

CHAPTER-2

REVIEW OF LITERATURE

In India, the rapid development in this sunrise sector accelerates the need for the right kind of employees who can take care of retail operations. The success of any player in this lucrative sector depends not only on understanding target market and implementing marketing mix strategies but also on how effectively a retailer develops systems of high performance work practices including comprehensive employee recruitment and selection procedures, incentive compensation and performance management systems, and extensive employee involvement and training. Business confidence in India will get a boost if the new government that comes to power after the national elections next year is strong-willed, stable and business-focused, Colin Dyer, president and chief executive officer of global real estate services firm Jones Lang LaSalle Inc., said in an interview. Dyer, who is on a visit to India, said the country remains a high-risk market because of transparency and regulatory issues. Edited excerpts: How has been the year 2013 for the real estate market in India? The global economy has been improving in 2013 till now. In India, in general, the growth rates have been slowing. So, in India, the growth rate has continued to reduce, whereas the growth rate is improving in the rest of the world. There is your answer. Political, regulatory and taxation

uncertainty: these are the prime reasons why Indian corporate themselves have been hesitant to invest (in real estate) and why people have been hesitant to spend. But outside India, gradually people are forgetting the euro crisis¹.

Retail is currently the flourishing sector of the Indian economy. This trend is expected to continue for at least the next two- three decades, and it is attracting huge attention from all entrepreneurs, business heads, investors as well as real estate owners and builders. Availability of quality, retail space, wider availability of products and brand communication are some of the factors that are driving the retail in India Retail sector is also supporting to create huge employment while a new form of organized retail sector has emerged within the retail industry and it gave speedy phase to Indian retail sector. The rationale of the study is twofold: First, to examine the nature of changes in the retail sector taking place due to organized form of retailing and implications of shift to this new form of retailing. Secondly, this area has remained largely an unexplored part of research till date especially in the Indian context. The broad objective of the study is to understand consumer behaviour towards organized and unorganized retail stores and to find out the consumers satisfaction level from organized retail

¹Akash, S.B. (2009), Opportunities and challenges of retailing Business In India-An Explanatory Study, KAIL Journal of Management And Research, 2(1).

stores as well as unorganized retail stores. The perception of the traditional retailers about the modern retailing has been changed.

The coming time of retail sector in India is swerving- on one side organized retail is marching into life of urban consumers, while on the other our own neighbourhood 'Grocery stores' are resisting fiercely with their existing strong foothold. India today is at the crossroads with regard to the retail sector. A shift between organized and unorganized retail sector is evident, which has led to a number of speculations on the fate of Indian retail. Unorganized sector cannot ignore. In any newspaper or television channel, we find hordes of news about happening in organized retail sectors, which is indeed fairly real situation. While the role of organized retail sector in growth of economy cannot be denied, but one thing is also of extreme importance that unorganized retail format is a support to a large chunk of population- providing direct employment to 39,500,000 individuals. So there is no way that government or anyone can discount these foundation stone of Indian economy².

Foreign direct investment policy has been changed frequently since 1991 to make it more transparent and attractive to the foreign investors. FDI up to 100 per cent is allowed under automatic route for all sectors/activities except activities that attract industrial licensing, proposals where foreign

²Shiv kumar, S(2009),Executive Director, Retail and Consumer Practices Price Warehouse Cooperative, India Retail Report, An Images F&R Research, pp.6.

investors had an existing joint venture in same field, proposals for acquisition of shares in an existing Indian company in the financial sector and those where automatic route is not available. The only sectors/activities where FDI is not permitted are agriculture and plantations excluding tea plantations, real estate business (excluding development of townships, housing, built up infrastructure and construction development projects-NRI/OCB investment is allowed for the real estate business), retail trade, lottery, security services and atomic energy. Government has simplified procedure, rules and regulations on a regular basis since 1991 to make Indian economic environment foreign investor friendly.³ Attempt has been made through FDI policy to make India the hub of global foreign direct investment as well as in economic activities.

A start can be made by collecting and analysing information on the activities and foreign investments of the 500 largest trans-national companies. The analysis would identify the sectors of interest to each of these 500 companies. This could be followed by the setting up of sector specific high-level special groups and the apportioning of the 500 companies among them according to their likely sector of interest in India. This would include sectors like electronics and computers, machinery and

³ See for detailed change in the FDI policy and regulation procedures from 1991 to 2005 in Government of India, Hand book of industrial statistics 2003-2005, Department of industrial policy and promotion board, ministry of commerce and industry, 2005.

equipment (including electrical), chemicals and cosmetics, motor vehicles and parts, food and beverages and services (utilities, telecom, media, publishing, retailing, trading) and other manufacturing (paper, packaging, rubber/tyres, steel, construction materials). Marketing expertise should be drawn upon by the special groups in devising a strategy for contacting and persuading each of these companies to make large investments in India.

