CHAPTER - V

FINDINGS, SUGGESTION AND CONCLUSION

5.1 Findings

5.1.1 Indian Retailing Industry

The Indian retail market is in its nascent stage; unorganized players accounted for 92 per cent of the market during 2015. There are over 15 million mom-and-pop stores. Between FY15-20, organized retail in India is expected to witness a CAGR of 24.57 per cent. Organized retail is expected to account for 24 per cent of the overall retail market by 2020. Favorable demographic and psychographic changes in the Indian consumer class, rising income, international exposure, availability of quality retail space, wider brand choice, and better marketing communications are some of the factors driving Indian retail.

5.1.2 Shopping Pattern

It is found that the consumer has the behavior of shopping in both organized retail store and unorganized retail store for the purchase of grocery goods. The consumers spend around INR.1000-3000 for grocery purchase in organized retail and unorganized retail store. The most frequently purchased grocery item by consumer in the organized retail and unorganized retail store are vegetables, staples items and fruits. The customer visit the organized retail and unorganized retail store once fortnight per month. The consumers travel shorter distance (1 km- 2 km) for unorganized retail store and the consumer travel longer distance (4Km-5Km) for organized retail store. The highly preferred organized store format is super market/departmental store for purchasing grocery items and the highly preferred unorganized store format is mom and pop store for purchasing grocery items.
5.1.3 Change in consumer behavior due to the emergence of organized retail store

The consumers feel that due the emergence of organized retail store there is an increased in impulse buying. The consumer has enhanced the impulse buying habits due to the emergence of organized retail store. The Organized retail store designs themselves in such a way that it appeals to the consumer for making impulse buying. The organized retailers do design a serene environment that appeals to the customers' emotions.

The shopping in the organized retail store has become leisure for the consumers. The shopping in the organized retail store provides a recreation to the customer. This implies that the customer prefer the retail shopping environment that is very cool and enjoyable. The customer would like to spend their time in a leisurely manner by purchasing assorted products in an effortless way.

The customer feels that the shopping budget has increased due to the emergence of organized retail store. The organized retailers influence the consumers by offering wider choice of products and services, better shopping experience, recreation and friendly interactions. This also increases the customers shopping frequency to the organized retail store.

Organized retailers provide comfortable shop ambience and also advanced technology for activities like computer billing, thereby reducing the average shopping time for customers. Products are systematically displayed on the racks with descriptive labels and price, so that customers can locate goods easily and take quick purchase decisions; this induces the customer to shop frequency in the organized retail store. Organized retailers develop and market their own brands called private labels which enhance the customer to add more branded products in the shopping basket. The organized retailing consumers are willing to travel distance for shopping in the organized retail store.
5.1.4 Retail format choice

The study reveals that store ambiance, brand availability and spread, quality of merchandise, entertainment factor and friendly store staffs are the important factors influence the customer to visit organized retail store. The Proximity factors found to be low importance to the customer while visiting the organized retail store.

The important factors influence the customer to visit unorganized retail store is convenience factor, proximity factor, quality of merchandise and store staff factor. The store ambiance factor and entertainment factor are found to be low importance to the customer while visiting the unorganized retail store. Thus it is found that unorganized retail store customer visit the unorganized retail store to minimize the effort of shopping by reducing the travel time.

The findings show that in the Indian retailing context, demographic factors of consumers do influence store format choice behavior in grocery retailing. More importantly, the consumer’s age, income, education, occupation, family size and distance travelled to store have the predictability towards organized retail and unorganized retail store format choice behavior. Thus it is observed that store format choice is a hierarchical process which depends on demographic attributes and current needs of a consumer.

