Chapter 1

INTRODUCTION

1.1 Background Information

A retail revolution is sweeping through India. Organized retailing has grown from just Rs 5,000 crore (Rs 50 billion) in 1999 to estimated Rs 30,000 crore (Rs 300 billion) in 2004, making it among the fastest growing industries in the country. With the growth of malls, multiplexes, and hypermarkets, the consumer is being exposed to a new kind of shopping experience and services which is quietly and surely redefining her expectations from shopping. This will drive change in four areas: Need to minimize time for shopping whenever necessary. Home delivery, express check-out counters, service and installation by appointment, valet parking all little services that need to be offered keeping the consumer's time importance in mind (Sabnavis, 2004).

India is in the midst of a retail boom. Organized retailing is growing at the rate of 20% and many Indian business houses and foreign retailers have already invested/shown interest in investing in this sector. There is no doubt that the sector is growing on its own. However, one cannot deny the fact that the growth has been much slower as compared to the rest of the world. Over a 10 year period (1995-2005), the share of organized retailing in total retailing has grown 40% in Brazil and 20% in China. In India, it is only 2% (Mukherjee, 2006).

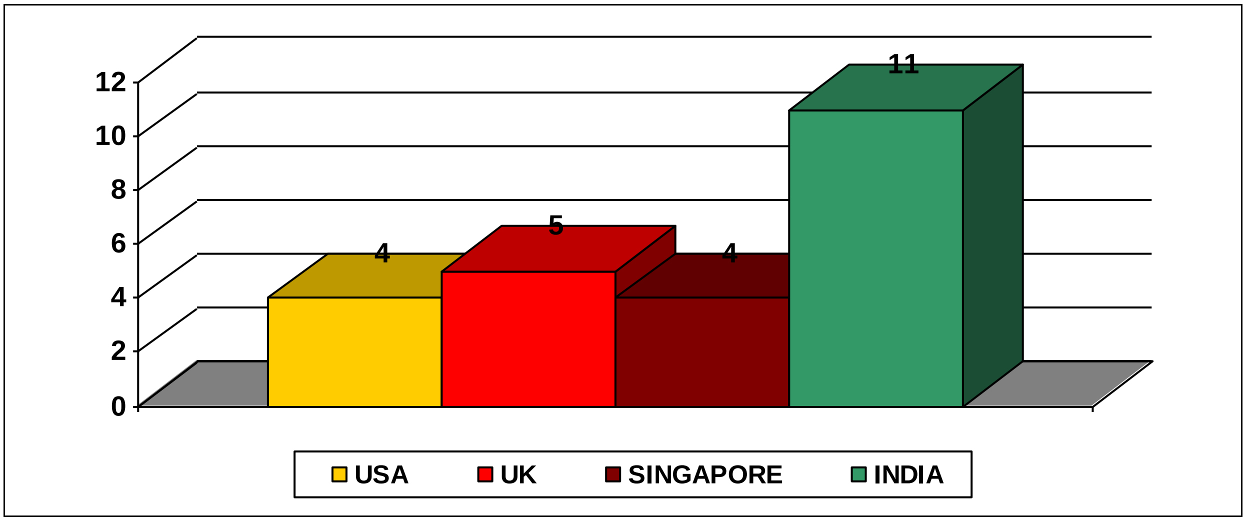
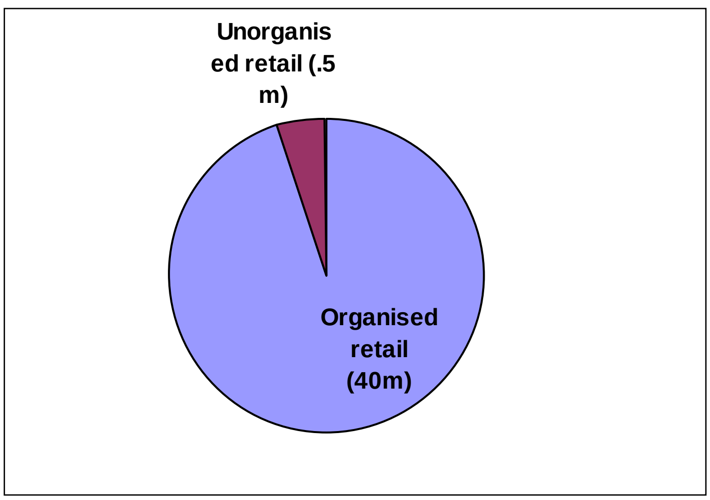


Figure: No. of shops per thousand people

Source: Verma (2006), p.1



India has the highest density of shops in the world. That is one shop for every 20-25 families.

50% of India's population is self employed. Many of them take to petty retail trade

Figure: People employed

Source: Verma (2006), p.1.

Consumer durables and servicing marketers have not yet got on to the discipline of operating on fixed appointed times and this is an opportunity for differentiation. Retailers themselves need to use scientific linear programming to determine optimal number of checkout counters at different hours and plan for them. Need for all in one offer. With growing time constraints and choices, the consumer is getting used to having options readily at hand when she steps out to make the final purchase decision without much dissonance. Even in a category of movie watching, multiplexes give the "freedom of choice" under one roof! Need for an enhanced look and feel of the shopping environment. With retail ambiences getting upgraded, clearly the poky neighborhoods kiryana stores are becoming part of the past for the hypermarket consumer, and she will soon find it difficult to shop "regularly" at the dusty grocery shop (Sabnavis, 2004).

Clearly, the impact of this retail revolution could be bigger than just the changing façade of the market place and enhancing consumer buying experience. It is a looming threat to "mass brand marketers" and the sooner they take cognizance of that, the better. Mass retailers may not only redefine shopping experiences, but also redefine market spaces (Sabnavis, 2004).

Government, as a facilitator, plays a significant role in the growth of this sector. Positive interventions are needed since the sector has huge employment potential and substantial backward linkages. At present, there is no clear policy on retailing. Although 51% FDI is allowed in single-brand retailing, it is unclear whether the policy would be extended to multi-brand outlets and, if so, when? (Mukherjee, 2006)

Thus in the current uncertain and fast developing environment of retailing it was found a worth study to understand and evaluate the so-called boom in Indian retailing, with retailing structure, prospect and challenges in India.

