Chapter V

Conclusions, Implications, Limitations and Future Study

The present chapter aims to recollect the various phases of the study. A summary of the research with the main findings has also been presented. Revisiting of objectives is essential to understand whether the purpose and aim of research has been achieved. Research contributions and implications of study have been listed. Limitations of the study have been pointed out. Recommendations based on the study have also been presented. Finally, the study throws light on future directions.

5.1 Summary of the Results

The literature review as well as the present study have yielded insight into a number of important aspects of retailing, i.e., emerging retail formats, consumers’ demography, product and store attributes influencing consumers’ choice, shopping and convenience goods purchased from different retail formats and important marketing strategies of retailers. Based on the literature review, data was collected through two questionnaires to get responses from 500 urban consumers and 62 retailers of Punjab.

The study assumes importance in the light of the fact that various studies conducted in India on retailing to cover important aspects of retailing have been of a limited range. The present study, in contrast, presents a very comprehensive view from consumers’ and retailers’ perspective. Consumers’ perspective includes choice of retail formats, impact of demographic factors on consumers’ choice, product and store attributes of emerging retail formats that influence consumers’ buying and types of goods purchased from different retail formats. Further, it also depicts the purpose to visit emerging retail formats and prospects of organized retailing in India. Retailers’ perspective includes the analysis of important marketing strategies of retailers and format-wise-choice of these marketing strategies. It also throws light on the prospects of organized retail in India as per retailers’ view.
5.2 Major Findings of Consumers’ Perspective

- Results of the study reveal that as income of the consumers increases, the tendency to purchase from malls increases.

- There is a difference in the buying behaviour of different age groups. Young consumers and adult consumers prefer malls and hyper/supermarkets as compared to other retail formats. On the other side mature consumers still prefer convenience stores and department stores for shopping.

- It is surprising to know that the level of education does not have much impact on consumers’ buying behaviour from different retail formats. Respondents from all levels of education (undergraduate, graduate and postgraduate) prefer malls and speciality stores for shopping.

- Consumers from service class and business class have almost similar preferences for emerging retail formats and both groups prefer malls and speciality stores. On the other hand, students and home-makers prefer hyper/supermarkets and convenience stores for shopping purposes.

- The results reveal that there is a significant difference between consumers’ choice of product and store attributes with reference to demographic profile of consumers (age, income, education and occupation).

- According to this study product attributes have been classified in three major categories, i.e., core product attributes, secondary product attributes and supplementary product attributes.

- Further core product attributes (improved quality, variety of brands and assortment of merchandise) and secondary product attributes (proper display of products and warranty of products) rather than supplementary product attributes influence consumers’ preferences while purchasing from emerging retail formats.

- Similarly store attributes have been categorized as shopping experience enhancers and store environment attributes.
• It is clear from the results that shopping is an experience and that is what consumers’ look forward to when they go to plazas and malls. Hence, consumers give preference to good parking facility, trained sales personnel and complete security which enhance their shopping experience. Adequate dressing rooms, cleanliness of store and pleasant ambience as store environment attributes also influence the consumers’ choice of emerging retail formats, but high priority has been given to shopping experience enhancers.

• Malls, speciality stores and hyper/supermarkets are highly preferred retail formats for buying various shopping goods like clothing, footwear, jewellery, furniture, electronics and bags and baggage.

• Though different retail formats are preferred while buying various shopping goods, it can be inferred from the results that speciality stores are the unique format of retailing for buying shopping goods.

• Convenience goods like food and grocery, stationery and confectionary are mostly purchased by consumers from convenience stores, discount stores and departmental stores.

• Results also highlight that consumers visit emerging retail formats not only for shopping but also for entertainment and enjoying food courts.

• As per consumers’ perspective, overall economic growth, growing consciousness of consumers, transformation in lifestyle and infrastructure development are the important factors contributing to the growth of organized retail in India.
5.3 Major Findings of Retailers’ Perspective:

Effective marketing strategies are instrumental in enhancing business activities for retailers. Based upon earlier literature, twenty marketing strategies of retailers were included in the study. These twenty strategies were categorized into five major strategies. These are: retention strategies, promotional strategies, image improvement strategies, pricing strategies and competitive strategies.

- Results highlight that retention strategies and promotional strategies emerged as important marketing strategies for retailers’ as these strategies had high percentage of variance in factor analysis. Retention strategies include understanding the customers, customer delight, store image and better environment and promotional strategies comprise of customer segmentation, personal selling, advertisement and entertainment facilities. The regression model also supports these results as promotion and retention strategies surface as important predictors of regression model with higher Beta value.

- For retailers of malls, hyper/supermarkets and speciality stores competitive strategies, retention strategies and image improvement strategies have an edge over other marketing strategies.

- Departmental stores, convenience stores and discount stores rely more upon promotional and pricing strategies.

