of the economy. Liberalization of the economy, rise in per capita income, improved infrastructure, growing consumerism, retail attributes and effective marketing strategies of the retailers to consider factors for the development of organized retailing in India (Aggarwal, 2008; Arshad and Hisam, 2008 and Mishra, 2008). According to Swar (2007), several demographic indicators show favorable trends for the growth of
unorganized and organized retail trade in India. These are: i) Rapid income growth: consumers have a greater ability to spend, ii) Increasing Urbanization: larger urban population that value convenience, coupled with the higher propensity of the urban consumers to spend, iii) Growing young population: growth of the post-liberalization maturing population, with the attitude and willingness to spend and iv) Spend now vs. save earlier: consumers are willing to borrow for present consumption. Changing taste and preferences of consumers' are leading to radical transformation in lifestyles and spending patterns and this in turn is giving rise to spurt in new business opportunities. A change is being observed in the shopping pattern of customers, which has resulted in the emergence of big retail chains in most metros; mini metros and towns.

The Indian retail industry is predominantly fragmented the owner-run “Mom and Pop outlets”. The organized retail sector commands just 5% of the total retail industry and expected to grow $427 billion in 2015 (Purushottam, 2000). According to McKinsey and company, Indian’s middle-class is the next big spenders segments in the consumer market. The middle class currently expected as 50 million people, but by 2025 it may expand dramatically to 583 million people which account to 41 percent of the population. The Indian consumer market is estimated ten-fold increase in middle-class population and three fold rise in household income, aggregate consumer spending is likely to more than quadruple from around US $428.69 billion in 2005 to US$1.76 trillion in 2025 (IBEF Report, 2008).

Retailing has given full-fledged and taken an industry status in the developed nations. According to Mc Kinsey and CII Report (2007) Global retail business is worth as staging U.S.$ 6.6 trillion, retailing is the worth as largest private industry and ahead of finance (U.S.$ 8.1 trillion) and engineering (U.S $ 3.2 trillion). This gives a clear indication about retailing its growing contribution towards nation’s economy. More than
eight percent of retail trade in developed economies is organized and contributes to three-fourth of the total retail revenue (A.T Kearny 2007). According to retail report generated by data monitor (2006-07) huge retail chains like wal-Mart, Carrifour, Group, Sean,K-Mart, Mc Donald's, etc, have now replaced the individuals mall stores and whole revenue are greater than the GDPs of some of the developing Nations. These outlets being donate the distribution channels and bargains with the manufacturers for huge discounts. Some of the large retailers have grown to the extent of replacing the manufacturer products/ brands by developing their own “private /retailer labeled brands”. For instance, sears carries more than 80% of its private brands on its shelves. Today retailers of the developed economies, presence on the global top companies list. More than 50 fortune companies and around 25 of the Asian top 200 firms are organized retail outlets and 10% of the world’s billionaires are retailers (Kearney, 2007). This evidence the growing power of the organized retailers in the global consumer market.

1.2. Meaning and Definition of Retailing

Retailing is the final step in the distribution of merchandise for end users. The word is derived from the French word Retaillier, which means to cut off a piece or to break bulk.

According to Philip Kotler: “Retailing includes all the activities involved in selling goods or services to the final consumers for personal use. A retailer store is any business enterprise whose sale volume comes primarily from retailing.”

The North American industry classification system “specifies that retail trade sector comprises establishments primarily engaged in retailing merchandise generally without transformation and rendering services incidental to sale of merchandise.”
1.3. Types of Retail Formats

Retail formats are broadly divided into two types viz.,

i. Unorganized or Traditional Retail Formats

Traditional or Unorganized retail includes whose activities are not regulated by any legal provision or those which do not maintain regular accounts. And also outlets are normal, where the ownership and management rest with one person only. These are highly competitive outlets. With negligible rental costs, cheap workers and overheads. Examples: counter stores, street markets, kirana store, etc.

ii. Organized or Modern Retail Formats

Organized retailing involves distribution centers run by professional management. It comprises mainly of modern retailing with busy shopping malls, multi stored malls and huge complexes that offer a huge variety of products in terms of quantity value for many under makes shopping a memorable experience. Examples: Malls, multi stored malls, super markets, huge complex, etc. (The detailed description of the types of retail formats is presented in chapter -3).

1.4. Recent Trends in Retailing

Retailing is the largest private industry in the world with total sales of US $ 6.6 trillion. Retailing in India is currently estimated to be a USD 200 billion industry, of which organized retailing makes up 3 percent or USD 6.4 billion. And in terms of market share it is expected to rise by 20 to 25 per cent. Indian Grocery Retail Market Grocery constitutes over 50 per cent of the Indian retail market and has an annual turnover of US $80 billion.
The Indian Retail market is estimated to grow from the current US $ 330 billion to U. S. $ 637 by 2015. Retail which contributes 10% of our GDP is the largest source of employment after agriculture. It is not just the global players like Wal-Mart, Tesco and Metro group are eying to capture a pie of this galloping market but also the domestic corporate companies like Reliance, Neel Kamal, Modi, Aditya Birla group, and Bharti group too are at the same stage of retail development.

According to the provisional data released by Census India (2011), the population of India is 1.21 billion comprising rural and urban population that is 68.84 percent and 31.16 percent respectively. A vast majority of country’s population resides in rural areas. In mid 1990’s, the story of organized retail in India started in modest way in metro cities like Madras, Hyderabad and Bangalore mainly in urban India. Today, the retail sector is witnessing huge growth with retail development taking place not only in major cities and metros, but also in Tier-II and Tier-III cities including some of the rural and semi-urban areas. Therefore, the next phase of growth, after saturating urban retail markets, is expected to come from rural India which accounts almost half of the domestic retail market. Retail companies are expected to tap the rural segment of the country further as their key engine of growth. Therefore, companies like HUL and ITC are focusing on the rural market as it constitutes over 33 percent of India’s total FMCG consumer base. Organized retailing, especially in rural India, is still in a nascent stage. With rising income level and improving lifestyle of rural consumer, the retail sector is promising a huge growth in rural India. Current Scenario in a National Retail and FMCG Summit (2011) organized by the Confederation of Indian Industry, $25 to 30 billion or almost 0.5 per cent of country’s GDP by 2020. Another report by A.T Kearney’s Global Retail Development Index (2011) ranked India fourth among the top 30 developing countries for retail expansion world-wide. Organized retail accounts for 7 percent of India’s roughly $435 billion.
The share of total organized retail increased from 3.3 in 2003-04 to 4.1 in year 2008-09. With this tremendous growth of organized retail sector, global retailers like Wal-Mart, GAP, Tesco, J.C Penney, Sears and Carrefour are trying to establish themselves in the Indian market. Wal-Mart has already opened their stores in partnership with Bharti in Indian market. Despite having emerged as the world's most attractive market for global retailers. India still faces alarming issues that pose serious hurdles to the growth opportunity that the retail industry promises for the country's economic progress. In this changing retail environment, consumer behavior, trends of retailing are undergoing change. This demands marketing approaches to be altered accordingly. Thus all retail formats stand challenged to formulate marketing strategies that will ensure them of achieving competitive advantage over other competing formats. Proper marketing strategies will hold the key in this changed scenario, (Gupta 2007 and Kokatnur, 2009).

1.5. Retailers in Development Economies

Today one can witness a sweeping geographical and economic change worldwide. Especially in the Asia-Pacific region, retailing has exposed to faster growth, which is twice of USA/Europe and accounts for 24% of world GDP. Global retailers such as Wal-Mart, Carrefour, Asda, J.C. Penn, Gap, Target, Teco, PLC, etc are facing the problems of market, Space and peaked competition in their home countries, which has forced them to focus towards the developing markets (data monitor 2007). This has resulted in greater independence of global economies.

1.6. Retailing in India

Retail is derived from a French word “retailier” which means 'to cut a piece off, clip and divide 'to break bulk’ in terms of tailoring in 1365. It was first recorded as a noun with the meaning of a 'sale in small quantities’ to cut off shred, paring”. The word
gives the same meaning in both Dutch and German. In simple terms retailing can be stated as “first hand transaction with the customer”. Retailing is the last link in the supply chain in connecting the bulk producers of commodities to the final consumers (Vedamani Gibson, 2004).

Hence, in order to make the study more precise, meaning, definition, types and different formats of retailing in the Indian context are considered from exclusive research report developed by the department of consumer affairs, food and public distribution, Government of India (GOI), in collaboration with Indian council for research on international economic relations (ICRIER) New Delhi (Mukarjee Arpita and Patel Nithsha, 2001). According to retailing is defined as all activities involved in selling goods or services directly to final consumers for their personal, non-business use via shops, markets, door-to-door selling, mailing orders or over the internet, where the buyer intends to consume the product through personal family or household dues.

1.7. Growth of Organized Retail Formats

During the past decade, retail industry has built strong lifestyle brands positioning itself to cater to the tastes and preferences of the consumers. Moreover, there is a massive change in the consumers’ spending patterns. The year 2010 marks the beginning of an important decade which will decide on how much India will develop in the next decade. It is expected that the country will accelerate its GDP growth like never before and will sustain a GDP growth of about 9.6% by 2020.

As a democratic country with high growth rates, consumer spending has risen sharply as the youth population (more than 33% of the country’s population is below the age of 15 years) has been a significant increase in its disposable income. Consumer spending rose by an impressive 75% in the past four years alone. Organized retail, which accounts for nearly 5% of the overall retail market, is likely to touch $31 billion by 2012.
1.8. Changing Dimensions of Unorganized Retail Outlets

India has one of the highest densities in the world with one retail outlet for nearly 90% (Gupta Pankaj, 2004). After the independence in 1947 there was not even a Bool, H.W j.r (1960). Even only 0.25 million retail outlets in the (Vedamani G. Gibson not a single super market in the whole of India (west fall R and Boyd, H, R (1960). It was for the first time in the Indian retailing history, a modern retail format of self service store Nilgiris was set up in 1971 (Nilgiris, 1900) started to change slowly in the 1980’s when India first began opening its economy. Textiles was first to see the emergence of retail chains. Later on, Titan- maker of premium watches successfully created an organized retailing concept in India by establishing a series of elegant show rooms.

After 1990s a fresh waves entrants in retailing business these entrants were in various field, like food world, Subhiksha and Nilgiris in food and FMCG; planet M and music world in music: Cross word and Fountain head in books (Chakrabharti et al., 2007). As the year ending 2000 the size of the Indian organized retail industry was established at around Rs.13, 000 crores. India becomes the ninth largest retail market in the world with annual retail sales of Rs.35, 000Crores in 2005 (India Retail Report, 2009). The domestic consumption market in India is estimated to grow approximately 7 to 8% with retail accounting for 60% of the overall retail segment; Indian textile industry has grown noticeably in organized retailing of textile products.