1.2 Aims and Objectives

This research was aimed to understand and evaluate the so-called boom in Indian retailing, with retailing structure, prospect and challenges in India.

AIMS

To critically assess and evaluate the challenges to the India retail sector posed by the increasing number of large western owned retail stores and western culture of shopping

OBJECTIVES

- Critically assess the current structure of retailing in India.
- Critically evaluate the challenges posed to the India sector.
- Attempt to provide possible response from the Indian sector to the challenges.
- Critically evaluate such responses.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

This part of this study which details about this chapter, which is totally depend on all the relevant and authoritative publish literature in the context of research topic and has been divided into ten different parts which are as briefly underlined like (i) Introduction; (ii) Definition of Retailing; (iii) Functions of Retailing; (iv) Categories Of Retail Stores; (v) Modern Retailing; (vi) Bricks And Clicks Approach; (vii) Retail Format Innovation; (viii) Emerging Paradigms in the Indian Market Place; (ix) Store Choice Behavior in An Evolving Market: India; and (x) Retailing In India and has been reviewed in details are given below:

2.2 Definition of Retailing

At its simplest, retailing is what retailers do. One can define retailing by identifying those features that are common to different types of retailer and how they carry out their business. Newman & Cullen (2002) defines retailing as follows: *"Retailing is the set of activities that markets products or services to final consumers for their own personal or household use. It does this by organizing their availability on a relatively large scale and supplying them to consumers on a relatively small scale..."*

2.3 Functions of Retailing

Newman and Cullen (2002) represented it as various essential services provided by the retailers to meet the needs of their customers. Some of the important functions of Retailing are as follow:

Accessibility of location: There is no value of products and services to consumers until they obtain those. Successful retailers make a range of products and services, often from distant locations, accessible to the consumer.

Convenience of timing: Successful retailers ensure that goods and services are available to the consumers as and when required by them. Recent trend to longer opening hours reflects the social and economic changes that demand greater flexibility in service proposition.

Convenience of size: Successful retailers adapt the quantities to suit their customers. Needs and accommodate larger size of customers in a store.

Information: The amount of information expected by consumers is essential to function and also to increase success rate, particularly in an increasingly complex society. This applies also to their consumption and choice of products.

Lifestyle support: Most consumers identify themselves with a particular lifestyle that integrates their use of products or services into their general way of living. When retailers make their selection of appropriate goods and services to support their consumers. Lifestyles and perform these functions effectively, they create added value for their customers. However, this value is subjective because what is valuable to one person may be of no value to another.

2.4 Categories of Retail Stores

It is relatively simple way of dividing types of stores into the category of specialist and non-specialist retailers (Newman & Cullen, 2002). However, from a customer point of view, the sales appeal of a particular store is related to the way the retailer presents the store. The retail format is the store package that the retailer presents to the customer. The retailer uses the store to give out messages to customers about the products availability of products, the prices a customer can expect to pay and the range of additional services that the retailer may offer to the customer.

According to Brown (1986), Retailing lacks a single and firm classification of retail category. With increasing competitive intensity, different stores categories are in a continuous process of innovation, as they compete for a more heterogeneous and demanding market (Gonzalez-Benito, 2001). Newman & Cullen (2002) defines Retail categories according based on different attributes, as follows:

Location: Store location significantly affects customer.s expectations. For example, stores in out-of-town shopping centers will have to offer a superior selection to attract customers.

Size: The size of the store affects customer expectations as to the range of products stocked. Small boutiques will be expected to stock an interesting variety of a limited assortment of products.

Merchandise: This has a number of aspects that the retailer needs to take note of such as,

- Product mix - the combination of merchandise in a unit.
- Merchandise assortment - choices of merchandise within a classification.
- Breadth. Usually measured by the number of different merchandise brands stocked.
- Depth of merchandise - measured by the average number of stock keeping units (SKUs) within each brand.

Price: Specialist shops are expected to provide a comprehensive range of products whereas a supermarket is expected to charge low prices and offer a wide range and deep assortment.

Atmosphere and service: sense of quality or low price; full service or limited services are all signals that customers pick up and use in deciding where to shop.

Apart from above, there are a number of different *Retail categories* and they include the types of store such as neighborhood, based stores, One-stop shopping stores, Specialist stores, Mass Merchandiser, Discounters.

2.5 Modern Retailing

According to Burt and Sparks (2003) we are undergoing a transitional phase where Internet has become just what the doctor ordered to improve business proficiencies which giving rise to the developments of the new pond formats within retailing. These types of pioneering activities have generated greater rivalry pressure on conventional. Bricks and mortar store retailing (Dholakia and Uusitalo, 2002). Some are of this opinion that future of shopping belongs to multifaceted retailing (Dennis et al., 2002) where instead of viewing with Internet, retailers are required to integrate it as a part of their retail policy. Accepting a combined policy encompassing both online and offline activity via a bricks and clicks methods. Nonetheless, even well ensconced retailers identify the problem hidden in "doing it on your own" in the transition to online atmosphere. One way of getting rid of this problem is that" join and well set up online shopping gateway. It offers a helping network through which his difficult atmosphere can be assessed.

According to Ellis-Chadwick et al, (2002) the first phase of Internet retailing is communication station, where information on store site and merchandise knowledge and the like are made available. Apart from them, communicative features are provided which may motivate the consumer to be in any sort of action. These may include ordering of catalogue or joining a mailing list (Scott et al, 2003). The second phase is described as electronic shop. A shop where retailers have the opportunity to make their off-line shop online and the third stage is that of business sets where retail go beyond the e-shop format produce or take part in portals, making a shopping complex online (Scott. et. al., 2003).