The face of Indian consumerism is changing: not Indian consumerism is evolving from Bajaj Scooter family man to Bajaj Pulsar trendy youngster. This changing consumer's taste and lifestyle, somewhere automatically give some advantage to organized sector. This makes imperative for unorganized retail sector to restructure itself in order to withstand the increasing competition and to meet consumer expectations by moving with trends. What they can do and what they are doing, some of these issues will be discussed in future parts of article.

2.1 ROLE OF GOVERNMENT

As in other countries, government policy can and should play an important role in modernizing the unorganized sector and improve its competitiveness. But question is what should be exact role of government. Should it go for policies for protection of traditional retailers by restricting organized retail or encourage organized retail to reap benefits that are generated by it? What should be mechanism to promote or protect one or

other? Can government act only as a facilitator or enablers or both? In the said context, it is imperative to develop a strategic roadmap for unorganized retail form to be able to survive, compete and keep the economy growing. Retail Trends in past few years: Before the decade of eighties, India with hundreds of towns and cities was a nation striving for development. The evolution was being witnessed at various levels and the people of the nation were learning to play different roles as businessmen and consumers. The foundation for a strong economy were being laid, youth were beckoning new awareness in all spheres. And this brought in an opportunity for retail industry to flourish. First in the metros and major cities later to impact sub urban and rural market as well. Retailing in India at this stage was completely unorganized and it thrived as separate entities operated by small and medium entrepreneurs in their own territories⁴. There was lack of international exposure and only a few Indian companies explored the retail platform on a larger scale. From overseas only companies like Levi's, Pepe, Marks and Spencer etc. had entered targeting upper middle and rich classes of Indians. However as more than 60 % population was formed by lower and lower middle class people, the market was not completely captured. This was later realized by brands like Big

⁴Murthy, G. K. (2012). Women and Corporate Leadership- in Indian Perspectives. IRACST International Journal of Research in Management & Technology. 2 (4) PP 377-382.

Bazaar and Pantaloons who made their products and services accessible to all classes of people and today the success of these brands proves the potential of Indian retail market. A great shift that ushered in the Indian Retail Revolution was the eruption of Malls across all regional markets. Now at its peak, the mall culture actually brought in the organized format for retailing in India which was absent earlier. Though malls were also initially planned for the higher strata, they successfully adapted to cater to the larger population of India. And it no wonder, today malls are changing the way common Indians have their shopping experience. However there is still great scope for enhancing Indian mall culture as other than ambience and branding many other aspects of Retail Service remains to be developed on international standards. it is surprise that there was not a single mall in India a decade before and just a few years ago only a handful of them were striving, today there are more than 50 malls across different cities and 2 years from now around 500 malls are predicted to come up.

In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the India Retail Industry to grow faster. Indian retail is expected to grow 25 per cent annually. Modern retail in India could be worth US\$ 175-200 billion by 2016. The Food Retail Industry in India dominates the shopping basket. The Mobile phone Retail Industry in India is already a US\$ 16.7 billion business, growing at over 20

per cent per year. The future of the India Retail Industry looks promising with the growing of the market, with the government policies becoming more favorable and the emerging technologies facilitating operations.

India started its Retail Journey since ancient time. In ancient India there was a concept of weekly HAAT, where all the buyers & sellers gather in a big market for bartering. It takes a pretty long times to & step to shape the modern retail. In between these two concepts (i.e. between ancient retail concept & the modern one there exist modern kirana/ mom and pop shops or Baniya ki Dukan. Still it is predominating in India, so the Indian retail industry is divided into two sectors- organized and unorganized. Retailing is one of the pillars of Indian economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be US\$ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people⁵.

India's retailing industry is essentially owner manned small shops. In 2015, larger format convenience stores and supermarkets accounted for about 6 percent of the industry, and these were present only in large urban centres.

India's retail and logistics industry employs about 50 million Indians (3.3% of Indian population). The retail industry in India is highly fragmented and

⁵MANIKYAM, D. K. (2012), Oraganised Retailing in India-Challenges and Opportunities. Asia Pacific Journal of Marketing & Management Review, Vol.2.

unorganized. Earlier on retailing in India was mostly done through family-owned small stores with limited merchandise, popularly known as kirana or mom-and-pop stores. In those times, food and grocery were shopped from clusters of open kiosks and stalls called mandis. There were also occasional fairs and festivals where people went to shop. In the twentieth century, infusion of western concepts brought about changes in the structure of retailing. There were some traditional retail chains like Nilgiri and Akbarallys that were set up on the lines of western retail concepts of supermarkets. The government set up the public distribution system (PDS) outlets to sell subsidised food and started the Khadi Gram Udhayog to sell clothes made of cotton fabric. During this time, high streets like Linking Road and Fashion Street emerged in Mumbai. Some manufacturers like Bombay Dyeing started forward integrating to sell their own merchandise. Shopping centres or complex came into existence, which was a primitive form of today's malls⁶.