5.1.5 Consumer shopping value

The shoppers choose and return to the retailers who offer superior value, as defined by customers. It is found that the consumer gain high hedonic value and good utilitarian value with regards to organized retail store. Thus the customers recognize hedonic values in organized retailing store since the store atmosphere facilitate with entertainment facilities like music, events, refreshment facility, recreational centers, etc. makes the shopping more entertaining. The consumer feels that visiting the organized
retail store remove their strain, negative emotions and creates emotional bonding. This shows that the organized retailing consumer do shopping for the sake of intrinsic enjoyment rather than to solve some problems. These shoppers are low on need based buying, high on idea shopping and have high unplanned purchases. Window shopping and storage display is important to them. Location of the store is not important criteria for purchase of items.

The consumer gain high utilitarian value and low hedonic value with shopping in the unorganized retail store. This shows that the unorganized retailing consumer do shopping on need-based buying, low on idea shopping and never resort to unplanned purchase.

The study found that the hedonic shopping values and utilitarian shopping value show significant positive influence of customer satisfaction. Thus the customer satisfaction is strongly associated with both utilitarian and hedonic shopping values specifically in organized shopping.

The study found that the utilitarian shopping values shows significant positive influence of customer satisfaction. Thus the customer satisfaction is strongly associated with utilitarian values specifically in unorganized shopping.

### 5.1.6 Consumer Satisfaction

The consumer is satisfied with grocery shopping in organized retail and unorganized retail store. The organized retail store shopper found the store ambiance, brand availability and spread, quality of merchandise, entertainment factor and friendly store staffs as the most important store attributes influencing the consumer satisfaction. The unorganized retail store shopper found convenience factor, proximity factor, and quality of merchandise as the most important store attributes influencing the consumer satisfaction.
Customer satisfaction has a strong influence on loyalty, which means that customers who are satisfied tend to continue shopping and recommend the retail store to others for both organized retail and unorganized retail store.

5.1.7 Repeat patronage Behavior

With regard to the organized retail store, the consumer is positive with the Word-of-mouth information, less with switching to competitors, have good willingness to pay more for grocery product and positive response with the organized retail store.

With regard to the unorganized retail store, the consumer have an good Word-of-mouth information, less with switching to competitors, have normal willingness to pay more for grocery product and good response with the organized retail store.

When compared with the unorganized retail store, the organized retail store repeat patronage behavior is high.

5.1.8 Other Findings

The study found that the store selection criterion and shopping values is the reliable predictor of customer satisfaction and re-patronage behavior for both organized retail and unorganized retail store.

5.2 Suggestion

5.2.1 For Unorganized retailers

The organized retailers enjoy a strong edge towards the visual display of merchandize that attract the consumer while doing shopping. Thus unorganized retailers can go for modernizing the ambience of their stores, improving the visual display, and at times, even adopting a self-service format for attracting the consumer.

The unorganized retailers need to be responsive to the competitive retail market dynamics created by the organized retail formats in order to sustain their business and serve their target customers in a profitable manner. The change process requires the
unorganized retailers to reshape their existing business practices of dealing in a limited variety of product alternatives to offering the complete assortment in the product categories handled by them. This 'category killing' approach would become imperative for the continued survival of unorganized retailers. If the unorganized retailers adopt this approach, together with the various forms of convenience that they already offer, they would be able to stand up to the competition from the organized retail formats.

Organized retailers provide comfortable shop ambience and also advanced technology for activities like computer billing, thereby reducing the average shopping time for customers. Products are systematically displayed on the racks with descriptive labels and price, so that customers can locate goods easily and take quick purchase decisions.

Electronic weighing gives customers the advantage of higher flexibility in the quantity of purchase as against standard quantities dictated by unorganized vendors. Organized retailers develop and market their own brands called private labels. This offer advertisement promotions and are limited to their own shops only, thereby leading to 30-40% price advantage for the consumer without compromising on quality. The researcher suggests unorganized retailers to adopt advanced technology and introduce private label brand for attracting the consumers.

It is imperative to understand consumer demographic attributes prior to segment, target and positioning the unorganized retail store.