Only firms with physical assets chiefly in stores and distribution provisions are alluded to by stationary retailers or conventional mortar and bricks organizations (Kotzab and Madlberger, 2005). Now the conventional store retailing has to stand more pressure than ever all because of some of the pioneering activities in non-store formats (Dholakia and Uusitalo, 2002). Of late, stationary retailer's market status has been asserted by the electronic retailers. Because of the entrance of the players like Dotcom's or virtual stores like Amazon.com the existing players have bud deprived from serious market share. Now these new players of acquired substantial market share. These players like Amazon.com or any virtual retailers market their product direct through the Internet, because they don't have any physical stores as such (Kotzab and Madlberger 2001). Because of the cut-throat rivalry on the Internet these e-tailors to the care are forced to find new ways of attacking and preserving the consumers/ at he same time, conventional retailers are undergoing a situation where thy can not overlook the significance of online marketing exponential expansion of the player like Dotcoms or Amazon.com.

If the traditional bricks and major shopping is under the threat of the loss of considerable trade to Internet marketing, in what way should the stationary retailers respond in a competitive way? Enders and Jelassi, (2000) argue the merging patterns of Internet and bricks and mortars retailers apprising of this fact that the budding fashion of in the corporate world is confluence of these two patterns of retailing. Dennis et al. (2002) are in total agreement with this fact that feature of the shopping belongs to multidimensional retailing where, rather than vying with the Internet, traditional retailers are supposed to have a hybrid policy mixing online and offline proceeding via a bricks and clicks methods. If the retailers encourage conventional way of retailing by being devoted to e-commerce as a equal policy, they will be able to supply consumers with a chance to go with Internet oriented shopping and easier way of delivery or to merge conventional way of retailing and online shopping in accordance with the product concerned (Oinas, 2002). Since both conventional retailer and e-tailors are in the attempt to fulfill the requirements of budding business by spreading their trade pattern, so, now it is very essential for organizations to create a multidimensional trade pattern with a host of points of contacts with the consumers. This incorporates both form of retailing physical store and Internet-oriented facilities. Fundamentally they symbolized a combined format of these two or you can say bricks and clicks methods. According to Otto and Chung (2000) such combined format of retailing is nothing short of advanced way of retailing a model melding the benefits of e-commerce with the benefits of conventional way of physical retailing.

2.6 Bricks and Clicks Approach

According to the prognosis of the Sharma and Sheth (2004) customers are bound to utilize the brick to click buying design, which mean to say customer will purchase on the Internet from organizations with brick stores. These brick and clicks blend have both type of advantages, be it benefits as to producers and customers. The main benefits for procedure of this approach include earlier consumer bases use of recognized distribution and retail networks. Consumer based benefits incorporate the status and faith already achieved by conventional way of retailing along with the customer interest in the advantages proffered by the multidimensional shopping (Min and Wolfinbarger, 2005).

The bricks and mortar stones thinking that shift to online operations have entrenched brand equity that can be strengthened on the Internet and having a reputed brand reduces the expenses incurred on consumer collection (Min and Wolfinbarger, 2005). There has been a hint like this that all the e-tailor being the post of conventio0nal old financial firms will flourish in an optimum way, with stores that incorporates e tailing and a powerful brand with a successful track record (Dennis et dl; 2002). Retailers are able to strengthen both sort of retailing with physical stores and Internet working handsomely with each other thus have increased sales of both is all because of the sales made through both type of format physical stores and online channels.

Apart from the above-mentioned benefits of retailing through both formats-online and offline channels, there are also some other benefits such as better shopping facilities, easier merchandise return and opportunity to offer information that can inspire customer to purchase offline. Park et al. (2004, p.13) pinpoint this fact that incorporating both format of retailing –online, may after benefits like wider distribution, status, management expertise and wherewithal. Bricks and clicks way of retailing can also enhance their land-based trade by supplying customer with umpteen online selections (Min and Wolfindbarger, 2005).

Hart et al. (2000) are of this opinion that retailer can make some sort of value addition to their current operations by making use of website to increase their conventional merchandise range, or going are move ladder ahead and associating with other related services, goods, providers, or retailers to supply the extraordinary one-stop shop point for consumers. This has caused the growth of sites serving as shopping centers online, which lost study has alluded to as virtual shopping mall (Hendershott et d; 2001). It the outside associates are counted on, they are more likely to be well versed of website development, preservation deliverance (Oinas, 2002).

2.7 Retail Format Innovation

Retailers and concerned people do not draw on just product category or product range as a mode of defining a retail format, as there is no sole accepted clarity of retail format. The term is taken use both in a general sense and also to explain the precise offer of a particular retailer. In its place, there have been numerous, generally rather futile attempts to classify explicit retail formats. However, the range of definitions for several categories is confounding and generally contrary.

There is thus no magical projectile or no single exact business model for retailing. There are myriad correct answers, incessant combinations of business models and countless versions of key themes and approaches (Rayport, 1999). Although this has not disallowed researchers and practitioners from conceptualizing innovation and retail change. Therefore, it would be worth here to discuss the conceptualization of innovation in retailing from the perspective of researchers and practitioners.

The temperament of innovation in retailing and innovations in services more usually is greatly under-researched (Hristov and Reynolds, 2005; Tether, 2005; Miles, 2000). For instance, while the largest business article database includes some 31,000 articles dealing with innovation, where only 136 talk to service innovation issues and just 12 scholarly articles have been written exclusively regarding retail innovation. In relation to innovation, Miles (2000) observes that services have long had a Cinderella position, as being ignored and insignificant.

It would thus appear that service innovation is not only in being ignored. Roughly all our comprehension of innovation comes from revising manufacturing firms, with the spotlight being on technical and mostly fundamental innovations. Service innovation though is poles apart, leaning to be incessant in nature, moderately than pursuing a chain of step changes amid periods of stability (Tether, 2005). Predominantly, services innovation is all about changes in how, where and when a service is carried and entails less conventional R&D. Equally, in quantifying innovation, we lean to fall back upon simply derived in the forms of quantity of patents, or levels of R&D expenditure.

Disconnected from issues relating to the origin and features of format innovation is the query of how various categories of format move to turn into prevailing within retailing, as there are noticeable modifications in the structure of retailing institutions. Models to report for format change over time have been principally developed within a US context, where large-scale retailing has been prevailing for longer (Levy *et al.*, 2005). Concern with the actually recurring nature of the sector escorted to the early advance of McNair's familiar “wheel of retailing” concept in 1958; where the wheel symbolizes for the rise and fall of specific kinds of retail formats; and the existing state of the US department store sector best typifies the wheel's exposed phase.