1.9. Review of Literature and Identification of Research Gaps

In order to have a proper perspective of the subject, it is essential to have a bird’s eye view of the findings of other academic researchers. Thus the planning and execution of any research should be preceded by thorough review of literature in related fields, since it helps to familiarize with the work that has been done in that area, eliminates the possibility of unnecessary duplication of efforts provides valuable information on research techniques.
Literature provides the basis for clear view on the studies, findings and innovative contributions that have happened in the different area of research in the past. Reviewing the relevant and similar literature provides the scholars and idea to develop and focus towards building objectives. Reviewing the literature also helps the researchers to understand and identify the scope that exists in the present and potential opportunity for their research in the present and potential opportunity for their research in the near future. The gaps that an identified and the scope for the further research help develop the statement of the problem. A study with a strong literature itself suffices and completes the studies which are descriptive in nature. In case of for the studies which are exploratory in nature, requires the literature as the basis to build the theories. The study undertaking is no exception to this and following are the relevant studies are reviewed and categorized. A brief introduction is followed by the complete reviews under the respective literature.

In this part of the review, various national and international literatures related to retail industry and shopping are studied. Topics such as, consumer market, pricing service, convenience, upcoming retail formats, shopping goods, brand experience, retail service quality, online shopping service, consumer perception, preferences and attitude towards organized retail outlets, etc, are studied. The studies provided insight to understand the mindset of the informed consumers and various retailing activities that enhance the customer satisfaction. Following are some of the literature reviewed in this direction.

Mohideen Abdul Kamal (2012), “Customer Shopping Behavior in Modern Retail Formats - a Study in Visakhapatnam City”, shows how the Indian retail sector is going through a transformation and emerging market is witnessing a significant change in its growth and investment pattern. Both existing and new players are experimenting with
new retail formats. Currently two popular formats hypermarkets and supermarkets are
growing at a rapid pace. Consumer dynamics in India is also changing and the retailers
need to take note on formulate their strategies and tactics to deliver the exact expected
value to the customer. Development of mega malls in India is adding new dimensions to
the booming retail sector. There is a significant development in retail landscape not only
in the metros but also in the smaller cities. In the backdrop of all these developments, the
investigator makes an attempt to explain the emerging trends in the development of
Modern Retail formats in Indian context and highlights the emerging Rural Retail
Landscape and also reveals the Consumer Shopping Behavior among the Modern Retail
Formats.

Himanshu Shekhawat and Preeti Tak (2012), in “Impact of Advertising on Brand
Recalling and Brand Personality Formation: A Study of Organized Fashion Retailing”
reveals that the buying pattern of consumers in fashion retailing has changed drastically
over a couple of years. They follow trends they see on television, in magazines and on
internet through advertisements. They want to match their steps with changing fashion
and also shopping. Flourishing markets and high consumer willingness to spend had
impelled fashion retailers to spend profusely on advertisements and branding programs.
Here the brand is built on the identity of a brand through brand awareness, brand
associations. Brand awareness requires brand recall. A brand that is in consonance with
the emotional values of brand and the target consumers' lifestyle is selected. Thus, the
personality of consumer influences the brand personification.

Piyush Kumar Sinha, Srikanth Gokhale and Sujo Thomas (2012) in “Development
of Modern Retailing in India: It’s Impacts on Distribution and Procurement Networks and
Changing Consumption Pattern” analyzed that entry of the retailers in different formats,
including online, has affected an irreversible change in consumer buying habits and
businesses related to serving these retailers. However, unlike many other countries, India has its own unique character of size, geographical spread, cultural diversity, and multiplicity of formats being introduced at quick succession. Retailers also face the challenge of developing infrastructure, on their own cooperation with the Government.

Urvashi Gupta (2012) “Changing Consumer Preferences from Unorganized Retailing towards Organized Retailing: A Study in Jammu” outcome of study analyzed that changing retail scenario among the consumers who are bound to look beyond traditional retail stores towards organized retail outlets may be with some reservations. This necessitates find out the factors which influence the consumers to move towards the organized retailing from unorganized retail one besides most prioritized attributes which attract the consumers towards either of them.

Deepika Jhamb and Ravi Kiran (2012) “Emerging Retail Formats and It’s Attributes: An Insight to Convenient Shopping”. The outcome of the research reveals that the improvement in retail sector in India, especially the modern retail formats, its attribute, type of goods and impact of consumers’ demography on choice of emerging retail formats.

Sunita Sikri and Dipti Wadhwa (2012) “Growth and Challenges of Retail Industry in India: An Analysis”. Shows the Indian Retail Industry is the fifth largest in the world, comprising of organized and unorganized retail sectors, Indian retail industry is one of the fastest growing industries in India, especially over the last few years. Though initially the retail industry in India was mostly unorganized, however with the change of taste and preferences of consumers, the Industry is getting more popular in these days and getting organized as well India is having a very strong growth fundamental base that’s why it’s the perfect time to enter into Indian Retail Market. The total retail spending is estimated to double in the next five years. Organized retailing –currently growing at a CAGR of
22%- is estimated to be 21% of total expenditure. The unorganized retail sector is expected to grow at about 10% per annum with sales expected to rise from $309 billion in 2006-07 to $496 billion in 2011-12. This paper focused on changing face of unorganized or organized retail industry, major players in retail industry and also highlights the challenges faced by the industry in near future.

Sumeet Gupta, Hee-Woong Kim and Meenakshee Sharma (2011) Customer Switching to Organized Retail in Semi urban Markets: A Study in an Indian Context shows how the dynamics of semi urban markets are different from that of urban markets metropolises. While the larger population, increasing disposable income, and urbanized lifestyle semi urban markets offer promising opportunities to organized retailers, the ubiquitous presence of small retailers poses a formidable challenge. Based on a constraint and dedication-based model, the study examines customer switching to organized retail in Indian semi urban markets. The result reveals that the extant relationship between customers and small retailers is a formidable challenge for organized retailers. Organized retailers can attract customer based on convenience and quality.

Rajan Girdhar (2011) organized retailing in rural India: the key elements of success for retailers opportunities and challenges reveals more than sixty-five per cent of India’s population is living in rural areas with organized retail increasingly taking off in India, retailers are fast penetrating rural markets with different models to serve the shoppers of rural and semi-urban India with many innovative ideas like smaller size products that appeal to this segment. The study also shows some of the retailers who have already entered these markets with rural supermarket formats: Future group and Godrej’s joint venture Aadhar, ITC’s Choupal Saagar, DCM’s Hariyali Kisaan Bazaar, Triveni Khushali Bazaar and Mahindra and Mahindra’s Shubhlabh. Thereafter, this paper
further suggests the retailers through a comprehensive model to consider key elements and variables to be successful in rural markets along with some of the opportunities and challenges for retailers while entering country’s rural markets.

Rathod (2011) “Retailing in India: an analytic view of sunrise industry excel”. The study analyzes the various issues pertaining to the sunrise Retail industry. It reveals the various aspects like its evolution, its emergence, its spread and its salient features etc. It focuses on various factors like changing demographics and the lifestyle of the Indian consumers which are primarily responsible for it. Consumer perception of store attributes are influenced by retail formats, type of the products, cultural value, shopping intention and customer base (Paulins and Giestfield, 2003). Customers perception on product attributes vary according to product nature and socio economic nature of the consumer (Uusitalo, 2001). Previous research has identified store attributes as a multi-dimensional construct including location of store, nature and quality of stocks, in-store promotions, sales personnel, physical attributes, convenience of store, atmospherics and loyalty cards that influences consumer behavior (Miranda, Konya and Havrila 2005). Fractional shoppers look for high quality with variety and services and other shoppers are concerned about convenience and cost (Bellener, Robertson and Greenberg). Consumers evaluate alternative stores on set of attributes depending on their individual preferences would patronize the best store (Tripathi and Sinha, 2006). The product attributes like quality, price, variety, assortment and value drive the customers to the store (Gwin and Gwin, 2003).

Sudha Vemaraju (2011) “Changing Waves in Indian Retailing: Impact of Customers Perception and CRM on Indian Retailing in the Changing Business Scenario” reveals the current changing business scenario; retail industry has witnessed major revolution and global attention. The Indian retail industry is the 5th largest and 3rd
attractive destination in the world and accounts over 10% of the country’s GDP and 8% of total employment. In the background of changing retail trends, understanding customers perceptions, building relationship and retaining customers has been identified as major source of competitive advantage. So the present paper attempts to understand Customer perception towards quality, variety service and customer relationship management and also to know the Changing waves in retailing.

Rajagopal (2011) “Determinants of Shopping Behavior of Urban Consumers”. It reveals that influence of geodemographic settings of commercial centers, customer attractions in shopping malls, and route to shopping of urban shoppers. The past research also analyzed retailing patterns in urban areas in reference to customer orientation strategies, product search behavior, and enhancing value for customers. Interrelationship among urban retailing, marketplace ambiance, and conventional shopping wisdom of customers, long-term customer services, and technology led selling processes. And makes contributions to the existing research in urban retailing about shopping attractions, routes to shopping, and establishing customer-centric strategies.

Ravi Kiran and Deepika Jhamb (2011) “A Strategic Framework for Consumer Preferences towards Emerging Retail Formats” It reveals that the Retailing is one of the largest industries in India and one of the biggest sources of employment in the country. Retail sales in India amount to US$180 billion and account for 10-11% of gross domestic product. The Indian retail market has around 14 million outlets and has the largest retail outlets possibilities in the world, (Sinha and Uniyal, 2007). The retail industry in India is largely unorganized and predominantly consists of small, independent, self-managed shops. However the retail sector in India is witnessing a huge revamping exercise as the traditional retailers are making way for new formats. These modern retail formats provide a wide variety of products and services to customers and offer an ideal shopping experience with an amalgamation of product, entertainment and service all under a single roof.
The study by Jackson et al. (2011) extends the concept to the context of a shopping mall and provides a measure of the benefits derived from experiencing a set of mall attributes. The study investigates the extent to which attitudes toward mall attributes and shopping value derived from a mall visit differ across gender and generational cohorts. Analysis of results show that there are no differences in hedonic and utilitarian shopping values by generational cohort, but generational differences in attitude towards mall hygiene factors, location convenience and entertainment features also exist. Results also show that in comparison to males, females derive greater levels of hedonic shopping value from a trip to the mall and also show more positive attitudes toward mall hygiene factors and entertainment options.

The study by Fam et al. (2011) "In-store marketing: a strategic perspective" highlighted strategic aspects of in-store marketing, by focusing on two key components of in-store marketing, namely in-store promotions and price markdowns. These seem to be the two most important aspects of in-store marketing. The results indicate that discount marketing strategy, environmental uncertainty and emphasis on price promotions are the key to explaining retailers' perceptions and use of marketing in-store activities.

