# CHAPTER I

## INTRODUCTION 01-21

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CHAPTER I
INTRODUCTION

1.1 Introduction
Retailing acquires an important role in the world economy. There has been significant expansion in organized retailing business in recent years. Many big industrial houses have entered in organized retail sector with very strong-minded future growth plans. Many MNCs are also interested to move towards India and set up retail chains in association with big Indian companies. Indian retailing industry has seen outstanding changes. Survival in organized retail will depend on the ability to adapt the change. The retail sector in India, which is dominated by small and unorganized entrepreneurs consisting of standalone stores, boutiques and kirana stores, is drastically changing its face.

There has been a huge development of new retail formats such as malls, hypermarkets, supermarkets and lifestyle stores. However, as the spending power in the market is growing fast, this development has gained significance not only in the metropolitan cities but also in the Tier II and III towns. These coming up formats are offering consumers a lot to spend on, especially with existing players such as Pantaloons, Shopper’s Stop, Tata and RPG Group Scaling up fast and the new players such as Birlas and Sunil Mittal are investing a lot in the retail market.¹

With this change, the shopping behavior of consumers is likely to change as these formats which were not in existence in the country until recently. In these circumstances, these new retail formats are rising at a rapid speed in India. There remains a need among Indian businesses to understand the changing behavior of consumers towards shopping in these retail outlets. Also, due to the limited success of these outlets, it is necessary for retailers to be aware of shoppers’ motivations and to understand ways of attracting the consumers.

Till date, there has been very limited research on the shopping habits of consumers in Nashik City. The study, attempt to fill these gaps, by investigating the shopping behavior of the Nashikites consumers, particularly with the new retail formats
emerging. This study focuses on the behavior the consumer behaviors while visiting or making purchases in the organized retail format. It explores the purpose and motive behind the Nashikites consumers. The reasons for turning to organize retail format, the values they gain from the shopping trip and their shopping behavior in terms of impulse purchases, time and money spent at organized retail format etc. A final objective is to establish a baseline for exploratory changing behavior in future as developments continue\textsuperscript{2}.

In Nashik city great changes have taken place in organized retail sector in 2001-2010. Today retailing is a fun-filled experience for the whole family. Where the Nashik city was in the dominance of unorganized retailing conventional kirana stores (grocery stores), roadside mini departmental stores at the panwala shop, the roadside self-service restaurant, or conventional banker in the bank continue to exist; the organized retailing sector has now emerged in a crucial way. The Nashik marketspace is being engaged by shopping malls, chain stores, departmental stores, shopping centers, food courts, fast food outlets, and automated retailing as in automated teller machine (ATMs) or in food and beverage vending machines. It is contributing considerably to the growth of Indian retail sector. Cultural and regional diversity in Nashik is the major challenge in the face of retailers. Due to this factor the retailers in Nashik are adopting a distinctive retail format. Global retail giants are also entering into the retail industry in India. Names like Wal-Mart, Tesco, Carrefour SA, Metro AG etc would soon find important places in the Indian retail sector. Tier II city like Nashik is no longer behind in the contest in the development of retail sector specially the malls. Main companies contributing Indian retail are Future Group, Trent Ltd, RPG Enterprise, Vishal Retail Ltd, Shoppers Stop Ltd, Bata India Ltd, Provogue India Ltd, Videocon Appliances Ltd., I.T.C. Ltd, Godrej Agrovert Ltd, and DCM – Hariyali Kisaan Bazaar. We all eyewitness the change has taken place in retail sector. The neighboring bania has altered him into a small supermarket. Change is not limited to the metro cities but it has rapidly spread to smaller cities and towns too. The size of population in India has at all times made it huge market. Nearly 70\% of the Indian population is under the age of 34. And
changing income profiles, changing consumption patterns, emergence of a young earner India are key factors for boom of retailing and changing consumer behavior in India. The Nashikites consumers have conventionally been consumer of unorganized retail. Since decade, Nashikites have been buying most of their daily needs from nearby, customer friendly unorganized retail outlet. Such shops have usually become a component of the life of all buyers. These shops provide facilities like credit, supply items even in small quantities and delivery to individuals houses. These aspects create a good relationship between a shop owner and a customer. However today Nashikites customer is slowly turning towards buying from organized retailer. The shopping behavior, life style of Indian urban customers has been changed noticeably, which can be viewed as paradigm shift. The significant changes have taken place in consumer shopping behavior in Nashik city³.