The structure of retailing is such in a way that retailers characteristically subsist in one of four segments namely innovative, big middle, low-price and in trouble. Retailers that dwell in the innovative segment direct their strategies en route for quality-conscious markets that look for premium offerings. Low-price retailers call to price-conscious markets. Further, big middle retailers flourish due to their value offerings, and in trouble retailers are incapable to carry high levels of value comparative to their competitors (Levy *et al.*, 2005).

More clearly, attaining scale economies permits innovative and low-price retailers to shift into the big middle. However, contentment, or incapability to maintain the accurate balance amid price and non-price factors for customers result in failing retailers shifting into the in trouble segment. For instance, retailing companies such as Wal-Mart and Target are unbeaten in their supremacy within the big middle; whereas on the other end, traditional department store retailers such as K-Mart and Sears locate themselves in trouble category.

Hristov and Reynolds (2005) find in their UK study of retail innovation that strategic innovation is guided by a strategic planning process, and it could be radical in terms of new retail models or new channels to market; or incremental, improving the existing business model. Further, it is considered as high-cost/high impact investments with longer term time horizon probably beyond one annual planning cycle; and it is more probable to be carried out in multidisciplinary teams which unite functional areas, IT systems, market researchers and suppliers

Further, Hristov and Reynolds(2005) reveals that characteristics of operational innovation are identified as: largely incessant and incremental; comparatively low-cost, developed through experimentation; characterised by short innovation cycles of amid 3 and 18 months; generally included within functional areas and executed within functional budgets; and at times, the distinction between what succeeds as incremental innovation and what is purely, good business development practice is imprecise.

Understandably therefore, it is imperative to be aware of the fact that even what retailers refer to as strategic innovations are often incessant in nature rather than essentially focused in the region of a traditional step-change model of innovation, in general with several types of service innovation. This can create it more complicated to recognize fixed points of steadiness for testing, predominantly in regard of formats.

Further revealed that retail innovation of all kinds tends, despite of a strategic nature, to have comparatively short cycles, being uncomplicated to emulate, and thus making haste to market unnecessary. Strategic innovation in retailing is analogous to varying the mechanism whilst in the middle of a race, and the advantage that some sectors get from format innovation is even more transitory.

However, an emergent strategy approach (Mintzberg, 1994) in relation to the format of innovation process thus proposes that retail formats are evolutionary and incremental rather than holistic creations, and though they show essential but short periods of immovability, they necessitate regular work to uphold. There is no archetypal process, and so companies frequently generate vast strategic plans, however opportunities often disrupt them. This is what, most commonly, they a draw on a gut sense that something will work, rather than anything intensely planned or developed. Studies reveal that retail formats have limited lives with no continual consideration, supporting a life cycle approach and specially the notions of innovation and exit identified by Levy *et al.* (2005). Likewise, they state about the threat from new formats, as each retail format has a shelf life, except companies are continually investing. Though, they propose that the move from being innovative to moving effectively into the middle-of-the-road as a large-scale business is not for all time predestined, or even sought after, by some of the new kids on the block.

The issues connected to a shift from a small more commercial organization, with founders having everyday control over the business, to a larger possibly centrally-controlled enterprise is not a course strange to retailing, undoubtedly, although there are inferences from these conclusions for commercial stakeholders, in the forms of shopping centre developers and managers (Nicholls-Nixon, 2005). Firstly, in relation to identifying those retail businesses who have effectively made the transition ; but more significantly possibly in recognizing the richness and diversity deriving from smaller retail businesses who decide not to shift into the middle-of-the-road but which might include attractive potential tenants. Though this contradicts the inevitable logic of the big middle model. Noticeably, the big middle model emerges to echo practitioners' comprehending is in the mode it highlights the level of blend in retail business which mirrors partially the simplicity of entry into the sector, as anybody can open a shop.

Taking use of insights on the innovation process and on the nature of format change, Levy *et al.* (2005) propose four features of modern format change in the forms of : drive to scale; volatility in scale; rise of specialty formats; and value, not discount retailing.

Drive to scale: The issue of drive *to scale* concerns to the fact that the critical mass of profitability is shifting higher all the time, in a higher cost setting. For instance, trends in UK retailing, in the form of the boost in the size of grocery formats made possible by moves to out-of-town locations and the succeeding wave of re-entry into city center's based on new, smaller formats like Tesco's Metro and Express formats are well known. Whereas, less well known is what has been occurring in the non-food retailing sector, where there has not only been a drift towards lasting growth but also a step-change in the format sizes opening in town center. Countless retailers are opting to set up larger formats tendering more authoritative ranges and more destination pull. New Look, whose stores averaged less than 2,000 ft^2 of selling space in the 1990s, are now opening outlets of about 25,000 ft^2. This is what Zara's UK stores also keep on to boost in size.

The drift to large formats has, though, escorted to some overrunning by firms. Adams, for example, experimented with 7,000 ft^2 stores although is currently focusing on ones approximately 3,000 ft^2, even though these are still outsized than its archetypal older stores. On the other end, Boots has resisted to build more efficient use of its very large live multi-storey stores. The overall business model for retail format in relation to drive to scale are as Levy *et al.* (2005) : the appeal of a stronger offer, a wider and deeper range and the opportunity for more lifestyle or other kinds of merchandising; attaining greater total sales, although not greater sales per square meter fin the context of static or declining sales per square meter generally; economies of scale in logistics and staffing; and lower property costs per pound of sales with the help of greater use of non-Zone A space mezzanines.

Volatility in scale: Though, it is indispensable to enquire how far upsizing can be sustained in town centers, but out-of-town retailing offers the perfect location for large-scale operations and scale of operation cannot be constantly delivered within town centre environments. The operating model of the large stores within the company is just too costly and stores struggle to keep the prices where they are supposed to be since the level of rents and running expenses is so high. Of late, the drive for competence and the search for most effectual balance of range with floor space output have resulted in the downsizing of some very large formats Levy *et al.* (2005). Therefore space is the greatest asset a retailer has and therefore giving up space is a last resort; an admission of failure.