Dalwadi et al. (2010) "Key Retail Store Attributes Determining Consumers' Perceptions: An Empirical Study of Consumers of Retail Stores Located in Ahmadabad" has emphasized that the product range, store layout, shopping convenience, promotional schemes, product pricing, customer service, employee behavior, and store ambience significantly influence the customers. The study also provides crucial insights to people in organized retail business by identifying important variables like courteous Staff members, customer attention, offers and discounts, comfort and elegance, proximity, variety, speedy service and assurance. These are the variables which must be kept in
mind while designing the retail operations. Hence, it can be said that there is an optimistic future for organized retailers. Moreover, it was also found that most of the young respondents are in favour of organized retail stores. Therefore, forming the ‘Young Shoppers’ Club’ is a good business strategy and the members can be offered special offers, discounts, organizing contests etc. Such a strategy would help in attracting the young shoppers to visit the retail store.

Jacobs et al. (2010) “Exploring consumers Preferences with regard to department and specialist food stores” identifies the factors that influence consumers patronizing a particular store format and categorize department and specialist food store consumers according to their preferences in store layout and product range in a South African context. The results of the study emphasize that the store-related factors such as store location, appearance and hygiene, service quality, convenience of trading hours, and consistency in store layout predominantly influenced participants in their patronage of a specific store format. Furthermore, product-related factors such as quality, price, product range and convenient packaging enhanced consumers’ store preference. Consumers of department stores were orientated towards one-stop shopping and time-saving strategies, while specialist food consumers were focused on food shopping and the trading hours of the store.

Piyali Ghosh-Vibhuti Tripathi and Anil Kumar (2010) “Customer expectations of store attributes: A study of organized retail outlets in India”. The phenomenal growth of retail in India is reflected in the rapid increase in number of supermarkets, departmental stores and hypermarkets in the country. However, this unfrequented growth trend has been challenged by the shadow of the current economic slowdown, which has raised a fear of dip in consumption and slowdown of growth for Indian organized retailers. At a time when consumer spending is on decline, success will lie with those retailers that can
drive customer loyalty by responding to the demands of the discerning consumer. This study is address issues related to store attributes and their relevance in the store selection process. This study recommendation would be use to retailers in designing their outlets with store attributes that would meet the expectations of shoppers.

Krishan Kumar (2010) “Study of Rural Consumer Behavior towards Rural Retail Stores” determines the importance of the Indian rural market, to analyze the features of rural retail stores and perception of the rural people and difference between rural and urban retailing. A careful analysis of the town strata-wise population, population growth, migration trends and consumer spend analysis reveals a very different picture for India. Marketers are trying to grab this untapped market but still the reach of those players is mere they should more focus on rural oriented.

Anuradha Devadas and Hansa Lysander Manohar (2010) “Shopping Behavior of Rural Consumer Migrated to Urban Area in the Indian Context - An Emerging Market”. The study focuses on the urban-rural inequality in market, as well as customer characteristics bring a major difference in shopping behavior and consumption pattern of the two communities. In India, a sizeable number of persons migrate from rural to urban in search of job opportunities, work, education, marriage and personal reasons. From the marketing perspective, migration leads to new market opportunities. And so, marketers have to come out with appropriate strategies to attract and retain migrants. In India a limited research studies has been done in this regard. This reveals that the migrated consumers consider the following dimensions when shopping in the urban environment: they are shopping conscious, enjoy urban shopping environment, price and quality conscious, and compare different shops when buying. They want shopping to be recreational, price worthy, perfect and buyer oriented.
Monika Gupta and Amit Mittal (2010) “Consumer perceptions towards different retail formats in India”. The past study attempts to identify perceptions of consumers towards existing retail formats in India. To have in-depth study of consumer perceptions, the basis on which consumers have been segmented keeping in view the products to be sold. The customers remain in dilemma about outlet choice vs. brand choice. Customers are highly influenced by image of the retail outlet, its attributes, product range, variety, services, employee’s behavior, décor, music and marketing strategies. For this, we need to understand the process of outlet selection, consumer choice and shopping behavior, the shopping process, shopper types and shopping strategies, choice decisions during shopping choice, attempts made by marketers to close the gap between expectation and performance. The retailers should put in efforts focusing on attracting the customers towards the store outlets on continual basis by focusing on their distinct features, thus, adding to the retail formats, followed by persuasion of paying a visit to the store causing a positive impact on the prospects by their effective formats.

Kuruvilla and Joshi (2010) study the profile of Indian mall consumers identify characteristics differentiating the high rupee volume purchasers at the mall and then go on to evolve a model that can help predict heavy rupee volume purchasers in a catchment. The study, spanning eight cities of India and 3026 mall consumers, indicates that the heavy shoppers are significantly different from the other groups along multiple demographic and socioeconomic variables, behavioral variables, attitude and shopping orientation. The analysis of the profile of mall visitors indicates that a majority of the consumers are in the age group of 25-45, highly educated, double income families belonging to middle and upper income groups. The high rupee volume purchasers comprise more men, larger families, higher incomes, higher qualifications, more professionals and businessmen. These heavy shoppers visit the malls with their family and spend on all categories of items more than the other two groups showing significant
The heavy shoppers have more active lifestyle, value, fun and security. Hansen and Singh (2009) "Market Structure across Retail Formats" have study how market structure within a product category varies across different retail formats. In this study, the author first used a hierarchical structure to incorporate consumer observables (e.g., demographics) and brand attributes to be correlated with marketing mix variables. Finally, to allow for systematic differences in consumers that prefer a particular retail format, the study estimated a two-stage model of store choice followed by brand choice. The model is applied across three store types: high-end grocery store, traditional supermarket, and large everyday low pricing (EDLP) formats. The results show that the direction and size of household preference vectors for the unobservable brand attributes vary across formats, which in turn translates into significant differences in brand maps across retail formats. Interestingly, the study found a tight clustering of all the brands at EDLP stores, whereas brands are found to compete in distinct subgroups such as premium and fat-free at high-end stores. In general, brands are found to compete more intensely in the EDLP stores, which could be driven by self-selection of more price-sensitive households to this format.

Ali et al. (2010) "Consumers buying behavior with respect to food and grocery items". It reveals to develop a marketing strategy for a modern food/grocery market based on consumer preferences and behavior. The author is the view that the consumers are in a relatively advantageous position in terms of purchasing power and awareness of health and nutrition. Higher income and educational levels of consumers influence their decisions on product and market attributes, while gender and age seem to have no significant impact. The preferences of the consumers clearly indicate their priority for cleanliness/freshness of food products followed by price, quality, variety, packaging, and non-seasonal availability. The consumers' preference of market/place largely depends on the convenience in purchasing at the market/place along with the availability of additional services, attraction for children, basic amenities and affordability.
Ghosh and Tripathi (2010) "purchase pattern of customers towards organized retail outlets" attempts to depict how the younger generation has greater tendency to visit organized retail outlets. The shoppers remain within a store for at least 2 hours; consider shopping as stress releaser and fun activity. The commonly purchased items from a retail outlet are garments followed by groceries, lifestyle products and household appliances made an effort to recommend various strategies for retailers in designing their outlets with store attributes that would meet the expectations of shoppers and thus motivate them towards store patronage decisions. The study further reveals that customers in tier 2 and tier 3 cities evaluate a store on convenience and merchandise mix, store atmospheric and services. Cross-merchandise, private-label brands, fun and entertainment, effective sales personnel and technology adoption are the strategies recommended for retailers.

Satish and Raju (2010), point out that the retail sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population will take a higher growth trajectory. The Indian retail industry has strong linkages with the economic growth and development of the economy. The study throws light on the major Indian retailers which contribute highly to the retail sector in India and these are:

**Pantaloons** is one of the biggest retailers in India with more than 450 stores across the country. Pantaloons launched the country's first hypermarket, 'Big Bazaar', which has the following retail formats are:


**Tata Group** is another major player in Indian retail industry with its subsidiary Trent, which operates Westside and Star India Bazaar. Established in 1998, it also acquired the largest book and music retailer in India, 'Landmark', in 2005. Trent owns over 4 lack sq. ft retail space across the country.
RPG Group is one of the earlier entrants in the Indian retail market, when it came to food and grocery retailing in 1996 with its retail Food world stores. Later it also opened the pharmacy and beauty care outlets 'Health and Glow'.

Reliance Group is also a big player in the Indian retail industry and has more than 300 stores Viz. Reliance Fresh stores and Reliance Mart. These stores are quite popular in the Indian retail market. It is expecting to reach sales of US$ 20.32 billion by 2010.

AV Birla Group has a strong presence in the Indian apparel retailing. The brands like Louis Phillips, Allen Solly, Van Heusen and Peter England are quite popular. It is also investing in other segments of retail. It will invest US$ 1800-2030 million by 2010.

Dash et al. (2009) Opportunities and challenges faced by organized and unorganized retail players in Bangalore. The results depict that competition faced by the unorganized sector is the biggest challenge for organized retailers. Inefficiency of distribution channels, internal logistical problem and retail shrinkage are other challenges faced by organized retailers. On the other hand, organized retailing, logistical problems, competition between other kirana retailers are the challenges for the unorganized retailers. Growing middle class, large number of earning youth customers, increase in spending, India's booming economy and large number of educational institutions are the opportunities for organized and unorganized retailers. This study further shows that the major challenges as well as opportunities of organized and unorganized retailers are almost similar. The government's opposition to FDI does not seem to affect both the sectors. There is a need to overcome the challenges and leverage the opportunities for flourishing organized retailer sector.

Manoj Kumar Pochat (2009) “Why Companies See Bright Prospects in Rural India” has to understand the rural consumer, and then we need to start thinking from their
angle. When rural consumers buy any new category of product, their decision is strongly influenced by opinion leaders, who are seen as credible people in an entire region. Well educated users of new products act as opinion leaders. Rural consumers are also brand-loyal. When rural consumers purchase a product or service they perceive the functional, physical and financial risk in it.

Sourav Raina, Amit Dutt (2009) “Consumer behavior towards Vishal Mega Mart”. It reveals that how retail industry is booming all around the globe at a very fast pace. Vishal Retail is a known and strong competitor in the retail industry since 23 years. When we talk about Indian market, the demands of everything which you can find in every retail store are increasing every year. Indians are famous for their traditions and festivals and exchanging gifts with friends and relatives is a part of it. Outcome of that research reveals that the various parameters of behavior of consumer towards Vishal Mega Mart and relates it to the theoretical aspects within the scope of our subjects. It also helps us in understanding the functioning that took place within an organization from different perspectives. Customers to know their needs and expectations which can be further utilized by the company to gain a competitive edge over their competitors.