The consumer shopping behavior is the study of individual, group, or organizations and processes they use to select, secure, use and dispose of product, services, experience or ideas to satisfy needs and the impact that these processes have on the consumer and society. These changes in consumer shopping behavior tell the marketer to revolve every activity around the ultimate consumer and gauge their behavior by specifically focusing on the followings:

Who buys products or services?
How do they buy?
Where do they buy them?
How often do they buy them?
When do they buy them?
Why do they buy them?
How often do they use them?⁴

Factors individual factors affecting on consumer shopping behavior are cognitive thinking processes which include perception, attitudes, motives and consumer personal characteristics which include demographics, lifestyles, and personality traits. All main Player in retailing attempt to develop different marketing strategies for survival and growth. A main challenge faced by the retailer is developing format
if a product and services which would be doing well in the market. The exact understanding of consumer needs help the retailer make product that would be successful in the market. Understanding of changing consumer shopping behavior is initial point of strategy formation. It is not only important to understand what consumer knows about a product. But it is also important that what they do not know. This helps in identifying the channels of communication and the product that needs to be created to cater to the need of customer. Firm needs to study consumers to see how its product is perceived. If there is good match, then positioning strategy can be deemed success. Therefore, all main players in retailing focus on understanding of changing consumer shopping behavior and to develop strategy for tapping consumer.

1.1.1 Organized Retail and Unorganized Retail Sector

Organized retailing refers to trading activities undertaken by licensed retailers. That is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses.

Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores and pavement vendors, etc.

Unorganized Retail:

Unorganized retailing is defined as having outlets or stores run locally by an owner or a caretaker of a shop that lacks enough technical and accounting standardization. Both, the supply chain and sourcing are done locally to meet local needs.

Retail in India is fundamentally “unorganized.” 93% of the retail industry is made up of counter-stores, street markets, hole-in-the-wall shops and roadside peddlers. The term “unorganized retail” is better understood when comparing this form of retail to the organized retail that one is well-known with in developed countries. Unorganized retail is characterized by:

1) Family-run stores
2) Lack of best practices when it comes to inventory control and supply-chain management
3) Lack of standardization
4) Essentially a sector populated by anyone who has something to sell.

Unorganized retail is the next-step above agriculture for those seeking to go up the steps of prosperity in search of a higher income. Combine this with very few barriers to entry in the retail sector and one gets an industry run by people commonly referred to as “Baniyas”, with a lack of education, experience and exposure. This is the main factor accountable for the manner in which the retail industry functions.7

**Organized Retail:**
Organized retail stores have been defined as stores characterized by large professionally managed format stores providing goods and services that appeal to customers, in an ambience that is favorable for shopping and agreeable to customers.8

Organized retail in India refers to the modern retail formats like supermarkets and hypermarkets widespread in the majority of developed countries. This form of retail accounts for 7 per cent of the retail industry and projected to be 9 per cent of total retail market by 2015 and 20 per cent by 2020. Organized retail remained an undeveloped sector largely due to the lack of infrastructure for large-scale retail, lack of product variety and a conventional Indian consumer. Today the overflow of products in the market is associated with a richer, more informed Indian consumer. As they have created the atmosphere for the entry of organized retail to tap into the $320 billion Indian retail industry.
1.1.2 Journey of Organized Retail Sector in India:

At the beginning there were only kirana stores called Mom and Pop Stores, the friendly neighborhood stores selling every day requirements. In the 1980s manufacturer’s retail chains like DCM, Gwalior Suitings, Bombay Dying, Calico, Titan etc started making its emergence in metros and small towns. Multi brand retailers came into the picture in the 1990s. In the food and FMCG sectors retailers like Food world, Subhiksha, Nilgris are some of the examples. In music segment store like Planet M, Music world and in books Crossword and Fountainhead are some examples. Shopping centre’s began to be established from 1995 onwards. A unique case was the establishment of margin free markets in Kerala. The millennium year saw the emergence of super markets and hyper markets. Now big players like Reliance, Bharti, Tatas, HLL, ITC are entering into the organized retail sector. Wal-Mart is testing the waters by approving to give back end and logistic support to Bharti for formation of retail chains with a view to study the market for future entry when the FDI guidelines change and to establish a backbone supply chain. Table 1.1 shows the different phases in the growth of organized retailing in India.

The rising buying power of the huge Indian middle class is the key reason for retail rush that is being witnessed. Fueling this fact is the changing demography of the Indian population. The percentage of young populace in the country is growing. It advice for the retail business as it is the young people who buy more than the old. Again the percentage of women in the population is showing an increasing trend. This again is good news for the retail market as women are more enthusiastic shoppers compared to men. The increase of the visual media is contributing its strength in spreading visibility of various consumer goods to the public which improve their aspirations to consume more and to shop in more pleasant and comfortable environment. The rising figure of dual income family who has more disposable income is another contributing factor for this phenomenon.¹⁰
<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Format</th>
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<tbody>
<tr>
<td>2001-2003</td>
<td><strong>Conventional Indian Retail Outlet (CIRO)</strong></td>
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<td></td>
<td>Company Showroom</td>
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<tr>
<td></td>
<td>Multi brand Showroom</td>
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<tr>
<td></td>
<td>Supermarket</td>
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<tr>
<td></td>
<td>Mom-pop store</td>
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<td></td>
<td>Jewelry Shop</td>
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<tr>
<td>2004-2010</td>
<td><strong>Emerging format of Organized Retailing:</strong></td>
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<tr>
<td></td>
<td>Shopping Mall</td>
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<tr>
<td></td>
<td>Hypermarket</td>
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<tr>
<td></td>
<td>Departmental Store</td>
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<tr>
<td></td>
<td>Value Format</td>
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<tr>
<td></td>
<td>Specialty Store</td>
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<tr>
<td></td>
<td>Franchisee (Restaurant)</td>
</tr>
</tbody>
</table>
1.1.3 Organized Retail Formats:

Organized retailers are trying innovative models and formats to attract the customers. Customers are seeking variety, convenience and quality while shopping, be it for grocery, clothes, food, music or even books. To match consumer needs and demands, the retailers have come out with various store or retail outlet formats.

A Retail format is the type of retail mix that the retailer adopts, which includes the following factors:

- The nature of merchandise and service offered by the retailer;
- The Pricing policy of the merchandise by the retailer;
- The retailer’s approach to advertising and promotional programs;
- The retailers approach to the design of store as well as to visual merchandising;
- The choice and location preferred by the retailer for the above; and

Some of the most popular retail formats adopted in organized retailing the world over are as follows:

**Table No. 1.2**

**Organized Retail Format**

<table>
<thead>
<tr>
<th>Type of Retail Format</th>
<th>Description</th>
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<tbody>
<tr>
<td>Convenience Store</td>
<td>Ideally located to residential areas to enable target customers to have easy accessibility to products such as beverages, ready-to-eat snacks, grocery etc. e.g. the friendly neighborhood grocery stores. The most popular example of a typical convenience store is the 7-Eleven chain of convenience stores which is owned by southland corporation and presently has over 21,000 outlets worldwide. Oxxo is another chain of convenience store in Mexico which operates over 800 outlets and is one of the most successful convenience stores.</td>
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<tr>
<td>Store Type</td>
<td>Description</td>
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<tr>
<td>Specialty Store</td>
<td>Retail shops displaying merchandise which have narrow product lines, specializing in a particular type of merchandise and offering specialized services to customers. For instance, Carbon from Peakok Jewellery, has its own exclusive stores selling fashion accessories an jewellery. Or Park Avenue, from Raymonds is a men’s specialty store.</td>
</tr>
<tr>
<td>Super Market</td>
<td>A Store which is departmentalized, with self service offering groceries, limited non-food items such as health and beauty related items and general merchandise. For instance- Foodworld outlets, Nilgiris etc.</td>
</tr>
<tr>
<td>Discount Store</td>
<td>Discount stores retail board variety of merchandise, offer limited services and at low prices, For instance, Subhiksha and Margin Free Super Market.</td>
</tr>
<tr>
<td>Department Store</td>
<td>A stores having several departments such as clothing, personal care and cosmetics, books and stationeries, house ware goods, electronics etc. all under a single roof, although individually functioning as strategic business unit (SBU). These store large in size (or area) more often owned by large or national chain. For instance, Life Style, Shoppers Stop, Pantaloon, Westside, Ebony etc.</td>
</tr>
<tr>
<td>Hypermarket</td>
<td>Hypermarkets are very large in size, carry grocery, hardware, appliance and other general merchandise, with self service facilities, usually located in warehouse type structure with large parking facilities. For instance, Trent’s ( Tata Enterprise) Star India Bazaar, Giant(RPG Group) and Big Bazaar(Pantaloon Retail India)</td>
</tr>
<tr>
<td><strong>Shopping Mall</strong></td>
<td>A Shopping mall is an arrangement of retail stores and providing the right mix of shopping, food courts and entertainment and parking facilities. The retail space is shared by anchor stores and other retailers (tenants), who will pay the developers of the mall-rent or lease payment for putting up the shop within the mall premises. For instance, in Bangalore- The Forum, Central, Sigma etc.</td>
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<tr>
<td><strong>Direct Catalogue retailing</strong></td>
<td>E-Mail ordering retailing has also been successful with who lacked ready access to retail stores. Mail order retailers vary immensely in the assortments, others may stock an assortment as large as that seen a department stores. More than half of the top 50 department stores also sell through direct-mail catalogues.</td>
</tr>
<tr>
<td><strong>Super store or combination store</strong></td>
<td>With passing of time, supermarket in the west have increased in size and have begun to sell a broader variety of merchandise. These larger supermarkets with an area ranging between 130,000 and 250,000 sqft are called superstore. Combination stores or “combo store” as they are sometimes known as , are also food-based retailers that stock a full line of food products including perishable products. However, apart from the large variety of food products that they stock, combination stores also carry a deep assortment of non-food merchandise. Such stores carry about 60% of their merchandise in non-food items which usually include merchandise such as apparel, accessories, house wares, hardware, toys, electronics, toiletries, health and beauty aids, kitchen utensils, film developing, prescription drugs, flowers and videotape rentals.</td>
</tr>
<tr>
<td><strong>Chain Store</strong></td>
<td>A single retailer establishes a chain of stores with its exclusive-store design, synergistic merchandising plan, promotion and service strategy and soon. For instance- Raymond Chain of stores, Khazana</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td><strong>Description</strong></td>
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</tr>
<tr>
<td><strong>Franchise</strong></td>
<td>A retail store owned and operated by an individual on behalf of, and licensed by a big supporting organization. For instance, Pizza Huts, Baskin Robbins, Aptech, NIIT, Nirulas, Mcdonalds etc.</td>
</tr>
<tr>
<td><strong>Shopping Plaza</strong></td>
<td>The shopping Plaza will be a configuration of many tenants using space of 1000 sqft. Or so for putting up stores within a single building. For instance, Fountain Plaza(Chennai), Modi Arcade Plaza(Bangalore) etc.</td>
</tr>
<tr>
<td><strong>Factory/Seconds Outlet</strong></td>
<td>The factory stores are owned and operated by the manufacturer who sell discounted merchandise or factory seconds or cancelled orders to consumer at low prices. For instance, the Bata Factory outlet, Indigo Nation/Peter England factory outlet etc.</td>
</tr>
<tr>
<td><strong>Kiosk</strong></td>
<td>Kiosk as a store often is a concession format store placed within a mall/ shopping centre, a bus station, airport etc. It is a free standing pavilion open on one or more sides. For instance catalogue service to help them to identify titles and read reviews before making a purchase decision.</td>
</tr>
<tr>
<td><strong>Web Store</strong></td>
<td>A web store is a virtual store which is created on the internet in which the retailer displays photographs and details of each of his products and motivated customers from across the world to register their orders on the Internet itself. These store accessible to customer 24 hours a day and all 7 days of the week and offer tremendous convenience to their computer-oriented customer. Shopping on Internet or e-shopping is clearly catching on throughout the world and many countries around the world are witness an over 70-100 % increase in e-commerce sales each year.</td>
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(Source : Suja Nair(2008), “Retailing Management”)
1.2 Emerging Trends in Consumers’ Income, Consumption Pattern and Emerging Trends in Modern Retail Format