- As per retailers’ perspective, transformation in lifestyle, growing awareness of consumers’, overall economic growth and employment generation are the important factors contributing to the growth of organized retail in India.
5.4 Revisiting of the Objectives:

It is important to revisit the objectives to understand whether the same have been met and how have they been achieved. Finally, on the basis of the results, it is essential to suggest the recommendations and areas of future research. The study had five research objectives.

The first objective of the research has been to examine the trends in the retail sector. The results from the secondary data (table 1.1) reveal the trends in organized retail sector in India during 2003 to 2009. It is clear from the data that there is an increase in the share of organized retail in all the categories. The share of total organized retail increased from 3.3 in 2003-04 to 4.1 in year 2008-09. Clothing and footwear, sports goods, entertainment and books, furniture and furnishing are the major categories demonstrating tremendous growth in organized retail sector. Moreover, the survey results from consumers’ perspective (table 4.30) and retailers’ perspective (table 4.35) depict that the overall economic growth, growing awareness of consumers, transformation in lifestyle, infrastructure development and employment generation are the major factors contributing to the growth of organized retail in India.

The second objective of the research has been to study the attributes that influence consumers’ preferences towards emerging retail formats. The present study covers two types of attributes, the product attributes and store attributes. Factor analysis has been applied for both product and store attributes to recognize the important factors covering different attributes. The results of the factor analysis as depicted in table 4.11 reveal that the core product attributes (improved quality and variety of brands) and secondary product attributes (proper display of products and warranty of products) are important product attributes as this factor scores higher loading value and high percentage of variance. On the other side, shopping experience enhancers (good parking facility, trained sales personnel and complete security) and store environment attributes (adequate dressing rooms and cleanliness of store) are important store attributes as shown in table 4.16 that influence consumers’ preferences towards emerging retail formats.

The third objective of research has been to study the product-wise preferences of consumers towards emerging retail formats. Two types of goods have been taken up in the study; shopping goods and convenience goods. The results of the study depict that for buying shopping goods like jewellery, furniture, clothing and electronics, consumers prefer speciality stores more as
compared to other retail formats as shown in table 4.27. On the other hand, convenience stores are preferred for buying various convenience goods like food and grocery, confectionaries and beverages (table 4.28).

Any study on retailing is incomplete without demographic analysis. Thus the next objective of the study has been to study the impact of demographic factors on consumers’ preferences of emerging retail formats. For this demographic factors (income, age, education, occupation and gender) have been taken up in the study. The results depict that income (table 4.2), age (table 4.3) and occupation (table 4.5) have a significant influence on consumers’ preferences of emerging retail formats. Demographic factors like education (table 4.4) and gender (table 4.6) have not emerged as important factors influencing consumers’ buying behaviour towards emerging retail formats. Furthermore, ANOVA has been applied to see whether there is the significant difference among various demographic factors and products attributes. The ANOVA results depict that demographic factors like age (table 4.7), income (table 4.8) and occupation (table 4.10) have significant difference with respect to product and store attributes.

Studies on Retail perspectives are equally important for consumers and retailers. The study could not have been complete without throwing light on retailers marketing strategies for emerging retail formats. Thus the final objective of research has been to suggest marketing strategies to retailers for better management. For achieving this objective, twenty marketing strategies have been taken on the basis of literature review. Factor analysis (table 4.31) has been applied on these twenty strategies and the results of the factor analysis disclose that retention and promotional strategies are preferred to the traditional strategies like pricing and competitive strategies. Similar results have emerged from regression model (table 4.33) as here also promotional and retention strategies are having higher Beta values. Further study outlines the format-wise-choice of retail marketing strategies as depicted in figure 4.11 which reveals that retailers of malls, hyper/supermarkets and speciality stores focus upon retention strategies, image improvement strategies and competitive strategies. In case of departmental stores, discount stores and convenience stores, promotional strategies are more acceptable. These results are extremely valuable not only for existing retailers but also for prospective new entrants as this study will help them in choosing the right mix of strategies.

The complete view of research has been depicted through figure 4.15.
Consumer Preferences for Emerging Retail Formats in Punjab

### Research Objectives

- To examine the trends in the Retail Sector.
- To study the attributes that influence consumers’ preferences towards emerging retail formats.
- To study the product-wise preferences of consumers towards emerging retail formats.
- To study the impact of demographic factors on consumers’ preferences of emerging retail formats.
- To suggest marketing strategies to retailers for better management.