Since liberalisation in early 1990s, many Indian players like Shoppers Stop, Pantaloon Retail India Ltd (PRIL), Spencer Retail ventured into the organised retail sector and have grown by many folds since then. These were the pioneers of the organised Indian retail formats. With the opening

⁶Chaudhary Shalbha (2011). Empirical study of Indian unorganised retail sector and the reality of FDI in organised retail, International Journal of Business Economics and Management Research Year: 2011, Volume : 2, Issue : 6 First page : (1) Last page : (11) Online ISSN : 2229-4848.

up of foreign direct investment in single-brand retail and cash-and-carry formats, a new chapter unfolded in the retail space. Many single-brand retailers like Louis Vuitton and Tommy Hilfiger took advantage of this opportunity. The cash-and-carry format has proved to be an entry route for global multichannel retailing giants like Metro, Wal-Mart and Tesco.

Indian retail is dominated by a large number of unorganized retailers consisting of the local kirana stores, chemists, footwear shops, apparel shops, paan and beedi shops, hand-cart hawkers, pavement vendors, etc. Retailing in unorganized sector is thus not a profit oriented vocation but a mere source of livelihood. Naturally, the capital investment is very low and the infrastructure is rudimentary. It is estimated that less than 4% of Indian retailers have shops larger than 500 square feet. There has been considerable growth in organized retailing business in recent years. Concerns have been raised that the growth of organized retailing may have an adverse impact on retailers in the unorganized sector.

Unorganized retail sector it is defined as an outlet run locally by the owner or caretaker of a shop that lacks technical and accounting standardization. The supply chain and sourcing are also done locally to meet the local needs. Unorganised retailing, refers to the traditional formats of low-cost retailing, for example, the local Kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc. The Indian retail sector is highly fragmented with 97 per cent

of its business being run by the unorganized retailers. The organized retail however is at a very nascent stage. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10 per cent of India's GDP.

2.2 INCREASING TREND OF ORGANISED AS WELL AS UNORGANISED RETAIL SECTOR IN INDIA:

Retailing in India as also elsewhere in the world is divided into organized and unorganized retailing. Organized retailing refers to trade activities undertaken by the licensed retailers i.e, those who are registered for sales tax, income tax etc. These include the corporate backed hypermarket, retail chains and also the privately owned large retail business. Unorganized retailing, on the other hand, refers to traditional format of low cost retailing, for example the corner store (kirana i.e. grocery shops),owner manned general stores, Cigarette shops, convenience store, hand cart, pavement vendor etc. Unorganized retailing is the most prolific and visible form of retailing in India while the organized retailing constitutes only a very small percentage (3-4%). The reasons as to why Indian retailing is so fragmented or unorganized in nature lies in her entrenched poverty and the fact that a large number of educated unemployed and superfluous labor takes refuge in retailing in the face of joblessness and glaring poverty⁷.

⁷Dashora, (2013) Problems Faced by Working Women in India. International Journal of Advanced Research in Management and Social Sciences, 2(8), PP (82-94).

Since technological developments favour the new advertising methods or the expansion of existing ones, on-going analysis of its effects is required. For example, more needs to be understood about how advertising influences children, a generation growing up with unprecedented exposure to commercial messages. Furthermore, with the Internet continuously changing how marketers communicate with customers, a definition of acceptable practices is still unfinished business. Other technological developments, such as the personal video recorder, which can automatically delete commercials as it records programs, are modifying the "paid for by advertising" model applied to content programming- and the impacts of yet-to-be developed economic models for creating entertainment content may be significant, perhaps including increased costs for consumers as well as traditional retailers are not very much clear about the consequences of the modern retailing the traditional retailers are neutral or undecided, modern retailing will cut the profit margin of the traditional retailers; the modern retailing will lead healthy competition in the market, modern retailing will reduce the sales volume of the traditional retailers and traditional retailers should improve customer care services in the era of modern retailing”.

Dave Sumita, Shikha Sondhi and Saket Ranjan Praveer⁸(2008)

highlighted that in organized retail, the status of employment is much better than that in unorganized retail. Hence it is definitely desirable that more and more labour gets absorbed in this sector of retail. In the current context, the labour employed in unorganized retail stands unfit for finding employment in organized retail. If appropriate training and skills could be imparted to them, it is possibly feasible to offer better forms of employment to them in the organized retail sector. The status of employment is much better than that in unorganized retail. Hence it is definitely desirable that more and more labour gets absorbed in this sector of retail. In the current context, the labour employed in unorganized retail stands unfit for finding employment in organized retail. If appropriate training and skills could be imparted to them, it is possibly feasible to offer better forms of employment to them in the organized retail sector.