The rise of specialty formats: Change in retail formats is driven by change in products and life-styles, where an elementary polarization in consumer behavior take place that concurrently entails a preference for large-scale and convenience formats beside an increasing interest in specialty formats. Specialty formats cater to contemporary consumers demands for a more hedonic shopping experience, for expediency and for brand values as well as value for money. Catering to a more segmented market but also to more demanding, inconsistent, leisure-oriented and time-pressed consumers inexorably implies more specialty formats. However, the authority of the range, brand identity and the knowledge of employees differentiate the specialty format from more conventional formats. From the retailer's perspective, the specialty format is based on a challenging business model with diverse location and space requirements. However there emerges to be no scarcity of applicants (Anniss, 2006).

Value, not discount, retailing: Evidently there has been enormous growth in low price or discount retail formats. But the term discount is not enough to explain all these formats. Driving their growth is not just the yearning for low price disposable commodities but also for real value, low prices plus quality.

Quality entails dependable characteristics that can be summed up as brand values. However, the old trade-offs stuck between quality and prices appear no longer to be tolerable to consumers. Low prices are at present expected even for powerfully branded merchandise; given the proliferation of retail offerings, escalating competition and customers' very much augmented aptitude to assume information searching, through the internet. Apart from these, retailers are introducing stronger brands in lower price ranges. An additional factor driving down costs has been superior competence and the strengthened capability to compete and to distinguish the offering resulting from the appliance of information and communications technology and the progressively more efficient incorporation of supply chains.

The indispensable qualities of the discount business model are a slighter range, or a range which is logistically easier to manage than that of competitors; high productivity particularly in relation to logistics and staff; a price offer to consumers to draw volume sales; a low margin; and high stock turnover. Although not all value formats have narrow ranges. Primark, for example, combines branded offers with broad ranges. Supposedly, competitive pricing as a vital part of any successful model, the business model for a value format with a wider range and a lower speed of turnover varies noticeably from a conventional discount format such as Aldi in groceries. The Institute's research (British Council of Shopping Centers, 2007) proposes that value discount formats will carry on growing speedily and that several other sectors will witness the introduction of specialist formats which are evidently branded although low priced.

2.8 Emerging Paradigms in the Indian Market Place

The contemporary world is passing through the phase of technology directed convergence, aided by the wind of globalization. This convergence is not only directed by sharing of information, but is in fact generating and adding to novel and live knowledge realms. Commenting on this development Ambani (2005) comments that globalization led convergence endorses collaborations, information directed convergence facilitates connectivity, technology led convergence stirred creativity, and knowledge directed convergence constructs competencies. This convergence in the contemporary borderless world, thus, goes beyond the boundaries of products, people, practices, ideas, and ideologies. More importantly, it is enabling a paradigm shift in the international marketplace. Obviously, we are bound to see supremacy of this convergence in our every day lives by this yet-unexploited and yet-to-emerge creations and innovations. The twentieth century has tendered a forerunner to this certainty, where more than two-thirds of worldwide wealth is created out of innovation and inventions taking place during that century.

It was the early on 1980s while the world noticed the supremacy coming from emerging markets, where first it was China and then India. However, the rest of the world looked on in doubt, as the Chinese economy started to take off in the 1980s at what appeared like lightning pace and the country positioned itself as a global economic power (Farrell *et al.*, 2004). So far as India is concerned, after decades of economic stagnation below the intense load of state controls usually referred to as the Permit Raj system of bureaucratic business regulations, which leaned to smother innovations and individual initiatives, India started on the conduit to reform at the start of the 1990s (Yergin and Stanislaw, 2002, pp. 212-30).

India started its economic transformation generally a decade after China, but has of late seized the attention of the world significantly, impelled mainly by the issue of off shoring. Simultaneously, the country is fast generating globally standard businesses in knowledge-based industries in the forms of software, IT services, and pharmaceuticals. These industries, which come forward with slight government support, have helped push the economy to the remarkable level (Jain *et al.*, 2005). Though India's level of foreign direct investment is just a part, as compared to the China. Whilst investors and corporations around the world have focused considerably on China, and therefore India could potentially be a better growth legend in the long run (Wilson and Purushothaman, 2003).

Apart from being the focal point of the global leaning toward strategic off shoring, Indian has turned into attractive as a market in its own right. This is evident in the fact that with GDP growth more than twice that of the USA and the UK through the precedent decade, and with a predicted constant actual annual growth of almost 7 per cent, India is one of the world's most capable and fastest-growing economies, with multinational companies enthusiastic to invest considerably, where Indian desire for any industry's products will be in the middle or lower segments (Shukla, 2001). Moreover, 87 per cent of Indian's 640,000 villages have population clusters of 2,000 people or less, and in spite of a world of roughly 3.6 million rural retail outlets, there is no dynamic marketing or distribution in these small villages due to the extravagant last mile logistics (Deveshwar, 2005). Consequently, multinationals ought to defy the persuasion just to repeat their global product offerings; the products and price points that are competitive in India are time and again significantly altered from those that go fine in other countries.

In spite of noises at either end of the recurring continuum, India is constantly stepping up its contributions to global growth and demand (Purushothaman, 2005). More importantly, a consumer-oriented economy is rising in India, which promises potential opportunities for both Indian and Western marketers, where they will require to take advantage of the opportunity with opting the right strategy (Chao *et al.*, 2004), particularly the emerging retailing market. As India is in the midst of a retail boom, and largely unexploited organized retailing is growing at the rate of 20% and many Indian business houses and foreign retailers have already invested/shown interest in investing in this sector. However, the issue of concern is that the impact of this retail revolution could be bigger than just the changing façade of the market place and enhancing consumer buying experience (Sabnavis, 2004).

2.9 Store Choice Behavior in an Evolving Market: India

There is an increasing demand to assess the real drivers of shopping behavior in the Indian context. The Indian retailing picture appears to be driven more by enthusiasm. The trademark of Indian retailing, the small shop with a high level of personalized service, is composing shoppers unwilling to go away from conventional ways of shopping. To a great part of customers the new-fangled formats are supposed to insert inadequate extra value, except for innovation. The new-fangled expansions are versions of western formats fetching modest to tepid success. A number of successful chains are at present holding back new-fangled expansions.