According to India Retail Report (2009) “The India Retail Story”. Liberalization of the Indian economy and rationalization of business procedures have ensured a high economic growth for the manufacturing and retailing sectors. The report is based on the information received from various stakeholders in the retail industry and it explores the factors affecting the growth of retail sectors and focuses on the opportunities in Indian retail. According to report, in spite of the fast track growth of retail industry, India is still going through the initial development stage of modern retail. Indian retail market stood at Rs.1, 330,000 crore in 2007 with annual growth rate of 10.8%. The share of organized retail in 2007 was estimated to be only 5.9% which was Rs. 78,300 crore. But this
modern retail segment grew at the rate of 42.4% in 2007 and is expected to grow faster over the next 3 years. Healthy investment climate, retail revolution, retail market segments, growing shopping centers, malls, supermarkets and departmental stores are the major factors that have earned India the top spot among the favored retail destinations. Corporate giants such as Reliance, AV Birla, Tata, Godrej, Bharti, Mahindra, ITC, RPG, Pantaloon, Raheja and Wadia group are expected to invest close to Rs. 1 trillion in the business of retail over the next five years. These developments indicate that this is just the right time to think of retail. The study tries to understand the growth of mall development, analytical and financial steps that are undertaken before setting up a mall and source of finance for a mall development. There is a wide range of shopping experience- bargains and discounts, high-end brands for couples, gaming and other amusement facilities for kids and the multiplexes, theaters etc.

Rajagopal (2009) “Growing Shopping malls and Behavior of Urban Shoppers” examines the impact of growing congestion of shopping malls in urban areas on shopping convenience and shopping behavior. It reveals that personality traits of shoppers affecting the preferences for shopping malls in reference to store assortment, convenience, and economic advantage and leisure facilities. The result of the study shows that narrowing the shopping streets and the rise of shopping malls has been major trends in retailing in emerging markets. The ambience of shopping malls, assortment of stores, sales promotions and comparative economic gains are the major factors which attract higher customer traffic to the mall. Shopping value is a two-dimensional concept that captures the hedonic and utilitarian benefits derived from a consumer visit to a retail store.

Jain and Bagdare (2009) “Customer experience and identify its major determinants in the context of new emerging retail formats” highlights that as compared to traditional stores, new format stores are pre-engineered retail outlets, characterized by
well designed layout, ambience, display, self service, value added services, technology based operations and many more dimensions with modern outlook and its practices. They seem to attract and influence young minds by satisfying both hedonic and utilitarian needs. Customer experience is governed by a range of demographic, psychographic, behavioral, socio-cultural and other environmental factors.

According to Gupta et al. (2009) "Retention Strategies for Organized Retailers in Semi-Urban Markets" reveals that the organized retailing is growing at a rapid pace in India. Although the Indian market is very large and seems very promising, organized retailers are finding it tough to be profitable while traversing the unknown territories of India. One of the marketing strategies is to focus on retaining the existing customers, as they are five times more profitable than new ones. In this study, the authors examine the factors that influence customers' intention to continue purchasing from an organized retail; it is felt that customers' perceived value is as important indicator of customer's continuance intention, as are loyalty incentives provided by the store. Moreover, convenience is more important for customers in these markets than enjoyment. Organized retailers can increase customer retention by focusing their strategies in making customer experience more valuable and convenient.

Grewal et al. (2009) "Customer Experience Management in Retailing: An Organizing Framework" focus on the role of macro factors in the retail environment and how they can shape customer experiences and behaviors. Several ways (e.g., promotion, price, merchandise, supply chain and location) of delivering a superior customer experience are identified which should result in higher customer satisfaction, more frequent shopping visits, larger wallet shares, and higher profits.

Tendai and Crispen (2009) "The influence of in-store shopping environment on impulsive buying among consumers" analyzes the presence of an enjoyable, pleasant and
attractive in-store shopping environment increases the chances of impulsive buying among the consumers. In-store background music, store display, in-store promotions, prices, shop cleanliness, shop density or congestion and store personnel are the major factors for in-store shopping environment. The result of the study shows that among poor consumers, factors of an economic nature like cheaper prices, coupons and helpful shop assistants were more likely to influence impulsive buying. Factors with an atmospheric engagement effect like music, fresh perfume and ventilation may have only been important in helping to keep consumers longer in shops although they were unlikely to direct influence on impulsive buying.

Goyal and Aggarwal (2009) “An empirical study of appropriate formats and expected trends” examines the relative importance of the various products purchased at organized retail outlets and the choice of format used by the consumer when they are purchasing a product. In order to identify the relative importance of the various products the researchers have consulted various earlier studies. The India Retail Report 2007 suggests 13 items are important for sales through organized retail outlets which were examined in the study. The results depict that food and grocery; clothing, apparels and accessories; catering services; health and beauty care services; accessories and services; books, music and gifts; foot wares and entertainment are the order of importance for various items for organized retailing. The most appropriate retail formats for various items are: food and grocery-supermarket; health and beauty care services-supermarket; clothing and apparels'- mall; books; music and gifts-convenience store and mall; catering services-mall; entertainment-mall; watches-hypermarket; pharmaceuticals-hypermarket; mobile, accessories and services hypermarket; foot wares-departmental store.

Goyal, Aggarwal, Ali and Kapoor (2009) opined that in India a consuming class is emerging as a result of increasing income levels and dual career families with high
disposable incomes. With retailers eyeing their presence in the market, it is important to identify the target shoppers as well as the prime factors of enjoyment in shopping. Based upon these, the present study has taken ten product attributes. These are: improved quality, reasonable price, variety of brands, assortment of merchandise, easy availability of products, proper display of products, warranty of products, proper packaging, exchange facilities and bundling offers are the product attributes. The study has also taken ten store attributes viz. pleasant ambience, better location, complete security, nice-in-store promotions, adequate dressing rooms, cleanliness of store, children play area, good parking facility, convenient shopping hours and trained sales personnel. The demographic factors of consumers covered in the study are: age, income, occupation, education and gender. Types of goods and consumers’ buying behavior of these goods from different retail formats are equally important factors and the next phase of research covers this aspect. Gupta et al. (2003) studied the changing Indian consumer behavior in the past decade due to availability of large assortment of major products leaving an impact on their consumption pattern. The consumer is no longer shopping for clothes/household products from the local market; rather the place of shopping has shifted to the stores in malls. According to Mishra (2007; 2008), consumers buy essentially convenience goods with low level of risk from organized outlets and essential products with high level of risk from traditional retailers. Furthermore, Mishra explores that India is currently in the second phase of evolution, i.e., consumers are demanding organized retail formats. Retailers need to customize retail models as per the taste and preferences of Indian consumer. Shukla (2007) and Goyal et al. (2009) “Organized retailing in India—An empirical study of appropriate formats and expected trends” have described that food and grocery, health and beauty, apparel, jewellery and consumer durables are the fastest growing categories of organized retail and fashion sector in India commanding lion’s share in the organized retail pie. The most appropriate retail formats for various items
are: food and grocery-supermarket; health and beauty care services-supermarket; clothing and apparels'- mall; entertainment- mall; watches hypermarket; pharmaceuticals- hypermarket; mobile, accessories and services- hypermarket; footwear’s- departmental store. In the present study goods have been classified as shopping goods and convenience goods. Further, eight goods have been taken in both categories to know consumers’ preferences of these goods from different retail formats. Shopping goods included are: clothing, footwear, jewellery, furniture, home appliances, home furnishing, bags and baggage and electronics. Convenience goods are: food and grocery, beverages, confectionaries, personal care products, stationery, magazines and books, gift items and toys. The last phase of research covers the retailers’ marketing strategies viz- a viz different retail formats. Consumers’ buying behaviour and changing business scenario influence the retailers’ marketing strategies. It is not easy to satisfy the consumers as they want high quality merchandise at low price. So it is important for retailers to understand the needs of the customers and meet their requirements, (Swinyard, 1997; Dalwadi et al., 2010). Retailers are realizing that their growth and profitability are being determined by the little things that make a big difference in customer satisfaction and loyalty like being responsive to customer needs and make customer delight, (Gopal, 2006; Kokatnur, 2009; Grewal et al., 2009). Store image is an overall impression about a retail company as it is perceived by customers and stakeholders. Store image is the useful strategy to see the image of retail outlet and positions over time, (Mittal et al., 2008; Urbonavicius et al., 2005; Tendai and Crispen, 2008; Shih, 2010). Consumer spending behavior can be significantly influenced by the environment of the store. Customers have a higher need to affiliate with better environment of the store which leads to higher likelihood to purchase, (Levy et al., 2004; Gopal, 2006). Moreover retailers need to design a store layout that not only maximizes the number of products but also has attractive display of merchandise. This strategy helps consumers to buy more products and leads to stress free shopping,
Loyalty is all about earning the trust of the customers and it can be achieved by conducting loyalty programs and by giving additional benefits to loyal customers, (Reichheld and Schechter, 2000; Gopal, 2006; Shih, 2010). Consumers visit malls not only for shopping only but also for entertainment purposes like multiplexes and enjoying food courts, (Mittal et al. 2008; Ghosh and Tripathi 2010). Further to create excitement in order to attract customers to their stores, and potentially increase profit margins, several prominent retailers have expanded their assortment with private label brands including Wal-Mart, Tesco, Reliance and Marks and Spencer's. Other important strategies which retailers cannot put behind are: free gifts and discounts as these strategies attract all groups of consumers to visit retail formats and shop in large quantities, (Kocas and Bohlman, 2008; Dalwadi et al., 2010; Fam et al., 2010; Grewal et al., 2011). Accordingly, twenty marketing strategies have been taken up. These are: advertisement, competitive pricing; free gifts, discounting options, loyalty programs, developing public relations, attractive merchandising, private label branding, customer segmentation, customized technology adoption, better internal environment, entertainment facilities, personal selling, after sale services, store image/positioning, training to sales personnel, festival offers, customer delight/satisfaction, understanding the customer and franchise/joint venture. Based upon this framework, the next chapter covers the detailed research plan to achieve the various objectives of the research.

Tripathi et al. (2008) proposes to link store choice, format choice and consumer demographic variables, through a hierarchical logistic choice model in which the consumers first choose a store format and then a particular store within that format. The different demographic and socio economic factors can affect the format choice and the store choice in two different ways. One is that these factors directly affect the format and the store choice. The other way is that these affect the shopping basket, the timing of the shopping trip, and therefore indirectly affect the format choice. The results of the study
depict that the larger families will have larger basket sizes and larger number of shopping trips. The household size of a family has a positive effect on the likelihood of a shopping trip. Similarly high family income levels, may lead to higher consumption levels, which would imply larger aggregate shopping. On the other hand, number of working members in the family is expected to relate to the income of the family, the consumption levels and thus the size of the basket. The increase in the number of working adults will increase consumption in two ways. Firstly it will have a positive effect on the income and the consumption; secondly it might result in higher demand for services.