Somjee (1989)⁹ has some very strong critical comments. She has said that “in the history of women’s studies, which is not very long, a variety of approaches have been adopted in order to understand women’s problems and find solutions to them. such approaches range from how women are perceived in various cultures and historical settings, given their biological

⁸Dave Sumita, Shikha Sondhi and Saket Ranjan Praveer, Effectiveness of E-Tailing in the era of Techno Revolution in retailing With respect to Vending Machines-Journal of Marketing and Communication, 4, (71-79) (2008).

⁹ ibid

functions and what nature 'intended' them to do, to their decline in power and status vis-à-vis men in the complex social evolution, to a widely shared emphasis on the need to make women equal through the economic on the need to make women equal through the economic and legal route which treats them as individuals rather than those having the sole responsibility for looking after the family." Okolo (1989) studied that another obstacle is the lack of role models of executive women due to their scarce presence in top managerial positions. Likewise, this study found out that there is no gender difference in organizational hierarchies when a woman has already gained access to them. "The lack of impact in women can occur because executive and managerial women have developed survival features becoming immune to the effects of men's hierarchies. A hierarchy composed by men solely may have an effect upon the election of a managerial board, and then its further influence is not very strong." The World Bank (1991) estimates that Indian Women make up one-third of the labour force. Singhal (1995) is of the opinion that, "Participation of women in workforce is essential for economic development and population planning." Eggins (1997) advocates for more facilities to women in the workplace, suggesting that "...it is an important part of developmental strategy as well as an act of social justice". Mitra (1997) analyses the causes and comes to some important conclusions: "Relationship between women and professions could be perceived as one of women in full-fledged

professions, medicine, law, academics, etc and another in the semi-professions-like nursing, teaching, clerks etc.” Wentling (2003) showed that the twin roles of women cause tension and conflict due to her social structure which is still more dominant. In her study on working women in Delhi, she has shown that “traditional authoritarian set up of Hindu social structure continues to be the same basically and hence women face problem of role conflict change in attitudes of men and women according to the situation can help to overcome their problem¹⁰.” Along with this to investigate if consumer online patronage is influenced by product category and online store type. Building on the prior work in this area by the authors and other researchers the study collected data in two phases to investigate the study hypotheses. The study results suggest that consumers' online patronage is differed based on product type. Interaction effects of the online stores and product type were significant too. Additionally, the rank order of importance of the Internet attribute varied among the three types of online retailers. The study results should be replicated in other markets. Future studies may also include a variety of different types of online outlets to improve the conclusiveness of the findings reported in this study. The results should be of interest to the online retailers in choosing the types of merchandise and services to emphasis in the retailers marketing program.

¹⁰Yuvarani, R. (2010), Future Trends of Retail in India.

The paper should be of interest to academicians as well as practitioners as it contributes to the small but growing literature in the area of online retailing. It adds to the literature on the product classification paradigm as well as offers practical guidelines for managers. As the study focuses to investigate e-tail store attributes that develop customers' positive perceptions of e-tail store image, and determines whether or not they develop a sense of loyalty to an e-tailer. Acknowledging the importance of customer retention, this paper is designed to examine e-customer loyalty intentions toward the e-tailer. To understand the concept of loyalty toward an e-tailer, this study focuses on the importance of the final stage of the customer decision-making process: post-purchase evaluation. This paper develops a model that describes the extent to which e-tail store image (derived from a set of e-tail store attributes) indicates patronage intentions and finally predicts customer loyalty. We use the structural equation modelling to test the model and hypotheses. Results in this paper indicate that e-tail store image is derived from e-merchandise, e-service, and e-shopping atmosphere attributes, all of which support the way consumers shop. A favourable e-tail store image positively influences e-patronage intentions, which thus leads to e-loyalty. The research in this paper provides a conceptual model that will help e-retailers better articulate how and why consumers may be e-loyal shoppers. Second, the research

identifies attributes, unique to online shopping that serve as the basis for conceptualizing e-tail image as a second order factor.

Gellner (2007)¹¹ explains in this context that in most retail meetings and/or publications, hardly ever is there any talk on problems that modern retail formats are encountering doing business in India. There is a significant profitability challenge, to deliver the brand promise in terms of quality and geographic spread in line with the growth in consumer demand.

Nagesh (2007)¹² describes that Indian retailing will see a sea of change in the next five years, driving consumption boom never seen in the history of any country. From a drought situation we will see a flood of modern retail, So Indian retail will be on a steady ground of sustained growth year after year and thereafter.

Biyani (2007)¹³ describes that we are on the cusp of change wherein a huge, multicultural India is transforming from a socialist economy to a consumption-led, creative economy. The scope and depth of change that is taking place due to the revolutionary retail market with a gigantic opportunity for marketers and retailers, not only in large cities but also in

¹¹Gellner, A. (2007), The sportswear Retail segment: Problems & Prospects, India Retail Report, An Images F& R Research, pp.202-204.

¹²Nagesh, B.S (2007), Indian Retail The Way Forward, India Retail Report, An Images F & R Research,pp.246-248, www.indiaretailing.com.