Store choice and benefaction have been extensively studied all around the globe, though there is still huge scope for research and analysis as the retailing environment shifting quickly, escorting to altered shopper expectations and shift of the choice set of stores. This event gets bigger implication in the Indian market, with the overture of larger and more varied retail formats by organized retailers. The trend is tendering novel experiences and options to shop for the consumer, however, a range of formats are being rolled out, with mixed success. This is what; both retailers and shoppers are presently in an assessment phase with no apparent verdict as to what might drive the choice of stores in the longer term. The recently formulated stores are competent to draw shoppers into stores due to its setting, and therefore they are finding conversions into purchases to be lower than predicted and therefore lower profitability for retailers.

Store choice is acknowledged as a cognitive process, where it is as much an information processing behavior as any other purchase decision. Store choice behavior of shoppers is found to share various similarities with brand choice. The single dissimilarity is the magnitude of the spatial facet. Though brand choice is devoid of any geography, the choice of a store is very much influenced by location. In a study of store choice behavior amongst audio equipment shoppers, Dash *et al.* revealed that the level of pre-purchase information regarding the brand significantly influenced the type of store chosen. Further, shoppers who had higher levels of pre-purchase information usually shopped at the specialty store, while shoppers with low pre-purchase information went at departmental stores. This is largely attributed to customers accepting a risk reduction policy in relation to their awaiting purchase. Evidently, a store is selected based on the self-assurance that the customers have for the store; regarding the nature and quality of product and service they will receive. The significance positioned on the customer's acquaintance with the store will rely on the perceived risk in making a mistaken purchase and the significance of the product category to the shopper.

The store choice problem has also been studied making use of the framework of diffusion of innovation set out by Cunningham. Noticeably, Cunningham's model highlights that the perceived risk connected to the product is also conveyed to the store and such conveyance is more prone for product categories that are not controlled by strong brands. In such instances, the store turns into a product of sorts and actually is vulnerable to the similar sort of risk behavior analysis technique accorded to products.

An additional facet that is revealed to control the store choice decision has been the sort of shopping task, where a task is highlighted as the goals set by the shopper to offer the requirements derived out of a precise situation. As Kenhove *et al.* (1999) proposed that store choice is distinguished by the nature of the task. They studied the store choice decision across a range of tasks as depicted by the respondents, in the forms of urgent purchase, large quantities, difficult job, regular purchase and get ideas. Their findings revealed that the chosen stores varied in their salience rating in relation to the task the shopper deliberated to perform. The salience of the stores has also been revealed influenced by situational factors.

In a preceding study, it was revealed that situational attributes, in the forms of time pressure and gift-versus self-shopping, can determine store choice and attribute salience. Further, it was also highlighted that the situational influence requires to be evaluated for all visit and therefore some shoppers might change their choice due to situation specific drivers. These situational influences might be categorized as the competitive setting, the individual's situational set and the shopping event. The shopper might also assess all of the situations considering the cost incurred and the utilities derived out of shopping. Bell *et al.* (1998) put forward that such costs can be categorized as fixed and variable costs of shopping; where the variable cost is connected to the basket size or the list and thus is prone to change with each trip; and the fixed costs, in the form of location of the store or the price format, would stay unaffected over list size. They propose that these costs can be transformed into utilities for every of the shoppers by the store. Further, in a study of the two price formats, EDLP and HILO, it was revealed that the store can influence the choice of the shoppers by augmenting the perceived utilities (Tang *et al.*, 2001). Suggestively therefore, shoppers lean to demonstrate a preference for a store reliant on the threshold value fixed by the shopper, and if the perceived value is less than the threshold, the shopper might not choose the store. Further, the threshold value for a particular customer is affected to a great degree by the image characteristics of the store.

Store choice is found reliant on socio-economic backdrop of consumers, their individuality and past purchase experience. Further, in comparison to young shoppers, elderly shoppers are less price-conscious and nearness of residence to store is not an important factor for them. Shoppers consider shopping as spare time activity and consequently chose a store that is supposed to be high on entertainment value (Baker *et al.*, 2002).

More importantly, shoppers look for and developed hot buttons that help out in choosing amongst stores. The shoppers could hurriedly name the store that provided them with these buttons, in the forms of most convenient or lowest prices, therefore reducing the cognitive dimension in the decision problem. Hutcheson and Mutinho (1998) reveal that shoppers made use of a grouping of the quality of staff and the happening of low prices and the frequency of promotions in choosing a store.

The role of atmosphere in store choice is found important. It is supposed that atmospherics is an imperative part of retail marketing strategy, where the shoppers decide the value of the merchandise based on monetary as well as non-monetary costs. Further, amusement is also the major driver for visiting a regional shopping centre (Treblanche, 1999). The shopping experience, as shaped by the store environment, is found to play a vital role in building store patronage. With that of merchandise, it sets off touching reaction amongst shoppers, and contributes to creating store patronage intentions (Baker *et al.*, 2002).

Lately , Leszczyc and Sinha (2000) have revealed that store choice is a vibrant decision and could be conceptualized as a dilemma of deciding when and where to shop, where the first decision being the conventional store location choice problem and the second the shopping trip occurrence dilemma relating to the timing of shopping trips. The two decision processes are correlated. Store choice is also found dependent on the timing of shopping trips as consumers might go to a local store for short fill-in trips and to a more remote grocery store for normal shopping trips. Both these decisions are settled on by shopper characteristics and consumption patterns.

2.10 Summary

Even though organized retailing has been in way for a long time in some product categories such as textiles and shoes, they have been driven by the manufacturer. However, the changes witnessed in the industry where the retailers are organizing themselves began only in the last decade, and 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.

So far as retail format in Indian retailing is concerned, 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 (Sinha and Banerjee, 2004).

Obviously in such a developmental situation, there emerges a need for examining the shoppers' behavior. In the light of the fast rate at which new-fangled retail formats have been introduced in the Indian market lately , several with limited success(Sinha and Banerjee, 2004), it is essential for Indian businesses to comprehend changing shopping behavior amongst consumers, particularly with reference to their preferred points of purchase. 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. It is thus, indispensable for retailers to comprehend shoppers' motivations and to draw customers residing beyond the, hitherto considered, catchments areas near their stores.

