PREFACE

Retail industry one of the largest sector of the Indian economy, which is also considered as the largest employment provider. An important aspect of the current economic scenario in India is the emergence of organized retail. There has been considerable growth in organized retailing business in recent years and it is poised for much faster growth in the future. Major industrial houses have entered this area and have announced very ambitious future expansion plans. Transnational corporations are also seeking to come to India and set up retail chains in collaboration with big Indian companies. However, opinions are divided on the impact of the growth of organized retail in the country. Concerns have been raised that the growth of organized retailing may have an adverse impact on retailers in the unorganized sector. It has also been argued that growth of organized retailing will yield efficiencies in the supply chain, enabling better access to markets to producers (including farmers and small producers) and enabling higher prices, on the one hand and, lower prices to consumers, on the other. In the context of divergent views on the impact of organized retail, it is essential that an in-depth analytical study on the possible effects of organized retailing in India is conducted. Retailing and Customer satisfaction is a measure of how product and services supplied a company can meet the customer expectations. Customer satisfaction is still one of the single strongest predictors of customer retention. It’s considerably more expensive to attract new customers than it is to keep old once happy. In a climate of decreasing brand loyalties, understanding customer service and measuring customer satisfaction are very crucial. There is obviously strong link between customer satisfaction and customer retention. Customer perception of service and quality of product will determine the success of the product or service in the market. With better understanding of customer perceptions, companies can determine the customers need e actions required to meet the can customer’s needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out path future progress and
improvement. Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company. In a sharp contrast to the retail sector in developed economies, retailing in India – though large in terms of size - is highly fragmented and unorganized. With close to 12 million retail outlets the country has one of the highest retail densities worldwide. Retailing like rest of the world retailing is one of the largest industries in India with sales amounting to about $350 billion, but organized retail is estimated at only US$ 8 billion. It is country’s largest source of employment after agriculture, has deepest penetration into rural India and accounts to about 10-11 percent of India’s GDP and around 8 percent of the employment. Inefficiency in the existing supply chains presents further opportunity for organized players to draw on this large market even as lack of consumer culture and low purchasing power restricted the development of modern formats. Migration from unorganized to organized retail has been visible with economic development in most countries. The Indian retail industry is the fifth largest in the world. Comprising of organized and unorganized sectors, India 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 tastes and preferences of the consumers. The organized retail business in its new ‘avatar’ began its growth story in the country only after the liberalization of the economic policies. An USP of the new retail format, especially the malls, as a one-stop shop with the added advantage of entertainment and food courts, aim at making shopping an enjoyable experience for the discerning consumer-family. Initially, this industry showed a great promise, making rapid strides along its growth path but with the global recession of 2008 impacting the domestic retail scenario, a few major players have downed the shutters. However, the organized retail market appears to be poised on a phase of consolidation with mergers and acquisitions. The outcome of the policy debate on FDI in multi-brand retail could impact the growth trajectory of the industry.

The study brings out several findings that have serious policy implications. The organized retail which accounts for 5 per cent of the total retail trade is poised to grow at an annual rate of around 11 per cent and is likely to touch business levels of 53,000
billion by 2020. Agri-food retailing accounts for 18 per cent of the organized retail today and is likely to have a lower share (12 percent) by 2020. The study has identified a few major impediments, especially structural, hampering the growth of organized retail. Direct sourcing by retailers from farmers is less prevalent though it is most desirable and in the interest of all stakeholders. Credit has been an important facilitator for retail business and will be more so if the organized retail’s growth potential is fully harnessed. At present the credit low to this segment is low. Bankers have been handicapped by non-availability of an established protocol for measuring and evaluating risks in modern retail. Modern retail industry has tremendous potential to generate direct and indirect employment.

This phenomenon has given rise to number of questions related to mall culture, and organized and unorganized retail outlets in Mumbai. It also raised the questions related to consumer behavior their lifestyle. In view of these investigative questions and doubts the researcher made an attempt to conduct a research to study the Indian organized outlets and the changing behavior of the consumers.

Ms. Vijaya Jacquiline