¹³Biyani, K. (2007), CEO, Future Group “Retailing in the creative economy”, India Retail Report, An Images F&R Research, pp.330-333.

small towns. So retailing can play a significant role in creating the India of tomorrow.

Kearney (2007)¹⁴ explains that the retail sector provides a unique platform to India .Government, both central and state, need to engage with the sector and utilize its potential for social development. So the Indian market and its consumers poised for a retail consumption explosion that will continue for future.

Gibson, CEO Retail Association Of India opines (2007)¹⁵ that modern retailing today is growing faster than expected while the current growth rate is around 30 percent, the sector is expected to grow at 40-50percent on a year basis. There is a hectic activity in the sector in terms of expansion, entry of international brands and retailers as well as focus on technology, operations, infrastructure and processes. All these present a tremendous opportunity in this high growth industry.

Mohanty& Panda (2008)¹⁶ opines about retailing as a sector of India occupies important place in the socio-economic growth strategy of the country. India is witnessing retailing boom being propelled by increasing urbanization, rising purchasing power parity (PPP) of ever growing India's middle class, changing demographic profiles heavily titled young

¹⁴Kearney, A.T. (2007) India: The next retail growth story', India retail report, An Images F&R Research,pp.228-233.

¹⁵Gibson,G. (2007) 'Who will buy the Most? Business Line, (Brand Line) p.1.

¹⁶Panda, A.K.& Mohanty, S.(2008),Emerging Retail Trends in India, The Orissa Journal of Commerce, Vol.XXIX, NO.2, Bhubaneswar, July, pp.81-89.

population, technological revolution, intense globalization drive etc. The purpose of this paper is to look into the relationship between the physical aspects of a retail store, product-related attributes, personal interaction with customers and perceived reliability and corporate brand image in an offline or bricks and mortar context. The study is based on 511 interviews conducted in various bookstores and uses structural equation modelling as a statistical tool for concluding the above. The paper argues that physical aspect of a retail store, product-related attributes and personal interaction with customers will have a significant and positive direct effect on the offline corporate brand image whilst there was no significant connection between reliability and corporate brand image. It also provides a background for further studies which can extrapolate the current thinking into other sectors in order to validate or refute the results presented here.

M. Joseph, S. Nirupama, M. Gupta and S. Sahu¹⁷ (2008) attempted to rigorously analyze the impact of organized retailing on different segments of the economy. The findings of this study are based on the largest ever survey of unorganized retailers (the so-called “mom and pop stores”), consumers, farmers, intermediaries, manufacturers, and organized retailers in addition they reviewed international experience, particularly of

¹⁷Mathew Joseph, N. S. (2008). Impact of Organized Retailing on the Unorganized Sector. Impact of Organized Retailing on the Unorganized Sector , 1-7.

emerging countries of relevance to India, has also been carried out as part of the study.

Mathew Joseph (2008)¹⁸ explains that the unorganized retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit in the initial years after the entry of large organized retailers. The adverse impact on sales and profit weakens over time. There was no evidence of a decline in overall employment in the unorganized sector as a result of the entry of organized retailers. There is some decline in employment in the West region which, however, also weakens over time. The rate of closure of unorganized retail shops in gross terms is found to be 4.2 per cent per annum which is much lower than the international rate of closure of small businesses. The rate of closure on account of competition from organized retail is lower still at 1.7 per cent per annum. There is competitive response from traditional retailers through improved business practices and technology up gradation. A majority of unorganized retailers is keen to stay in the business and compete, while also wanting the next generation to continue likewise. Small retailers have been extending more credit to attract and retain customers. However, only 12 per cent of unorganized retailers have access to institutional credit and 37 per cent felt

¹⁸Joseph Mathew, Nirupama soundararajan, Manisha Gupta, and Sangha Mitra Sahu Impact of Organised Retailing on Unorganised Sector Working paper ICRIER, 222 (2008).

the need for better access to institutional credit and 37 per cent felt the need for better access to commercial bank credit. Most unorganized retailers are committed to remaining independent and barely 10 per cent preferred to become franchisees of organized retailers to commercial bank credit. Most unorganized retailers are committed to remaining independent and barely 10 per cent preferred to become franchisees of organized retailers¹⁹.

The purpose of this paper is to identify the main determinants of fashion store personality, as perceived by the shopper. It aims to discover factors that are responsible for specific store personality trait perceptions in order to understand how these humanlike personality traits are induced in a retailing context. With this end in mind, a qualitative exploratory study was undertaken. Respondents were asked which fashion stores they considered to embody these specific personality traits and they were probed for the sources of inference they used. The findings reveal that the store environment and store design particularly is an important factor in determining the personality of fashion stores. Also, other factors such as corporate social responsibility, reputation, service level, the salespeople, the merchandise sold, price/quality perceptions and the consumer base determine perceptions of “genuineness”, “solidity”, “sophistication”,

¹⁹Sivan, S. & Sathyamoorthy, K(2014) Management of Occupational Stress And Work life balance Among Women Managers In Indian Industries - A Contemporary Issue. Indian Journal OF Applied Research.4(12) PP 144-146.