This is found that grocery and fruit and vegetable stores are visited by shoppers considering more closeness and patronization, and the shopper would like to lessen travel time. Though, as indicated by a higher score, if shoppers have been buying from the store for a longer period of time, they do not mind buying from a store located at a larger distance. The significance of relationship/comfort level with the retailer is stressed in relation to grocery stores. There appears to be some signal of an intrinsic loyalty to the stores in this category. Subsequently, whilst the experience of shopping is good there is a elevated likelihood of the next visit. The shopper is eager to trade-off the extra travel attempt with the experience. Such an experience can be provided all the way through services and merchandise. Both these factors do develop into important at 88 per cent significance level (Sinha and Banerjee, 2004). Though, closeness is the most significant driver of loyalty to a grocery store. Further, ambience is not a predominantly significant factor for shoppers of this product category, and therefore a shopper might not visit the stores recommended by others in this category.

So far as consumer durables stores are concerned, shoppers connect more value to merchandise, referral and ambience. They desire to visit those stores that have profundity and variety of products. In fact shoppers in such stores look for variety. On the other end, stores that tender good prices and discounts are also visited, while shoppers are also concerned regarding the quality of goods for sale. The attempt is a signal of maximizing the value for the price paid. In the course they enquire other shoppers regarding the stores. The environment, reflected in terms of lighting, setting and comfort, is also pertinent in determining store choice. A fine exhibit of products, so that the shoppers can look around and touch and feel the products, turns into a vital concern in consumer durables stores. Shoppers also visit the company or branded outlets in this product category. Like brands, they look to construct a set of stores ahead of their making a decision to purchase the brand. They plan to exploit the returns from the brands as well as the stores (Sinha and Banerjee, 2004). It is consequently, essential for such stores to stock and exhibit at least required number of brands and models to make sure visits by shoppers. However, due to the smaller size of stores presently in India, this is a challenge for the stores, with that of, for brands that have smaller market shares.

Further, in the case of apparel stores shoppers give worth to merchandise, ambience and other factors such as exclusive or branded stores. Their behavior here is alike to a durable goods store. They desire variety and would prefer to touch and feel the product. They would also prefer the store to be comfortable and well lay out so as to facilitate the browsing process. The shoppers also visit the branded outlets. Range of merchandise, in relation to product and price, draw shoppers to a store. They would also prefer to satisfy themselves regarding making the accurate choice prior to finalizing on their purchase (Sinha and Banerjee, 2004).

This is found that consumers at grocery/fruit and vegetable stores report the most varied set of observations concerning to these stores, and there appears to be an all-purpose agreement that convenience and brand spread are the most vital features of the stores that are visited. Further, perceived risk of purchase of merchandise from the specific store and closeness of store to residence also make up a momentous share of perception regarding the store visited. The environment and facilities, which are the foundations of most recently opened stores have unexpectedly, not figured as top of mind perceptions about this type of store, by and large. However, brand spread and convenience, is rated high in perception, do not form as highly significant drivers of store choice.

Chapter 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter details the research methods applied in this research in order to collect and analyze data. The success and validity of the research largely depends on data collection and data analysis, therefore methodology in a research needs to be carefully planned. Therefore, in this research also research methods were opted with high care. The various sections of the chapter are: research design, research method, data collection method, data analysis, validity and reliability and limitation.

3.2 Research Design

Researches may be either exploratory in nature or descriptive, or may be conducted to test hypotheses. The case research, which is an examination of researches done in other similar organizational situations, is also a method of solving problems, or for understanding phenomena of interest and generating further knowledge in that area. The nature of the research-whether it is exploratory, descriptive, or hypothesis testing-depends on the stage to which knowledge about the research topic has advanced. The design decisions become more rigorous as we proceed from the exploratory stage, where we attempt to explore new areas of organizational research, to the descriptive stage, where researchers try to describe certain characteristics of the phenomena on which interest centers, to the hypotheses testing stage, where researchers examine whether or not the conjectured relationships have been substantiated and an answer to the research question has been obtained (Sekaran, 2004). This research was exploratory one as it was purposed to understand and evaluate the consumers psyche when they visit shopping malls.

An exploratory research is undertaken when not much is known about the situation at hand, or no information is available on how similar problems or research issues have been solved in the past. In such cases, extensive preliminary work needs to be done to gain familiarity with the phenomena in the situation, and understand what is occurring before we develop a model and set up a rigorous design for comprehensive investigation. In essence, exploratory researches are undertaken to better comprehend the nature of the problem since very few researches might have been conducted in that area. Extensive interviews with many people might have to be undertaken to get a handle on the situation and understand the phenomena (Sekaran, 2004).

As exploratory research it was purposed to understand and evaluate the so-called boom in Indian retailing, with retailing structure, prospect and challenges in India. The exploration was made in the research regarding following issues: current structure of retailing in India, prospect of retailing in India, and the challenges of retailing in India.

3.3 Research Methods

In selecting the appropriate research format for a qualitative research, the researcher takes into consideration the purpose of the research and the type of data needed. The choice of data collection techniques for qualitative researches includes depth interviews, focus groups, and projective techniques (Schiffman and Kanuk, 2000). Qualitative researchers are part of a phenomenological tradition where no unambiguous objectivity recognized, the way individuals construct the meanings of the phenomena is important. In selecting the appropriate research format for a qualitative study, the researcher takes into consideration the purpose of the study and the type of data needed. The choice of data collection techniques for qualitative studies includes depth interviews, focus groups, and projective techniques (Schiffman and Kanuk, 2000). Qualitative researchers are part of a phenomenological tradition where no unambiguous objectivity recognized, the way individuals construct the meanings of the phenomena is important.

The design of qualitative research study includes the method for collecting the data, the sample design, and construction of the data collection instrument (Schiffman and Kanuk, 2000). Quantitative research arises from a positivist paradigm, which is centered, on objective truth, scientific methods and systematic relationships, which allow generalizations or point specific linkages between elements of a problem. As far as this research is concerned both the qualitative and quantitative methods were applied. As according to Sekaran (2004) Qualitative and Quantitative approaches to research are applied depending upon the research problem. The problem of this research was tended to generalization of the specific problem identified- to understand and evaluate the so-called boom in Indian retailing, with retailing structure, prospect and challenges in

India. Therefore quantitative research method was applied to extract the information for exploration and generalization in the research.