Mittal et al. (2008) "Store Choice in the Emerging Indian Apparel Retail Market: An Empirical Analysis" has study the store choice criteria in the context of apparel retailing in India. The main motivation of this study is to help retailers to determine the most important drivers of retail store choice. The findings suggest that the retailers’ marketing strategies will have to take into account two sets of attributes: (i) Loyalty Drivers and (ii) Shopping Experience Enhancers. These attributes will have to be integrated into the retail format. For apparel shopping the loyalty drivers are merchandise mix, sales promotions, price, and recommendation/relationship whereas the shopping experience enhancers are: store reputation/advertisements, temperature (air conditioning), return/guarantee, and ambient conditions.

Kocas and Bohlmann (2008) "Segmented Switchers and Retailer Pricing Strategies" reveals that surprisingly wide variety of pricing strategies among retailers, and also the researcher presented theoretical and empirical analyses that address these varied pricing strategies. A retailer’s strategy to discount deeply or frequently is driven by the ratio of the size of switcher segments for which the retailer competes to its loyal segment size. The relative switcher-to-loyal ratios among retailers explain situations in which a small retailer finds it optimal to price high, despite having few loyal, or to
discount and go for the switchers. Malls, supermarkets and hypermarkets are growing rapidly adopting aggressive strategies to attract customers. These strategies in turn affect the existing small players. The purpose of the study is to analyze the impact of new retail formats on traditional/unorganized retailers’ strategies. The results highlight that service and promotional strategies including personal selling are the major strategies affecting unorganized players. Service and technology up-gradation are the major strategies adopted by small players to retain customers, (Kokatnur, 2009).

According to Srivastava (2008), the increase in the number of retail chains across the country is an indication that organized retailing is emerging as an industry and will boom in a big way in the near future. The sector has more than 12 million retail outlets. It has the highest retail destiny in the world and in terms of ownership, it primarily consists of independent, owner managed shops. The emerging modern large scale formats viz. supermarkets, specialty stores, chain stores, department stores, hypermarkets, factory outlets and discount stores have transformed the retailing environment in India. Malls comprise of 90% of the total future retail development. A significant trend in the market is the development of a combination of retail and entertainment centers. Malls with multiplexes such as cinema theaters, food courts and play places for children are becoming the centers for family outings. Household groceries, food and apparel are the key drivers in Indian retail industry.

Mishra (2008) “New Retail Models in India: Strategic Perspective Analysis” has depicts that the economic growth, demographics, increasing income, purchasing power and changing Indian consumers are the various factors behind growth of organized retail market which leads to a large number of retailers, necessitates better enforcement of taxation and introduction of an efficient labor law monitoring system. Organized retailing in most economies has typically passed through four distinct phases in its evolution cycle
new retail entrant driving growth, consumer demand organized formats, retailer strengthening backend system and retailers going global. India is currently in the second phase of evolution, i.e., consumer demand organized formats. The study further reveals that mall space, demography, rising young population, availability of brands, rising retail finance, changing lifestyle, emerging retail formats and foreign direct investment are the strengths and opportunities for modern retail models. On the other hand, real estate cost, improperly developed malls, lack of skilled personnel, underdeveloped supply chain and taxation hurdles are the weaknesses and threats for these retail formats. With the help of Porter's five force analysis of organized retail industry, the study analyzed that competitive rivalry and bargaining power of buyers are moderate, on the other hand the threat of new entrants, bargaining power of suppliers and the threat of substitutes are low in the Indian retail industry.

Tuli and Mookerjee (2008) "The patronage behavior of Indian rural consumers to identify the decision variables influencing the patronage of various retail formats" reveals that village shops which are perceived to be low on shopping activity cost in comparison to periodic centers, where as periodic markets are perceived to have high probability of lower prices and high product variety. Rural consumers prefer to meet their immediate day-to-day needs from village shops; at the same time bulk purchases will drive them to the periodic markets. Given the rapid rate at which new retail formats have been introduced in the Indian market in recent times, many with limited success, it is imperative for Indian businesses to understand changing shopping behavior among consumers, especially with regard to their preferred points of purchase.

Hemashree and Karnool (2008) "A study on working of modern and traditional retail outlets: A comparative analysis", reveals the entire business aspects of organized food retailing particularly in supermarkets. Since, for both type of retail outlets, the
source of supply and mode of supply being the same, there could not be any significant
difference in the value of procurement. Short time period inventories were observed in
both modern and traditional retail outlets. The cost of preparation product in modern
retail outlets was more as compared to traditional retail outlets. In the case of modern
retail outlets the net value added was much higher than the traditional retail outlets in all
the grocery items. Modern retail outlets gained higher profit compared to traditional retail
outlets. Since, retailers undertook retailing business of several commodities and there was
a quick turnover of business in modern retail outlet.

Empirical Analysis’ investigated the evaluation of apparel store attributes by consumers
in the context of apparel retail formats in India. Suggested retailers to consider underlying
perceptions and demographic correlates of local consumers. According to them, retailers
could use Loyalty Drivers and Shopping Experience Enhancers to be integrated into the
retail format to create sustainable store choice and hence, store loyalty. Further research
is needed to carry out research for other retail sectors such as food and grocery, consumer
electronics, gifts and so on and also to investigate the influence of demographics and
psychographics on store choice and shopping orientations.

Mathew Joseph, Nirupama, Soundararajan, Manisha Gupta and Sanghamitra Sahu
(2008) “Impact of Organized Retailing on the Unorganized retail Sector”. Outcome of
the study attempts to rigorously analyze the impact of organized retailing on different
segments of the economy. The study estimates that the total retail business in India will
grow at 13 per cent annually from US$ 322 billion in 2006-07 to US$ 590 billion in
2011-12. The unorganized retail sector is expected to grow at approximately 10 per cent
per annum with sales rising from US$ 309 billion in 2006-07 to US$ 496 billion.
Organized retail, which constituted a low four per cent of total retail in 2006-07, is
estimated to grow at 45-50 per cent per annum and attain a 16 per cent share of total retail by 2011-12. One of the rather surprising findings of the study is that low-income consumers save more than others through shopping at organized retail outlets. This is result of targeted discount shopping. The study makes a number of policy recommendations that have bearing on both the unorganized and organized segments of the retail sector. The two most important recommendations in their view are: first, for the government to facilitate the emergence of a “private code of conduct” for organized retailers in their transaction with small suppliers; and, second, a simplification of the licensing and permit regime to promote the expansion of organized retail. They hope that the study will help policymakers in their task of promoting modernization of the retail sector while maximizing its employment potential. (Rajiv Kumar, 2008).

Hemashree (2008) “A Study on working of Modern and Traditional Retail Outlets - A Comparative Analysis”. The review of the work done by post researchers in the field are presented under the following heads. 1. Procurement and inventory management in modern and traditional retail outlet. 2. Investment pattern in retail outlets. 3. Costs in value addition made by retail outlets. 4. Cost and Returns in retail trade. 5. Factors influencing consumer behavior to purchase in retail outlets.

Aggarwal (2008) “The Era of Retail Revolution” has concluded that retailing today is not considered as a distribution function alone, rather it has emerged as an industry in itself. Through in this study, a modest attempt has been made to highlight the emergence of organized retailing and contribution of retail revolution to the economic development of India. This study throws light on multiple effects which retail is going to have on the Indian economy. The result shows that the Indian retail industry stands second in terms of employment generation after agriculture. The total market in 2005 stood at Rs. 10000 billion, accounting for about 9-10% of the country’s GDP. The
organized sector accounted for Rs.350 billion (about 3.5% of the total revenue). Organized retail in India has recently started and concentrated in metropolitan cities. The catalytic or multiple effects of retail on the Indian economy are: employment generation; development of small scale units; growth of real estate; increase in disposable income and, development of retail ancillary market etc. This study clearly shows that the growth of organized retail industry will entail thousands of new job, increase in income level, improvement in standard of living, better products, better shopping experience etc. The growth of retail industry from the most prevalent unorganized sector to an upcoming organized retail has given a new name to the Indian economy and the name is 'Experience Economy'.

Kuruvilla and Ganguli (2008) “Mall development and operations: an Indian Perspective”. The study sheds light on growth of mall development in India and also covers the analytical and financial steps undertaken for setting up a mall. Major growth of mall development is in metros and mini metros. Location, trade area of mall, the size of mall and parking facilities are the major factors need to consider while setting up of new malls. Self finance, funded (Indian/Foreign) and pre-sell are the three important modes of financing.

Halepete et al. (2008), “Wal-Mart in India: a success or failure?” has analyzed how during the times of cut throat competition in the retail industry and saturation of domestic markets, retailers have been looking to expand internationally. Wal-Mart as a company that has been expanding internationally for several years is now entering into the Indian retail market in a partnership with Bharti Enterprises in India. The main objective of this study was to explore the challenges that Wal-Mart might face as it expands into the Indian retail market. Wal-Mart’s failures in Germany and South Korea is analyzed to identify the lessons that can be learned from these failures so that these
lessons can be put to good use in the Indian market. The results of the study show that the main reason for Wal-Mart’s failure in Germany and South Korea is the cultural differences between consumers, lack of understanding of the consumer, high cost of real-estate and aggressive competition etc. This operating model in India has the potential to expose Wall-Mart to potential challenges. Although there is a large population in India, the diversity and heterogeneity of the Indian market is tremendously complex. Diverse religions, languages, value systems, food habits, economic buying power, clothing selection and access to transportation are the attributes that clearly demonstrate the complexity in India. The biggest challenge for Wal-Mart in India is the competition from organized and unorganized sector, different customers’ mindsets, value-conscious shoppers etc. This significant challenge needs to be well-understood and suitably addressed for success in the Indian market.

Arshad et al. (2007), “Issues in Retailing”. According to study retail sector has seen a lot of activity during the last few months. The government has also changed its stance over allowing foreign players in retailing. The main objective of this study has been to deliberate upon the retailing issues and to examine the prospects of organized retailing in India. The authors are of the view that the joint venture between Bharti and Wal-Mart shall prove to be the turning point for the Indian retail industry. Moreover 47% of India’s population is under the age of 20 and this will increase to 55% by 2015 and this young population will immensely contribute to the growth of the retail sector in the country. Organized retail has a huge scope because of the vast market and the growing awareness of the consumers about product, quality and service. According to this study the dynamics of the demography, double income, urbanization and internet revolution are the factors contributing to retail growth in India. The benefits of the retail growth include better products at cheaper price, expanded reach, employment generation etc. Though there are several benefits of organized retail yet there are some serious issues which need
to be addressed. These are: competition from unorganized sector, issues of taxation, infrastructure, FDI, trained personnel etc. These issues need to be looked into to enable this sector to prosper.