“enthusiasm” and “unpleasantness”. A better understanding of the determinants of fashion store personality is essential for retail managers who wish to reposition their stores.

Akash (2009)²⁰ says that Retail business in India, as anywhere else in the world, plays a crucial role in an economy. Retail in India has the potential to add value over Rs 2,00,000 crore (\$45billion)business by the year 2010 generating employment for some 2.5 million people in various retail operations and over10 million additional workforce in retail support activities including contract production and processing, supply chain and logistics, retail real estate development and management.

The purpose of this paper is to compare and contrast customer perceptions related to satisfaction with conventional grocery stores as compared to specialty grocery stores. The study examines store attributes of product assortment, price, quality, and service in order to determine which attributes have the greatest impact on store satisfaction for each store format. A mail survey was sent to a sample of specialty and conventional grocery store customers. The ten state sample was drawn from US households located in postal (ZIP) codes in areas where national specialty stores (e.g. whole foods) were located. Perceptions of satisfaction were higher among specialty grocery store customers compared to conventional

²⁰Akash, S.B. (2009), Opportunities and challenges of retailing Business In India-An Explanatory Study, KAIL Journal of Management And Research, 2(1).

grocery store customers. For both store formats, store price, product assortment, service and quality positively influenced satisfaction. Stepwise regression indicated that each store attribute contributed differently to store satisfaction for conventional and specialty store formats. The results demonstrate that price, product assortment, quality, and employee service influence store satisfaction regardless of store type (conventional stores or specialty stores). However, the degree of influence of these attributes varied by store type. The result simply those while specialty store shopper satisfaction characteristics are clearly delineated, conventional store shopper characteristics are more difficult to pinpoint.

Shivkumar, Executive Director and leader of Retail and Consumer Practices Price Warehouse Co-operatives,(2009)²¹ also holds the opinion that retailing is the next sunrise segment of the economic development of the country.

Yuvarani (2010)²² opines that according to a study the size of the Indian Retail market is currently estimated at Rs 704 corers which accounts for a merger 3% of the total retail market. As the market becomes more and more organized the Indian retail industry will gain greater worth. However, the future is promising, the market is growing, government policies are

²¹Shivkumar, S(2009),Executive Director, Retail and Consumer Practices Price Warehouse Cooperative, India Retail Report, An Images F&R Research, pp.6.

²²Yuvarani, R. (2010), Future Trends of Retail in India.

becoming more favourable and emerging technologies are facilitating operations.

Sahu (2010)²³ describes that a rise in consumer confidence, improvement in profitability and aggressive expansion plans signal better tidings for listed players in the organized retail space. The purpose of this study is to identify website characteristics that affect customer evaluations and satisfaction with online stores at two interaction points when the order is placed and after the order has been fulfilled. Using data collected by bizrate.com, data collected from customers of thousands of online stores, the analysis focuses on the changes in the relationships between website characteristics and customer ratings. Data for two-time periods, 15 months apart, are used to determine the stability in the observed relationships. Order fulfilment variables, particularly on-time delivery, dominate the effects on overall customer evaluations and satisfaction. The statistical significance of other online store attributes, however, changes as differences are observed between 2003 and 2004. The online environment is dynamic and the paper captures some of the changes in the relationships between website attributes and customer satisfaction. This requires continuous monitoring of the online environment. Since the paper relies on secondary data collected by bizrate.com, the research is limited by specific

²³Sahu, R.P. (2010), Higher Sales Boost Retail, Business Standard, section II, 21.

website attributes and measures of customer satisfaction adopted by a commercial enterprise. Online retailers must be strategic about fulfilment variables. When online stores compete with each other, it is easier to copy certain attributes like “shipping options” than other attributes such as “on time delivery.” This suggests that the most creative, interactive, and vivid online site will not compensate for weak fulfilment and customer support capabilities. No other paper has looked at these data, collected from real customers making purchases at actual merchant sites, over two time periods. The results provide insights regarding stability of findings.

The opening up of the Indian retail sector has seen a proliferation of the corporate players through different retail formats and stores the majority being in the food and groceries. This necessitates creating, building, and managing differentiated retail store brands, and image differentiation, to attract and retain shoppers. This research paper attempts to understand whether the Indian consumers differentiate the various store brands and images based on their experiences. The study was conducted in two stages list of parameters of evaluation of retail store image, discussed with middle-level managers from the retail sector to finalize parameters relevant for store image measurement in the Indian context and a questionnaire evolved for primary data collection, administered to 326 SEC A and B respondents. To assess the store image dimensions perceived by these shoppers, factor analysis was employed and for understanding

various store image attributes used for differentiation of store brands one-way analysis of variance was employed. Results reflect that Indian shoppers have started identifying the dimensions of retail store image and are differentiating the various stores on the basis of functional attributes. Eventually, the stores would have to create differentiation based on psychological attributes.