NCAER study and some other data published by various research and consulting sources highlighted the following trend in Consumer income and put the following projections about the Indian retailing.

1) Growing Prosperity: Making Indian Consumers Great: As per India’s Marketing White book (2006) by Business world, India has around 192 million households. Of these, only a little over six million are ‘affluent’ – that is, with household income in excess of INR215,000. Another 75 million households are in the category of ‘well off’ immediately below the affluent, earning between INR45,000 and INR 2,15,000. This is a sizable proportion which offers excellent opportunity for organized retailers to serve.

2) Increase in the Sizable Disposable Income: Business communities believe that sizable disposable income in India is concentrated in the urban areas and well off and affluent classes; income distribution in India is unequal in comparison to other Asian economies. In fact, the 20 million middle class home in rural India equals the number in urban India and thus have the same purchasing power. Therefore, there is significant and considerable opportunity for organized retailers in the rural areas as well. There is no denying that the rural market holds immense promise for the organized retail but companies ponder over, how to serve that market profitably. Unlike the urban market, it is less developed in terms of infrastructural facilities.

3) Place is no more important: The Major issue is to find out a suitable business model and retail format to fit local taste and preferences. Of course, cost of doing business in rural market would be lesser, as compared to urban market but reaching out to the mass is a concern. For example the most successful and the largest incorporation, Wal-Mart started in the rural market where as competition started in the urban market. This retailer has proved that it is important to understand how do you operate your business model rather than where you do it. Given the increasing urban exposure of rural India, the urban and the rural upper-income groups can form...
an interesting continuum market, giving it a scale of 23 million households, or 115 million consumers.

4) Increasing Potential in Rural Markets: NCAER data shows that for the period 1998-99, a total of over Rs 91,500 crore was spent for a basket of 22 FMCG products it tracks. Of this, 37% was spent by the two lowest income groups in rural India, and only about 20% of it was spent by the top two income groups in urban areas. This is, perhaps, the best and only statement of the structure and potential of the Indian market. Hence, marketers have to worry about purchasing power of consumers not where do they reside. For example there are nearly 42,000 rural haats, average number of sales outlets per haat is 300 and average sales per outlet is INR 900 and average foot fall in a haat is about 4,500. In the rural India there are 50 million 4 Kisan Credit Card (KCC) holders. These are some of the indicators how the rural India is performing well and coming up.

As per NCAER data no. of Household having income of < 90,000 per annum in 2005-06 was 1,32,249 (000) is projected to come down to 1,14,394 by 2009-10 which indicates that middle class is growing and they are emerging as real customers.