Piyush Kumar Sinha and Sanjay Kumar Kar (2007) “An Insight into the Growth of New Retail Formats in India”. It reveals the Indian retail sector is going through a transformation and this emerging market is witnessing a significant change in its growth and investment pattern. Both existing and new players are experimenting with new retail formats. Currently two popular formats - hypermarkets and supermarkets are growing very fast. Consumer dynamics in India is changing and the retailers need to take note on this and formulate their strategies and tactics to deliver value to the consumer. This paper investigates modern retail developments and growth of modern formats in this country. And also discuss the challenges and opportunities available to the retailers to succeed in this country.

Jasola (2007) “the emerging trends in new retailing formats and strategic issues of retailers”. The study explores that India’s vast middle class and untapped retail industry are the key attraction for global retail giants wanting to enter new markets. Malls, specialty stores, discount stores, department stores, hypermarkets, supermarkets, convenience stores and multi-brand outlets are most preferred retail formats in India. Malls lend an ideal shopping experience with an amalgamation of product, service and entertainment all under one roof. Discount stores offer discount on the MRP through selling in bulk reaching economies of scale. Department stores cater to a variety of consumer needs. Super-markets contribute to 30% of all food and grocery organized retail sales. Convenience stores stock convenience products and prices are slightly higher due to the convenience premium. The study further points out that the share of modern retail is likely to grow from its current 2% to 15-20% over the next decade. With the growth of malls, multiplexes and hypermarkets, the consumer is being exposed to a new kind of shopping experience and services that redefines the expectations from shopping.
Finlay (2007) Grocery Shopping in the UK: A Study of Consumers’ examined the underlying perceptions of consumers towards grocery and shopping outlets found price and location as two critical factors influencing grocery outlet choice. She indicated that consumers are rarely prepared to change their shopping patterns to access alternative outlets for grocery purchases being habitual nature, time constraint and low cognitive processing characteristic. Further research is needed to consider different demographic groupings in different localities in order to better understand the impact of limited choice in an area.

Shukla (2007) “Paradigm shift of Indian Retailing: A Global Perspective” has reveals that the world is now looking at India as the Nation of the future. More significantly, India is well on its way to emerging as a Food and groceries, health and beauty, apparel, jewellery and consumer durables are the fastest growing categories of organized retail. Currently, the fashion sector in India commands a lion’s share in the organized retail pie. Retail trade takes place in India through different types of outlets - kirana shops, modern retail shops, discount stores, departmental stores, supermarkets and hypermarkets. Kirana shops are features of our landscape which store goods unpackaged in bulk containers. In 2002-2003, Indians in some cities got the taste of discount stores for the first time. The discount stores emerged as “class-less stores” with consumers of all income levels shopping at these stores. Favorable demographic and psychographic changes relating to India’s consumer class, international exposure, availability of products and brands communication are some of the factors that are driving the retail in India. Franchising is emerging as the preferred option for global retailers. The study suggests India will have to arrive at its unique formats of retailing in order to tap the market and this requires significant capital, technology and the best practices to bridge the existing productivity gaps, which are critical to the sector’s success.
Mishra (2007) "The consumption pattern of Indian Consumers: choice between traditional and organized Retail" has tried to explore the way organized retail has dramatically changed not only the Indian traditional retailing structure but also in the consumption behavior. The Indian market has seen vast changes in political, economic and social environment which has a great impact on consumption. The study is conducted in seven major cities like Delhi, Chennai, Kolkata, Hyderabad, Bhubaneswar and Mumbai with the main objective to find the most favored retail attributes by consumers and factors influencing the choice of consumers. The results indicate that consumers buy essentially convenience goods with low level of risk from organized outlets and essential products of more involvement from traditional retailers. The hypermarket, mall, supermarket are the prefer stores by consumers and organized retailing offer variety of merchandise.

Benito et al. (2007) "Isolating the geo demographic Characterization of retail format choice from the effects of spatial convenience" analyzed the relationship between the geo-demographic profiles of consumers and retail format choice while accounting for the effects of spatial convenience. The proposed model focuses on the geo-demographic characterization of three generic grocery retail formats: (1) conventional supermarkets, which represent a classic self-service format; (2) hypermarkets, or large supermarkets with extended assortments; and (3) discount stores, which are supermarkets with limited assortments. According to results of the proposed model, consumers first select the retail format and then the specific store within that format. In general, those households that patronize supermarkets are more advanced in the cycle of their family life, have higher educational levels, and work in more professional activities rather than in the services sector. Discount stores are preferred by older households, those with less education, and those employed in less qualified professional activities, such as the primary and building sectors. Finally, the hypermarket seems to attract the grocery spending of the youngest households with small children, lower educational levels, and more basic professional activities.
Singh (2007) "Consumer Awareness and Consumption Pattern of Food products in Haryana" has revealed that production-oriented market has been shifting towards consumer-oriented market. The study also examines the degree of brand awareness and consumption pattern of various food products among rural and urban people in Haryana. The study also explores the possibility to find out the impact of education and income level on the expenditure pattern of food products. The results of the study show that the degree of brand awareness of various food products among urban respondents are more in comparison to those from rural households. Post-graduate rural and urban respondents have a higher degree of brand awareness for many food products in comparison to respondents from other educational levels of the households. The rural households spend more on milk and milk products as compared to urban households. Moreover, the study indicated that the expenditure on food products containing more vitamin and protein contents is made more by rural and urban households. Education, increase in income, advertisements, green revolution, and entry of private satellite channels are the factors that have played a vital role in creating brand awareness. As per this study, rising incomes, improvement in infrastructure, liberalization of the Indian economy, shifts in consumer demands are the factors responsible for the development of the retail sector in India. Growth rate of modern retailing has increased in recent years because greater numbers of higher-income Indians prefer to shop at supermarkets due to higher standards of hygiene and attractive ambience.

Kaur and Singh (2007) "Uncovering retail shopping motives of Indian youth" analyzed that youth is an important consuming class owing to time pressures in dual career families with high disposable incomes. With the retailers eyeing their presence in the market, it is pertinent for them to identify the target shoppers as well as to identify the prime reasons as to why they shop. Therefore, this study throws light on the important dimensions of motivation for the youth when they shop. The results also reveal that
young consumers, interestingly, tend to shop not from a utilitarian perspective but from a hedonic perspective. Their key indulgence includes getting product ideas or meeting friends. They also view shopping as a means of diversion to alleviate depression or break the monotony of daily routine. In addition to this, they also go shopping to have fun or just browse through the outlets. This age group is particularly found to be considerably involved in the role of information seeker from the market and disseminator of the same to the peer group or to the family. Moreover, this age category indulges in economic shopping and then the sensory stimulants are not able to sway them away. Marketers can hence tap this important target segment by framing the promotional strategies appropriately.

Benito et al. (2007) analyze the relationship between the geo-demographic profile of consumers and retail format choice while accounting for the effects of spatial convenience. The proposed model focuses on the geo-demographic characterization of three generic grocery retail formats: (1) conventional supermarkets, which represent a classic self-service format; (2) hypermarkets, or large supermarkets with extended assortments; and (3) discount stores, which are supermarkets with limited assortments and low prices. According to results of the proposed model, consumers first select the retail format and then the specific store within that format. In general, those households that patronize supermarkets are more advanced in the cycle of their family life, have higher educational levels, and work in more professional activities rather than in the services sector. Discount stores are preferred by older households, those with less education, and those employed in less qualified professional activities, such as the primary and building sectors. Finally, the hypermarket seems to attract the grocery spending of the youngest households with small children, lower educational levels, and more basic professional activities.
According to Rajagopal (2007), “Leisure Shopping Behavior and Recreational Retailing: A Symbiotic Analysis of Marketplace Strategy and Consumer Response” has analyze the consumer shopping behavior during leisure is largely driven by the recreational infrastructure as a competitive strategy of retailers. This also helps in developing store loyalty, innovative concern and perceived customer values whereby individuals experience enjoyment from shopping. The product categories that are largely affected by the leisure shopping consumption are food and beverages, apparel, cosmetics, toys, general merchandise and household electronics. The result of the study shows that recreational facilities, location of the store, store loyalty, product attributes and services, brand value, perceived value and price are the major factors affecting leisure shopping behavior. Consumers often benefit from increased competition in differentiated product settings during leisure shopping season. The wide choice, atmosphere, parking facility, convenience, sales people, refreshments, location, promotional activities and merchandising policies are the important factors influencing consumers’ choice during leisure shopping.

The study by Jackson et al. (2006) aims to understand how the changing forms of retail provisions are experienced at the neighborhood and household level in the Portsmouth area of England. The study demonstrates that consumer choice between stores can be understood in terms of accessibility and convenience, whereas choice within stores involves notions of value, price, and quality. The choice between and within stores is strongly mediated by consumers’ household contexts, reflecting the extent to which shopping practices are embedded within consumers' domestic routines and complexities in everyday lives.

Rajaguru and Matanda (2006) ‘Consumer Perception of Store and Product Attributes and its Effect on Customer Loyalty within the Indian Retail Sector’ observed
that except product price and other store, product attributes have positive effects on customer loyalty. Further research is needed to identify retail manager's focus on product quality, store convenience as well as assure quality and availability of new products in order to enhance customer loyalty and also to compare consumers using various retail formats and consumers perception of product and store attributes on retail formats keeping in view of demographic correlates.

Aditya P. Tripathi (2006) “Emerging trends in Modern Retail Formats and Customer Shopping Behavior in Indian Scenario: A Meta Analysis and Review”. “If at first the Idea is not absurd, then there is no hope for it.” Albert Einstein. It reveals that the Indian retail sector is going through a transformation and this emerging market is witnessing a significant change in its growth and investment pattern. Both existing and new players are experimenting with new retail formats. Currently two popular formats hypermarkets and supermarkets are growing at a rapid place. Apart from the brick – mortar formats brick -click and click-click formats are also increasingly functional on the Indian retail landscape. Consumer dynamics in India is also changing and the retailers need to take note on this and formulate their strategies and tactics to deliver the exact expected value to the customer. The present paper makes an attempt to: Explain the emerging trends in the development of Modern Retail formats in Indian Context and highlights the emerging rural retail landscape and also reveals the Consumer Shopping Behavior (Across the Country) among the Modern Retail Formats with special reference to Delhi and NCR.

Charles Dennis (2005) ‘Why do People Shop Where They do? The Attributes of Shopping Centers that Determine Where Consumers Choose to Shop’ has investigated that people are attracted to different centers for different reasons as shoppers have different expectations. The attributes, though, which were significantly difference
between centers, did not appear to be significantly influenced by income or socio-economic group. Specifically, shoppers spend more at centers which are closely match their requirements. Further research is needed to carry out studies consumer’s choices of more shopping centers and more respondents.