Retailing in India is an unchartered territory. Food and grocery is the most promising area for setting up retail business in India. An understanding of shopper retail format choice behaviour will enable retailers to segment their market and target specific consumer groups with strategies premeditated to meet their retail needs. The purpose of this paper is to make a detailed study on the effect of shoppers' demographic, geographic and psychographic dimensions in terms of format choice behaviour in the fast growing Indian food and grocery retailing. Descriptive research design is adopted applying mall intercept survey method using structured questionnaire for data collection. Both descriptive (mean and standard deviation) and inferential statistical tools like ?factor analysis and multivariate analysis are used to analyse the data collected from 1,040 food and grocery retail customers from upgraded neighbourhood kirana stores, convenience stores, supermarkets and hypermarkets in conjoint cities of Secunderabad and Hyderabad in Andhra Pradesh in India. The findings

suggest that shoppers' age, gender, occupation, education, monthly household income, family size and distance travelled to store have significant association with retail format choice decisions. The choice decisions are also varied among shoppers' demographic attributes. The findings from shoppers' psychographic dimensions like values, lifestyle factors and shopping orientations resulted in segmentation of food and grocery retail consumers into hedonic, utilitarian, autonomous, conventional and socialization type. The study has practical implications for food and grocery retailers for better understanding the shopper behaviour in the context of changing consumer demographic and psychographic characteristics in an emerging Indian retail market²⁴. The findings may help the retailers to segment and target the food and grocery retail consumers and, as a consequence, to undertake more effective retail marketing strategies for competitive advantage. Given the absence of published academic literature and empirical findings relating to store format choice behaviour in food and grocery retailing in India, this study may serve as a departure point for future studies in this area of concern. The research is also relevant to retail marketers in terms of format development and reorientation of marketing strategies in the fastest growing Indian retail market. As with most other places in the world, India

²⁴Shivkumar, S(2009),Executive Director, Retail and Consumer Practices Price Warehouse Cooperative, India Retail Report, An Images F&R Research, pp.6.

is facing a significant economic slowdown that is aggravating an already serious liquidity crisis. The government is finding it increasingly difficult to implement additional fiscal or monetary measures, and as a result, has tried to bring liquidity by lifting FDI restrictions and attempting to lure back foreign investment. But politics is getting in the way. The government cannot allow political expediency to derail the progressive lifting of FDI restrictions, even during tough times like these. Many international companies are still looking to enter the country, despite facing enormous uncertainties about their financial health in their existing markets. With a more open India, they will enter and bring with them a significant amount of capital investment and managerial expertise. This will help India pull out of the recession in the short to medium term and also help establish the conditions to sustain economic growth over the long term. Indian companies will use the additional funds from their foreign partners to keep their staff employed and continue with capital expansion plans. Indian companies with global ambitions will have greater access to world-class infrastructure and managerial knowledge that will enable them to better compete around the globe. With increased competition, Indian consumers will be able to enjoy the highest-quality products at the lowest cost.

S. P. Thenmozhi and D. Dhanapal²⁵ (2011) identified the Retail service quality factors and explores the impact of Retail Service Quality on Customer satisfaction and loyalty in unorganized retail outlets and sample of 463 customers at selected kirana stores (unorganized retail format) of Tamilnadu in India were selected for the study on the basis of non-probability convenience sampling.

Tazyn Rahman²⁶ (2012) study revolved around the opportunities and challenges faced by organized retail players in India. It was found that organized retailers see competition from the unorganized sector as their biggest challenge, followed by competition between organized retailers and the inefficiency of distribution channels, internal logistical problem and retail shrinkage.

H. Gupta, N. Dubey and P. Pawan²⁷ (2012) the broad objective of the study was to understand consumer behavior towards organized and unorganized retail stores and to find out the consumers satisfaction level from organized retail stores as well as unorganized retail stores. The perception of the traditional retailers about the modern retailing. The study

²⁵S. P. Thenmozhi D. Dhanapal (2011). Unorganised Retailing in India – A Study on Retail Service Quality, European Journal of Social Sciences – Volume 23, Number 1(2011).

²⁶Tazyn Rahman(2012). Organised Retail Industry In India – Opportunities And ND Challenges, IJRFM Volume 2, Issue 2 (February 2012)(ISSN 2231-5985).

²⁷Gupta Himanshu, D. N. (2012). Effect of Organised retail on Unorganised retail in Indian retail market .Research Journal of Management Sciences, Vol. 1(1), August (2012) , 7-13.

uses primary data collected through in depth qualitative analysis to represent organized and unorganized retails sectors respectively.