It appears that the utilitarian and hedonic shopping value influences the satisfaction, in turn, satisfaction influence repeat patronage behavior. Thus therefore, unorganized retailers should strive to deliver utilitarian and hedonic shopping value on a consistent basis in order to maintain consistent satisfaction levels to enhance consumer loyalty, word of mouth and share of purchases.
5.2.2 For Organized Retailer

The retailer should understand the basic behavior of the shopper and should give due importance to customer service, and convenience aspects of retailing environment. Special attention to every customer and personal assistance to him while shopping adds to his confidence and he feels motivated and delighted with the feeling of being treated as important. This feeling in him of being considered as important and special will surely help the retailer to attract and retain the customer with him for a longer time and will build confidence of the shopper in him. The findings of the research suggest that the customer always looks for convenience. He wants comfort and ease at shopping place, things and places that are inconvenient to him are generally avoided by him. Thus, it is suggested that retailer should take due care of customer convenience at his premise like there should be spacious walkways, aisles, shelving, parking facilities and adequate number of POS terminals to avoid or reduce waiting time in queues.

The organized retailers should train and develop their personnel’s in dealing the human aspect of the customer so as to build up a positive perception and increase his preference level towards the retailer. This will create the values and attitudes that shape the store and product / brand choice criteria of the customers giving a personal touch to the shoppers.

Elements of fun and entertainment in a store lead to longer time spent. Retailers may organize small events from time to time. Having exclusive happy hours during lean hours of the day for the customers to attract them to visit outlets more frequently and thus cement their relationship with the store.

Store space utilization and layout affect traffic patterns inside the store. Store entrance, aisles and lighting should enhance the image of the store to encourage
customers to wander around and be stimulated. Special zones could be created to appeal to the shoppers to stay longer and explore the shopping experience further.

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5.3 Conclusion

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country’s Gross Domestic Product (GDP) and around 8 per cent of the employment. India's retail market is expected to expand at $1.3 trillion by 2020 and the GDP is set to grow at 8 per cent over the next three years, making it the world's fastest-growing major developing market. India’s retail market is driven by income growth, urbanization and attitudinal shifts.

The study is done to find out the change in the Indian retail industry with special reference to grocery sector and its implication to the consumer behavior. The researcher found that the Indian retail market is in its nascent stage; unorganized players accounted for 92 per cent of the market during 2015. There are over 15 million mom-and-pop stores. Between FY15-20, organized retail in India is expected to witness a CAGR of 24.57 per cent. Organized retail is expected to account for 24 per cent of the overall retail market by 2020.
The consumer has the behavior of shopping in both organized retail store and unorganized retail store for the purchase of grocery goods. The consumers feel that due to the emergence of organized retail store there is an increased in impulse buying, enhancement in the shopping budget, offers leisure to the consumers while shopping and increases in the customers shopping frequency.

The study reveals that store ambiance, brand availability and spread, quality of merchandise, entertainment factor and friendly store staffs are the important factors influence the customer to visit organized retail store and convenience factor, proximity factor, quality of merchandise and store staff factor are important factors influence the customer to visit unorganized retail store.

The consumer gain high utilitarian shopping value in organized retail store and the consumer gain high utilitarian value shopping value in unorganized retail store.

The analysis also shows that the organized retailers score better over the unorganized retail store, which is indicative that the consumers’ need for better attributes in terms of their demand for offers, cleanliness, ambiance and store brands. This means that unorganized retail store are facing the threat from the organized retailers in terms of providing the matching attributes and shopping experience. Location being one of the primary deciding factors for grocery purchase, the unorganized retail store presently have an advantage, but with corporate involvement and large business houses like Reliance, Bharti and RPG Enterprises coming into foray by opening stores in residential areas like the small-box retailers, this advantage seems to be short lived.

The study proved that store selection criteria and shopping values is the reliable predictor of customer satisfaction and re-patronage behavior for both organized retail and unorganized retail store.
5.3.1 Scope for further study

Concerning future investigation, the researcher suggests that a similar study for non-grocery retailers can be undertaken; it would also be interesting to compare various formats of organized retail. Finally, it would be interesting to study thoroughly and separately, both the unorganized retail store and unorganized retail store.
Bibliography