Morschett et al. (2005), “Perception of Store Attributes and Overall Attitude towards Grocery Retailers: The Role of Shopping Motives” has reveals that shopping motives influence the perception of retail store attributes as well as the attitude towards retail stores. An empirical study was carried out in Germany with 560 grocery shoppers using quota sampling method. The study highlights that on the basis of four central dimensions of shopping motives (scope orientation, quality orientation, price orientation and time orientation), a taxonomic analysis has been done which identified the four segments of shoppers differing significantly in the configuration of motives expecting to be satisfied by the shopping activity: (1) one-stop shoppers, (2) time-pressed price shoppers, (3) dedicated quality shoppers, and (4) demanding shoppers. Finally the results support the proposition that consumers differ in their attitude towards a grocery store according to their shopping motives.

Urbonavicius et al. (2005) “Evaluation of multiple retailers’ market positions on the basis of image attributes measurement” has evaluated the importance of image attributes for customers. The researchers illustrate that buyers indicated a number of image attributes of multiple retailers, which are important for them and impact their store selection. Some image attributes are most important than others, and they include product prices, product quality, product assortment variety and place of a store. There are three latent factors that integrate multiple retailers’ image attributes and explain interrelationships among them. These factors are: i) additional value and image, ii) store, and iii) products. These factors aggregate numerous attributes of multiple retailers, and allow comparing positions of the chain stores.
Sinha (2003) ‘Shopping Orientation in the Evolving Indian Market’ has analyzed that the Indian shoppers show an orientation based more on the entertainment value than on the functional value. The other distinct aspects of the Indian shoppers include post-purchase information management, bargaining and convenience. The orientation is also found to be affected by the type of store, frequency of buying and socio-economic classification. Further research is required to identify the retailers need to experiment with a format that attracts both types of shoppers and also to find out the relationship of orientation with store variables such as store format, merchandising, pricing, location, communication, and customer retention.

Miller (2001) “Determinants of rural consumers’ in shopping behavior toward various shopping-areas attributes”. The study was carried out among the consumer groups of rural consumers and represents a market segment, living in two rural communities. It examines whether the “Active Out shoppers” and “Thrifty Innovators” seem to reciprocal actions exist between community members as be the more viable segments for urban retailers and to attract out shoppers from rural areas. Therefore for rural consumers, cleanliness is the most as consumer in shopping. The results support the social important factor in deciding where to shop and consumers’ level of satisfaction-factors are convenience-related attributes followed with reciprocity was significantly determinant.

Fisher L. Marshall, Raman Ananth and Mc land shen anna (2000) “Rocket science retailing is almost here – Are you ready?. It reveals that offering the right product in the right place at the right time for the right price is retailing formula, for perfection. They recognized the difference in the formats of the seven organizations that introduced that they shared common characteristics such as building local capacities, regardless of the innovation they made initiatives were found to be organized to mobilize the poor constituencies which they served. This way they could transform the small investments into sustainable activities for the benefits of the needy.
1.10. Gaps in Earlier Studies

From the preceding extensive review has been observed that most of the earlier studies focus on either the overall retail scenario or retailing formats from the retailer's point of view. Only few studies have covered the consumer perspectives, but even these studies have focused on only one or two sectors, basically the food and the apparel sector. Moreover there is hardly any study covering all the important aspects of retailing like emerging organized and unorganized retail formats, influence of retail features on consumers' choice for these retail formats, impact of demographic factors on consumers buying preference, type of products and marketing strategies of retailers. So there is enough scope of research in this area. In the present study, an attempt has been made to provide the consumers' perspective regarding the preferences of emerging organized and unorganized retail formats and the important marketing strategies of retailers to attract consumers.

1.11. Theoretical Framework

Retailing is a booming sector in the Indian economy. With a growing economy, improving income dynamics, rising awareness, and a youth-heavy customer base, India is well on its way to becoming one of the most promising markets for the domestic and global retailers. The Indian retail sector is going through a transformation, and the emerging retail formats are witnessing a significant change in their growth pattern. Both the existing and new players are experimenting with new retail formats. Consumers are also in favor of these retail formats for better shopping experience. Numerous business groups have been attracted to this growing sector in the past few years, including some renowned business groups like Bharti, Future, Reliance, and Aditya Birla, showing the future growth in times to come. In addition, the organized retail sector has also grabbed
the attention of foreign companies, which shows their interest in entering India. In this changing environment in retailing, with globalization and liberalization engulfing all countries of the world, including India, competition becomes the major organizational principle of marketing activities. With changing business environment, consumer behavior, trends and issues of retailing are undergoing a change. This demands that marketing approaches be altered accordingly. Thus all retail formats are facing challenges to formulate marketing strategies that will ensure them of achieving competitive advantage over other competing formats.

The theoretical framework of this research is based upon the literature of growth of organized and unorganized retail sector in India. It emphasizes the major aspects of retailing, covering emerging organized and unorganized retail formats, factors affecting consumers’ buying preference. Thus the first phase of research focuses on impact of organized and unorganized retailing on consumer buying preference and prospects of organized and unorganized retailing in Bangalore. Aggarwal (2007) and Tusharinani (2007) highlight the emergence of organized retailing in India and view the catalytic effects of retail on the Indian Economy. Employment generation, growth of real estate, increase in disposable income and development of retail ancillary market are the various catalytic effects on Indian economy. Further the researchers noted that the transformation of traditional formats into new formats, viz., departmental stores, hypermarkets, supermarkets, specialty stores and malls taking the lead in attracting consumers in the metro and mini metros. Aggarwal (2007) and Bhardwaj et al. (2007) indicated that the organized retail industry will mean thousands of new jobs, increasing income level, improved standard of living, better products, better shopping experience etc. Consumers have multiple options to choose - ranging from the shopkeeper to the most sophisticated supermarkets, departmental stores, plazas and malls which provide the latest and better quality products. All this has made India the top spot among the favored retail destination.
as observed by Gupta (2004), Jasola (2007), India Retail Report (2009), and Hino (2010). The study by Dash et al. (2009), Kaur et al. (2008) and CII (2008) depict that the growing middle class, large number of earning youth customers, increase in spending, and improvement in infrastructure, and liberalization of the Indian economy offer tremendous opportunities for organized retailing in India. Accordingly, six emerging retail formats viz. malls, specialty stores, convenience stores, discount stores, hyper/supermarkets and departmental stores have been taken up in the present study. The next step of research was to consider the different product and store attributes and demographic factors influencing consumers’ buying behavior. Coming over to the choice of a particular retail format there are a number of studies focusing upon product and store attributes.

Influencing choice of retail formats along with demographic profile of consumers.

The changing Indian retail scenario with the intervention of organized retail in the form of emerging retail formats has seen a remarkable shift in the preferences of consumers. Robinson (1998) and Herpen and Pieters (2000) have pointed out that there is a need for consumer orientation rather than product orientation for future developments in retailing. Rajagopal (2008), Thang et al. (2003) and Srivastava (2008) have supported the view that consumers’ choice of shopping malls over traditional market stores is influenced by various factors like ambience, assortment, sales promotion schemes and in-store services. The facility of one stop-shop had a positive response from the consumers, who found it more convenient, time saving and satisfactory. The changing retail structure has provided the consumers with more options in the form of formats and services such as less travel time, large variety of products and quality products etc, as observed by Popkowski et al. (2001). Studies by Lather et al. (2006) and Gupta (2007) have uncovered six main indicators viz., price, sales personnel, quality of merchandise, assortment of merchandise, advertising services and convenience services that play key role for retailers in choosing

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the type of retail formats that may help them to cope up with the changing preferences of
consumers. Arshad et al. (2007) and Ghosh et al. (2010) stated that 47% of India’s
population is under the age of 20 and this will increase to 55% by 2015 and this young
population will immensely contribute to the growth of the retail sector in the country.

1.12. Research Gaps and Need for the Study

The current research is an attempt to fill the gaps which were identified in the past
studies. Specially, this study tries to answer the following questions:

1. What are retailing trends in India in the wake of LPG? Whether these trends have
   positive or negative impact on traditional retailing?

2. What is the behavioral response of the customer in terms of attitude, perception
   and preference on organized and unorganized retail formats?

3. What factors causing customers buying preference towards organized and
   unorganized retail outlets?

4. What is the positioning difference between organized and unorganized retail
   outlets?

5. What is the customer oriented merchandise management in organized and
   unorganized retailing?

Consequently, given the fact that limited empirical research on consumer
shopping behavior towards organized and unorganized retailing, this study empirically
relevant as it provides information required by the retail decision makers. And also it
helps consumer oriented marketing organization to develop effective marketing
strategies.
1.13. **Significance of the Study**

The present research will help to portray a detailed picture of consumer perception, preferences and attitude towards organized and unorganized retail formats viz. Unorganized retail formats like, Mandis, haats Melas, The Local Baniya/Kirana, etc and organized retail formats, like, Category specialty outlets; Convenience store; Department Store, Factory outlets, Super markets, malls, convenience stores, hypermarkets/supermarkets, discount stores, and specialty stores. The research will help in segmenting the customers on the basis of their perception, preferences and attitude of consumers on both retail formats for shopping of merchandise. Moreover, it will also help the retailers to focus on the factors influencing the organized and unorganized retailing formats suggest marketing strategies for better merchandise management. The unique feature of this exhaustive study is the coverage of all important aspects of retailing has relevance for consumers. Further, the proposed work will also help and guide consumers' and retailers' by providing them with a practical framework on consumers' and retailing perspective on organized and unorganized retail formats.

1.14. **Statement of the Research Problem**

Researchers have introduced various concepts and relevant models about organized and unorganized retailing and consumer behavior (Crounch, 1999, Even and Johnson, 1995, Hason, 2000) most of the studies have focused on consumer shopping or buying behavior on organized and unorganized retail formats and consumer choice on organized retail formats. But consumers are very difficult to understand and their expectation due to their various factors influences purchase of merchandise thus, to study the relationship between them. Hence, it is very crucial and important.
1.15. **Research Objectives**

Before the start of any research, it is essential to define the objectives of the study. The present study has been undertaken with the following broad objectives:

i) To analyze trends in modern retailing in India.

ii) To assess the customer attitude, perception and preference on organized and unorganized retail formats.

iii) To determine the factors causing customers buying preference on organized and unorganized retail formats.

iv) To evaluate the services offered by organized and unorganized retail formats.

v) To examine merchandise management in organized and unorganized retailing.

1.16. **Hypotheses of the Study**

After verify the research question and objectives, the following hypotheses are drawn in the research. The hypotheses are developed on objectives to prove whether the variables identifies in the research are positively or negatively related.

**In order to support the objectives, the following hypotheses are designed**

- **Ho:** There is no difference in buying perception, preference and attitude among age of respondent’s towards organized and unorganized retail outlets.