5) Higher Proportionate Rural Expenditure: While an average City-dweller may be spending almost twice than his counter-part in rural areas but in terms of allocation of his budget to key segments, the villager has sprung a few surprises. According to the latest data on household consumption expenditure, rural India is allocating almost 10% of the monthly household Budget for fuel and lighting while an average urban household spends 9% under the same head. Still it remains attractive because of intense competition in Urban India. In value terms, however there is a sharp difference with rural Indian households earmarking Rs. 60 a month as consumption expenditure, compared to Rs.110 in cities and towns. After all, at Rs.19 a day or Rs. 625 a month, the average consumption spending too is low in rural areas, compared to Rs. 39 a day or Rs.1171 a month in urban India. The rapid rise in incomes will lead to an even faster increase in demand for consumer durables and expendables. Result by; the ownership of goods will also go
up significantly by getting empowered through rise in the size of the great Indian middle class.

6) **Young Population:** By 2010 almost half of our citizens are in the working age group of 20-24 years. A youthful, exuberant generation, bred on success will not only drive the productivity but also set a spiraling effect on consumption and generation of income. Currently the country has a population of over one billion, 60% of which is under 30 years of age. This means majority of the population is young and working class with higher purchasing power. Consumer spending in India has grown at over 12 percent since mid-1990s and 64 per cent of Indian GDP is accounted for by private consumption. Over the last decade, the average Indian spending has gone up from INR 5,745 in 1992-93 to INR 16,457 in 2003-04 and is expected to grow around its trend rate of 12 per cent per annum.

7) **Fundamental Changes in Indian Economy:** There are fundamental but significant changes underway in our economy. In January 2006, the government announced that foreign companies can own up to 51 percent of a single brand retail company, such as Nike or Adidas. This decision would certainly encourage retailers such as Zara and Gap to enter this market. Tesco is planning to enter the market through a partnership with Home Care Retail Mart Pvt Ltd and expects to open 50 stores by 2010.

**Emerging Trends in Modern Retail Format:** It is difficult to fit a successful international format directly and expect a similar performance in India. The lessons from multinationals expanding to new geographies also point to this. For example, Wal-Mart is highly successful in USA but the story is different in Asian countries like China. Therefore, it is important for a retailer to look at local conditions and insights into the local buying behavior before shaping the format choice. Considering the diversity in terms of taste and preferences prevailing in India, the retailers may go for experimentation to identify the winning format suited to different geographies and segments. For example, the taste in south is different from that in north and this brings challenges to the retailers. Therefore, most of grocery retailers are region
centric at this point in time. The available research findings on retail indicate the following trends in Modern Retail formats:

- Trial and Error
- Emergence of Wholesale Clubs
- Increasing Acceptance of Rural Markets
- Govt. is also promoting the Development of Modern Retail Formats
- Efficient Buying: Increasing Importance of Supermarkets and Discount Stores:
  - Hypermarkets: The Biggest Crowd Puller
  - Emergence of Private-Label Brands

1.3 Rationale of the study:

“An Analytical Study of changes in Consumer Shopping Behavior with special reference to Organized Retail Sector in Nashik City (2001-2010)” is important because of the following reasons:-

1. To understand retail business and practices followed in India.
2. To understand the changing trends in retail industry.
3. To study the changes taken place in consumer shopping behavior such as:
   - The psychology of consumers, how do they feel, and how do they select between different alternatives;
   - The behavior of consumers while shopping and impact on purchase decisions;
   - How consumers’ motivation and decision strategies differ at various modern retail formats?
   - How and when marketers can adapt and improve their marketing campaigns and marketing strategies more effectively to reach the consumer.
4. To know the impact of changing trends in consumer shopping behavior and marketing strategies.
5 This study would help to provide guidelines and some groundwork for the new ventures before entering in Nashik, as many new major players interested to enter in Nashik city.

6 This Study is also helpful to find lacunae in organized retail sector and also to provide remedial measures to overcome the lacunae in organized retail sector.