### Research Methodology

- Primary Data
  - Questionnaire for consumers’
  - Questionnaire for retailers’
- Secondary Data
- Reliability & Validity
  - Pilot Survey for pre-testing the Questionnaires
  - Validation by Experts
  - Calculation of Cronbach Alpha

### Major Findings: Consumers’ Perspective

- Core product attributes (improved quality, variety of brands and assortment of merchandise) and secondary product attributes (proper display of products and warranty of products) influence consumers’ preferences while purchasing from emerging retail formats more as compared to Supplementary product attributes.
- Shopping experience enhancers (good parking facility, trained sales personnel and complete security) and store environment attributes (adequate dressing rooms, cleanliness of store and pleasant ambience) influence the consumers’ choice of emerging retail formats.
- Malls, speciality stores and hyper/supermarkets are preferred retail formats for buying various shopping goods like clothing, footwear, jewellery, furniture and bags and Baggage.
- Convenience goods like food and grocery, stationery and confectionary are highly purchased by consumers from convenience stores, discount stores and departmental stores.
- Consumers’ visit emerging retail formats not only for shopping but also for entertainment and enjoying food courts.

### Major Findings: Retailers’ Perspective

- Retention strategies (understanding the customers; customer delight; store image and better environment); and promotional strategies (customer segmentation; personal selling; advertisement and entertainment facilities) are two strategies that emerge as important marketing strategies for retailers’.
- Retailers’ of malls, hyper/supermarkets and speciality stores focus on competitive strategies, retention strategies and image improvement strategies.
- Departmental stores, convenience stores and discount stores focus more upon promotional and pricing strategies.
- Transformation in lifestyle; growing consciousness of consumers’; overall economic growth and employment generation are the important factors contributing to the growth of organized retail in India.

### Figure 4.15: Complete view of Research
The present study is useful not only for marketing researchers but also for consumers as well as retailers as it provides a comprehensive analysis of retailing. The implications for consumers as well as retailers are given below:

5.5 Implications for Consumers

- The present study suggests that consumers aspiring for entertainment with shopping should visit malls and hyper/supermarkets as these formats provide entertainment facilities to consumers like multiplexes, food courts and background music etc.

- Consumers looking for convenience, comfort and price should favor convenience stores, departmental stores and discount stores.

- Retail formats like malls, hyper/supermarkets are more ideal for young consumers and middle aged consumers with high income group.

- Mature consumers and middle income groups are inclined more towards convenience stores and discount stores.

- Speciality stores should be preferred for buying various shopping goods like jewellery, furniture and clothing, as these stores are highly conscious about quality and offer added product diversity. Consumers will get wide variety of product and a better quality in speciality stores.

- Convenience stores should be preferred for buying various convenience goods like food and grocery, beverages, and confectionaries, generally the low priced goods.

- Consumers should consider a mixture of product and store attributes which are important for them for choosing particular retail format.

- Consumers’ conscious of quality and looking for diverse product range should visit that retail format which is well equipped with core product attributes. Others who give importance to easy availability of products and convenience while shopping should frequent the retail formats equipped with secondary product attributes.
• Similarly for consumers who want additional facilities like parking facilities, trained sales personal and nice in store promotion, shopping experience enhancer attributes are important.

• Consumers searching for ambient facilities and cleanliness of store should visit retail format which is focuses more upon store environment attributes.

5.6 Implications for Retailers

• Retailers of malls, hyper/supermarkets and speciality stores should focus more upon retention strategies, image improvement strategies and competitive strategies for better management of their business.

• Convenience stores, departmental stores and discount stores need to focus upon promotional and pricing strategies as consumers. Pricing strategy may also help these formats to enhance their sales.

• Retailers need to opt for an appropriate mix of product and store attributes and various goods in their retail outlet. The present study will help them to choose attributes in a retail outlet as per importance given by consumers.

• The current research will facilitate retailers to segment consumers with similar needs and preferences on the basis of age and income. The results of the study depict that young consumers prefer malls more as compared to mature ones. So the retailers of malls need to target young consumers more.

• Now a days, consumers visit emerging retail formats not for shopping only but for entertainment also. So retailers should focus upon entertainment facilities, i.e., opening food court, children play area, background music etc. It will help retailers to keep consumers longer in the store and enjoy shopping.
5.7 Limitations of the Study

Like most research, a study can hardly be perfect. As such, this study also has few limitations. However, these limitations also present opportunities for future research. One of the important limitations of the study, as it is there in most of the cases, is that of non-availability of certain data. Response rates of the consumer’s were low as they were not ready to fill the questionnaires. To overcome this problem, certain steps have been taken, such as visiting the consumers personally to collect the data from them. This enhanced response rate to a certain extent. As the present study has also covered the retailers’ perspective, retailers were not ready to share the information and it was difficult to convince them. Another limitation has been that the results of the study are true for the sample chosen from northern region of India.

5.8 Recommendations for Future Research

Though the present study has covered all the important aspects of retailing from consumers’ and retailers’ perspective, the survey was limited to northern region of India. The future study may cover the other regions of India to have a comparative view of consumers’ and retailers’ perspective towards emerging retail formats. Further, case study analysis can be taken up by covering some specific retail formats. It will help to validate the results on the basis of case studies. Some emerging retail formats can be taken as test market and consumers’ purchase pattern can be observed from these test markets. Marketing strategies can be varied by retailers in these test centres to see how consumers respond to these strategies.