- **Ho:** There is no difference in buying perception, preference and attitude among occupation of respondents towards organized and unorganized retail outlets.

- **Ho:** There is no significant difference between qualifications of respondent’s shopping perception and attitude towards unorganized and organized retail outlets.
Ho: There is no difference in shopping, perception, preference and attitude among income groups of respondent's towards organized and unorganized retail outlets.

Ho: Place, promotion, price, commitment, convenient, enjoyment, quality, environment, alternative change, complaint handling, complement/convenient, employee behavior, store features are not significant contributor of buying preference of consumers on organized and unorganized retail outlets.

Ho: There is no significant direct and indirect effect of place, promotion, price commitment, convenient, enjoyment, quality, environment, alternative change, complaint handling, complement/convenient, employee behavior, store features which are not significant predictors of buying preference of consumers on organized and unorganized retail outlets.

Ho: There is no significant difference between respondents opinion towards overall service of organized and unorganized retail outlets.

Ho: There is no significant difference between merchandise management in organized and unorganized retail outlets.

1.17. Scope of the Research

Present study is focusing on impact of organized and unorganized retailing on buying preference of urban customers. For the comparison purpose two types of retail formats, are considered in the study, such as organized and unorganized retail formats, and the study also focuses on customer shopping preference and types of retail shops etc. The study is to undertaking a survey research in Bangalore city to solicited opinion of respondents.
1. **Theoretical Research scope:** The literature review as well as the present study has an insight into a number of important Aspects of retailing, i.e., organized and unorganized retail formats, consumers' demography, merchandise and retail outlets features influencing consumers’ preference and also consumer shopping perception and attitude towards organized and unorganized retail outlets. Based on the literature review, data was collected through questionnaire to get responses from 300 urban consumers of Bangalore city.

2. **Industry and Format scope:** the scope of the study is limited to only retail industry since percentage of unorganized retail industry dominates entire retail trade in India, more of unorganized and few upcoming modern/organized retail outlets are studied.

**Format Scope:** The study is limited to various retail outlets which includes department store, malls exclusive brand store, super market and traditional (stand alone) stores operating in four (south, North, East, west) zones of Bangalore city.

**Geographical Scope:** the geographical scope of the study is limited to Bangalore city the capital of Karnataka state. The city being considered among the first city in India, to introduced to organized retail formats in the country. With the introduction of large retail formats in past ten years the city has emerged as paradise of retailers. The garden city is now getting recognized as the shopper's city, existing greater degree of stability in consumer expectation as compared to other cities. This was to ensure that the study findings are not very short term retail evolution-stage. The sample city was divided into 4 zones such as south, north, east and west. And from each area two outlets of different formats are studied in all. This was done with an intention of covering diverse consumer base spread across the city.
Demographic Scope: the study was focused only on the shoppers of Bangalore. The demographic such as age (less than 25 to above 50 years), marital status (married/ single) occupation (profile), qualification (profile), Income(less than Rs.5000 to Above Rs.25, 000) are covered in the study. The demographic scope set in the study is only to shopping falling in these particular categories.

Demographic Profile of Consumers: Age, income, occupation and education, Gender, marital status are very important demographic factors influencing consumers’ buying preference and these have been considered in the present study. Earlier studies have examined the relationship between demographic factors and consumers’ empowerment in shopping and consumer behavior towards unorganized retail formats. The studies by Dash et al. (2009), CII (2008) and Jhamb and Kiran (2012) depict that growing middleclass, large numbers of earning young customers and increase in spending, are several opportunities for expansion of organized retailing in India. Malls are focused towards catering to the younger population segments (Barak, 1998; Myers et al., 2008) and shopping behavior of the consumer varies according to their age (Moschis 2003). Benito et al. (2006), Aggarwal (2008) and Bhardwaj and Makkar (2007) highlight that the emergence of organized retailing in India is due to increase in disposable income of consumers and their higher educational levels. Goyal and Aggarwal (2009) and Ali and Kapoor (2010) opined that in India, a consuming class is emerging as a result of increasing income and education levels, and dual career families with high disposable incomes. Shopping behavior of younger consumers’ would be focused towards seeking entertainment, while older consumer focuses on convenience and leisure (Myers et al., 2008). Mishra (2007) is of the view that India is currently in the second phase of evolution, that is, consumer demand organized formats. Retailers need to customize retail models as per the tastes and preferences of the Indian consumer. Arshad et al. (2007), Kaur and Singh (2007), and Ghosh et al. (2010) while highlighting the prospects of
retailing in India have opined that 47% of India’s population is under the age of 25 and this will further increase to 55% by 2015 and this young population will immensely contribute to the growth of the retail sector in the country.

**Time and Day of survey conducted:** In general 10am -8pm is generally considered as prime time of respondents for shopping in organized and unorganized retail outlets (based on the focus group survey). The information is collected all through the week evenly from 300 respondents. This study is conducted during 2010-2013 in Bangalore city.

In India, insufficient work has been done on identifying the consumers’, perception, preference and attitude towards emerging retail format, impact of consumers’ demographic profiles on retail formats. The previous studies have covered only one or two aspects of retailing. Thus, it has become imperative to study all the important aspects of retailing together in order to know the latest trends of retailing and changing consumers’ perception, preference and attitude towards these trends. So the present study proposes to cover consumers’ perspective in Bangalore city. Currently, it is very important for retailers to understand the need of customers before carrying a product because of changing consumer preferences. The study will also identify the consumers’ perception and attitude towards emerging retail formats like unorganized and organized retail formats. And also impact of demographic factors on consumers’ shopping preference, and features influencing purchasing from these retail formats. A brief aspects covered in the study has been explained in this section.

**1.18. Overview of the Research**

The present study takes a holistic perspective of retailing. The study focused on Impact of organized and unorganized retailing on consumer buying preference. And also considering demographic factors impact on consumers shopping to purchase from these retail formats.
Model of Impact of Organized and Unorganized Retailing on Consumer Buying Preference

Emerging organized and unorganized retail outlets

Malls Specialty stores Hyper/supermarkets, Discount stores, Discount stores Convenience stores, Department stores

Kirana stores, pop and mom shops, mandis, melas, Fairs convenience store, angadi

Consumers' Demography

Consumer preference

Merchandise Features

Core Product Features
1. Improved quality
2. Variety of brands
3. Assortment of merchandise
4. Reasonable price

Secondary Product Features
5. Proper display of products
6. Warranty of products
7. Bundling offers
8. Easy Availability of products

Supplementary product attributes
9. Proper packaging
10. Exchange facilities

Shopping Experience Enhancer Features
1. Good Parking facility
2. Trained Sales personnel
3. Complete Security
4. Children play area
5. Nice in-store promotions
6. Convenient shopping hours

Store Environment Features
7. Adequate dressing rooms
8. Cleanliness of store
9. Pleasant ambience
10. Better location
The model for Impact of organized and unorganized retailing on consumer buying preference has been developed with the help of results and analysis on consumers' perspective. The above model depicts that demographic factors; and product and store feature of retailing affect consumers' preferences towards organized and unorganized retail formats. Equally important are the types of products and consumers buy shopping goods from malls, specialty stores and hyper/supermarkets as compared to other retail formats. Convenience stores and kirana stores highly preferred by consumers' for purchasing various goods.

1.19. Limitations of the Study

The study is limited only to Bangalore city only. As a result comparative study was not possible with the similar other tier I and II cities of interest to the retailers. The study is limited only to organized and unorganized retailing and its influence on consumer buying preference. But, the buying behavior of consumer differs with the Nation state, district. And even city wise due to the existence of diverse traditions and cultures prevailing in the country.

The study is limited to the following factors:

1. The study is limited to the Bangalore city.

2. The time horizon for this study was from 2010-2013.

3. Even though judgmental sampling method was employed, some respondents did not cooperate due to number of factors: like lack of awareness of the importance of surveys. Some respondents shown reluctance in expressing their frank opinion about buying preference in organized and unorganized retail outlets.

4. Although the questionnaire wording and concepts were clear (as indicated in the pilot testing results) few respondents had some difficulties in comprehending some of the concepts.
Choice of an appropriate research design and methodology is one of the most important aspects that pave the way for targeted outcomes in the research process. This chapter elaborates the detail of step by step approach employed for the research. The present study reveals the results based on primary and secondary data which have been analyzed using appropriate statistical tools. Though methodology applied at different phases of this study has also been explained. Finally, a brief overview of the rational of statistical methods used to test hypotheses like t-test, ANOVA, factor analysis, correlation and regression analysis is also outlined and also mentioned research framework.

1.20. Organization of Thesis

The thesis is divided into five broad chapters which are:

Chapter I : Introduction

This chapter is introductory in nature, lays down the foundation of the complete research. A broad overview of research aspects is presented with a close look at the present scenario and the objective with which the whole research was carried out is outlined. This chapter covers the scenario of Indian retail sector.

This present results of different empirical and descriptive research studies carried out in the area of retailing. The review helps to know emphasis and direction of research being done, the time periods of the studies, the scope conducted, the conclusions drawn from these studies, the objectives fulfilled and benefits accrued. It helps to identify the gaps in the earlier studies and avoids duplication of results and shift focus of emphasis in the right direction. Basic review of literature is divided into few categories viz. studies relating to overall retail scenario, consumers’ perspective, unorganized and unorganized retailing perspective and the limitations of the study.

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Chapter II: Research Design and Methods

This chapter highlights the research methodology used for analyzing the collected data. As the present study uses both primary and secondary data, complete description of sample taken, research procedures and measurement tools have been explained in this chapter. This chapter highlights the research plan.

Chapter III: Types of Retail Formats and its Analysis

This chapter highlights the different types of retail formats in India and different organized and unorganized retail formats in Bangalore and also profile of the Indian retail formats and profile of organized and unorganized retail formats in Bangalore.

Chapter IV: Results and Analysis of Impact of organized and unorganized retailing on Consumer buying Preferences

This section covers the hidden expectations and preferences of consumers towards emerging retail formats. In order to study the consumers’ preferences from emerging retail formats in Bangalore, a questionnaire has been framed covering all the aspects related to consumers’ perception, Preferences and attitude on organized and unorganized retail outlets. Questionnaires were distributed to 300 consumers on the basis of their demographic profile and filled questionnaires complete in all aspects have been taken up for analysis. Thus, this section highlights the results of primary data collected to analyze the consumers’, perception, preference and their attitude towards organized and unorganized retail formats.

Chapter V: Conclusion, Implications and Future Study

This chapter provides the summary of research results along with recommendations. Further, major findings of the study have also been presented. This chapter also covers revisiting of objectives and presents the implications of the study for consumers as well as for retailers. The study tries to identify and recommend some new area of research and future research can be carried out in these areas.

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