1.3.1. Marketers' Point of View:
The purpose of marketing is to sell more stuff to more people more often for more money in order to make more profit". This is the basic principle of requirement for the marketers in earlier days where aggressive selling was the aim. Now it can't be achieved by force, or aggression. As the customers are today more informed, more knowledgeable, more demanding. The marketers have to earn them or win them.
The global marketplace is a study in diversity; diversity among consumers, producers, marketers, retailers, advertising media, cultures, and customs and of course the individual or psychological behavior. However, despite prevailing diversity, there also are many similarities. The object of the study of changes in consumer shopping behavior is to provide conceptual and technical tools to enable the marketer to apply them to marketing practice, both profit and non-profit.
The study of changes in consumer shopping behavior is very important to the marketers because it enables them to understand and predict buying behavior of consumers in the marketplace. It is concerned not only with what consumers buy, but also with why they buy it, when and where and how they buy it, and how often they buy it, and also how they consume it and dispose it. The consumer behavior is studied by applying consumer research methodology. The research take place at every phase of the consumption process: before the purchase, during the purchase, and after the purchase. Research shows that two different buyers buying the same product may have done it for different reasons; paid different prices, used in different ways, have different emotional attachments towards the things and so on. According to Professor Theodore Levitt of the Harvard Business School, the study of Consumer Behavior is one of the most important aspects of business education,
because the purpose of a business is to create and keep the customers. Customers are created and maintained through marketing strategies. And the quality of marketing strategies depends on knowing, serving, and influencing consumers. In other words, the success of a business is to achieve organizational objectives. This suggests that the knowledge and information about consumers is crucial for developing successful marketing strategies. The study of consumers’ behavior influences the marketers to think about and analyze the relationship between the consumers and marketers.

Consumer behavior is interdisciplinary that is to say it is based on concepts and theories about people. The theories and concepts have been developed by scientists, philosophers and researchers in such diverse disciplines as psychology, sociology, social psychology, cultural anthropology, and economics. The main objective of the study of consumer behavior is to provide marketers with the knowledge and skills, which are necessary to carry out detailed consumer analyses and that could be used for understanding markets and developing marketing strategies. Thus, consumer behavior researchers with their skills are trying to make a major contribution to our understanding of human thinking in general.

The study of changes in consumer shopping behavior helps management to understand consumer’s needs so as to recognize the potential for the trend of development of change in consumer requirements and new technology. And also to articulate the new thing in terms of the consumer’s needs so that it will be accepted in the market well.
1.3.2 Customers' Point of View:

Customers today are in a tough spot. Today, in the highly developed and technologically advanced society, the customers have a great deal of choices and options (and often very close and competing) to decide on.

1. They have the products of an extreme range of attributes (the 1st P - Product),
2. They have a wide range of cost and payment choices (the 2nd P - Price),
3. They can order them to be supplied to their door step or anywhere else (the 3rd P - Place), and finally they are bombarded with more communications from more channels than ever before (the 4th P - Promotion).

How can they possibly decide where to spend their time and money, and where they should give their loyalty?  

1.4 Statement of Research Problem

The Changes witnessed in the retail industry. Where the retailers are organizing themselves began only in the last decade; before that the long-established small and unorganized entrepreneurs control the sector. Further, India has the highest number of retail outlets in the world, although the per capita retail space is the lowest. In Nashik city organized retail format emerging very rapidly. In Nashik every of the new retailers are attempting different formats. The majority of them are so far to find out a successful formula. On the other end, with the appearance of big players, both on local and national levels, the street corner kirana shop has also changed itself, giving rise to an exclusive format. Noticeably, a number of conventional “kirana” shops have enlarged in size permitting self-service and provided customers with deeper and wider assortments. Such changed kirana stores tender facilities in the forms of home delivery, replacements and credit.

Obviously in such a developmental situation, there emerges a need for examining the consumer behavior. In the light of the fast rate at which innovative retail formats have been introduced in the Indian market lately. It is essential for Indian businesses to understand changing shopping behavior amongst consumers, particularly with
reference to organized retail sector in Nashik city. The study also highlights the changes taken place in organized retail format in Nashik city. On the other end, with increase in disposable incomes and improving infrastructure, consumers have an extensive choice of stores where they can decide to shop.
References:


15. The Global Retail Development Index, (2006), AT Kearney.