Tazyn Rahman²⁸ (2012) study revolved around the opportunities and challenges faced by organized retail players in India. It was found that organized retailers see competition from the unorganized sector as their biggest challenge, followed by competition between organized retailers and the inefficiency of distribution channels, internal logistical problem and retail shrinkage.

Ms.Vidhusha Handa, Mr. Navneet Grover²⁹ (2012) provides detailed information about the growth of retailing industry in India and explores the role of the Government of India in the industries growth and the need for further reforms. It also provides information about growth of retail sector in India, strategies, strength and opportunities of retail stores, retail format in India, recent trends, and opportunities and challenges.

Tazyn Rahman³⁰ (2012) study revolved around the opportunities and challenges faced by organized retail players in India. It was found that organized retailers see competition from the unorganized sector as their biggest challenge, followed by competition between organized retailers

²⁸Rahman, T. (2012).Organized Retail Industry In India –Opportunities And Challenges. IJRFM Volume 2.

²⁹Wadhwa, S. S. (2012), Growth and Challenges of Retail Industry in India: An Analysis. Asia Pacific Journal of Marketing and Management Review, Vol.1.

³⁰Rahman, T. (2012).Organized Retail Industry in India –Opportunities And Challenges. IJRFM Volume 2.

and the inefficiency of distribution channels, internal logistical problem and retail shrinkage.

Ms. Vidhusha Handa, Mr. Navneet Grover (2012)³¹ provides detailed information about the growth of retailing industry in India and explores the role of the Government of India in the industries growth and the need for further reforms. It also provides information about growth of retail sector in India, strategies, strength and opportunities of retail stores, retail format in India, recent trends, and opportunities and challenges.

Most of the earlier studies were related to the analysis of impact of unorganized retail sector and comparison between organized retail sector and unorganized retail sector in India. Hence based on the research gap, the present study attempts to understand importance of unorganized retail sector and their reasons of existence also with opportunities and challenges in India.

Naganathan Venkatesh³²(2013) explore the policy and reforms- Latest policy change on FDI on retail industry by the government of India; the entry of foreign retailers into the market. Further it tells about the strategies, strength, issues and opportunities of retail industry and its recent/future trends. As well as the study also focus on organized retail and

³¹Grover, M. V. (May 2012). Retail Sector in India: Issues & Challenges. International Journal of Multidisciplinary Research.

³²Venkatesh, N. (December 2013). Indian Retail Industries Market Analysis: Issues, Challenges and its Opportunity for the 21st Century. International Journal of Application or Innovation in Engineering & Management (IJAIEM).

unorganized retail stores in India and its challenges faced by the industry in near future.

Prafulla Sudame and Brijesh Sivathanu (2013) the objective of the study was to study the challenges impacting the retail sector and to study the different formats of retailing. The study uses primary data in which 30 unorganized retailers responded to the survey to understand the challenges faced by the retail sector.

The retail landscape in India is changing rapidly and is being scrutinized by large scale investments by foreign and domestic players. Market liberalization and changing consumer behaviour have sown the seeds of a retail transformation. Indian retailing is growing fast and imparting the consumer preferences across the country. Today retailing is largest contributing sector to country's GDP i.e. 10% as compared to 8% in China, 6% in Brazil. Modern retailing is capable of generating employment opportunities for 2.5 million people by 2010 in various retail operations and over 10 million additional workforces in retail support activities. Organized retail which presently account for only 4-6 percent of the total market is likely to increase its share to over 30% by 2013. It offers huge potential for growth in coming years. India is becoming most favor retail destination in the world.

India is being seen as a potential goldmine for retail investors from over the world and latest research has rated India as the top destination for

retailers for an attractive emerging retail market. India's vast middle class and its almost untapped retail industry are key attractions for global retail giants wanting to enter newer markets. Even though India has well over 5 million retail outlets, the country sorely lacks anything that can resemble a retailing industry in the modern sense of the term³³.

This presents international retailing specialists with a great opportunity. The organized retail sector is expected to grow stronger than GDP growth in the next five years driven by changing life styles, burgeoning income and favourable demographic outline.

Moreover, analysts believe listed retailers could attract foreign investments by spinning off their subsidiaries into separate companies which can provide a great opportunity for the improvement of this sector. India's sunrise retail sector is witnessing a major transformation as traditional markets make way for modern and indigenously development retail formats. Standing on the threshold of a retail revolution and witnessing a fast changing retail landscape. Indian retail is still growing, and growing at an enviable rate. In the new era of liberalization, there exists immense opportunities for retail business. Progressive policies, economic and political stability, liberal policies on technology, changing consumers profile and demographic character, increasing urbanization, improved

³³Sahu, R.P. (2010), Higher Sales Boost Retail, Business Standard, section II, 21.

infrastructure, increasing number of nuclear families ,increasing working women population are new opportunities. Bulging of middle and upper middle classes, whose purchasing power is now substantial and turning Indian economy as the fourth largest economy in the world in terms of purchasing power, are opportunities galore for giving further boost to retail business in India.