3.4 Data Collection Methods

Data can be obtained from primary or secondary sources. Primary data refer to information obtained firsthand by the researcher on the variables of interest for the specific purpose of the research. Secondary data refer to information gathered from sources already existing, while discussing literature survey. Some examples of sources of primary data are individuals, focus groups, panels of respondents specifically set up by the researcher and from whom opinions may be sought on specific issues from time to time, or some unobtrusive sources such as a trash can. The Internet could also serve as a primary data source when questionnaires are administered over it. Data can also be obtained from secondary sources, as for example, company records or archives, government publications, industry analyses offered by the media, web sites, the Internet, and so on. In some cases, the environment or particular settings and events may themselves be sources of data, as for example, researching the layout of a plant (Sekaran, 2004). Considering the research problem and research methods defined, both primary and secondary data was collected in this research.

3.4.1 Secondary Data

Secondary data are indispensable for most organizational research. Secondary data refer to information gathered by someone other than the researcher conducting the current research. Such data can be internal or external to the organization and accessed through the Internet or perusal of recorded or published information. Secondary data can be used, among other things, for forecasting sales by constructing models based on past sales figures, and through extrapolation. There are several sources of secondary data, including books and periodicals, government publications of economic indicators, census data, Statistical Abstracts; data bases the media, annual reports of companies, etc. Case researches and other archival records sources of secondary data provide a lot of information for research and problem solving. Such data are, as we have seen, mostly qualitative in nature. Also included in secondary sources are schedules maintained for or by key personnel in organizations, the desk calendar or executives, and speeches delivered by them. Much of such internal data, though, could be proprietary and not accessible to all (Sekaran, 2004).

Secondary data in this research was collected through various forms, such as books journals, magazines, newspapers, Data monitor and online sources

The advantage of seeking secondary data sources is savings in time and costs of acquiring information. However, secondary data as the sole source of information has the drawback of becoming obsolete, and not meeting the specific needs of the particular situation or setting. Hence, it is important to refer to sources that offer current and up-to-date information (Sekaran, 2004).

3.4.2 Primary Data

Primary data can be collected in a variety of ways, in different settings-field or lab and from different sources, as we have just discussed. Data collection methods include interviews face-to-face interviews, telephone interviews, computer-assisted interviews, and interviews through the electronic media; questionnaires that are either personally administered, sent through the mail, or electronically administered; observation of individuals and events with or without videotaping or audio recording; and a variety of other motivational techniques such as projective tests. Interviewing, administering questionnaires, and observing people and phenomena are the three main data collection methods in survey research. Projective tests and other motivational techniques are also sometimes used to tap variables. In such cases, respondents are usually asked to write a story, complete a sentence, or offer their reactions to ambiguous cues such as inkblots or unlabeled pictures. It is assumed that the respondents project into the responses their own thoughts, feelings, attitudes, and expectations, all of which can be interpreted by trained psychologists (Sekaran, 2004). In accordance with the research plan, primary data in the present research was collected through questionnaire method, which was administered both through personally and telephonic.

A questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. Questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest. Questionnaires can be administered personally, mailed to the respondents, or electronically distributed (Sekaran, 2004).

Administering questionnaires to large numbers of individuals at the same time is less expensive and consumes less time than interviewing; it does not also require as much skill to administer the questionnaire as to conduct interviews. Wherever possible, questionnaires are best administered personally to groups of people because of these advantages (Sekaran, 2004).

It is important to remember that a questionnaire should be viewed as a multi-stage process beginning with definition of the aspects to be examined and ending with interpretation of the results. Every step needs to be designed carefully because the final results are only as good as the weakest link in the questionnaire process. Although questionnaires may be cheap to administer compared to other data collection methods, they are every bit as expensive in terms of design time and interpretation. Questions can be open-ended or closed-ended. Open-ended questions yield more insightful information but are more difficult to code and analyze; closed-ended questions are relatively simple to tabulate and analyze, but the answers are limited to the alternative responses provided. Great care must be taken in wording each question to avoid biasing the responses. The sequence of questions is also important: the opening questions must be interesting enough to "draw" the respondent into participating, they must proceed in a logical order, and classification questions should be placed at the end, where they are more likely to answered (Schiffman and Kanuk, 2000). The questionnaire in this research consisted a set of 10 close-ended questions, which were prepared keeping in mind the research aims and objectives. All the questions were provided with multiple options and it was kept in mind the fact that the responses appeared easier to answer, as close-ended questions are that found easier to answer.

Convenience sampling is used in exploratory research where the researcher is interested in getting an inexpensive approximation of the truth. As the name implies, the sample is selected because they are convenient. This non-probability method is often used during preliminary research efforts to get a gross estimate of the results, without incurring the cost or time required to select a random sample (Saunders et al, 2003). In the present research sample was selected conveniently. For this, 35 managerial level people working in different retail chains (Delhi based) were approached. The opinions of the respondents were taken providing designed questionnaire.

3.5 Data Analysis

Data analysis was carried out by quantitative approach. After collection of data the important part of the research was data analysis. This was done following these steps (Saunders et al., 2005):

- Understand the need for preliminary data preparation techniques such as data editing, coding, and statistically adjusting the data where required.
- Describe the various statistical techniques for adjusting the data.
- Discuss the significance of data tabulation
- Identify the factors that influenced the selection of an appropriate data analysis strategy
- Become familiar with the various statistical techniques available for data analysis
- Give a brief explanation of the various multivariate techniques.

In qualitative research, the moderator or test administrator usually analyses the responses received. In quantitative research, the researcher supervises the analysis. Close-ended responses are first coded and quantified; then all of the responses are tabulated and analyzed (Schiffman and Kanuk, 2000). After the data was collected by the methods above, it was systematically analyzed. This was done by writing all the key things in a systematic order, as is done in a questionnaire planning/designing. After viewing the key themes, the views and answers were written down. Then the different replied were studied and analyzed for each question. As, the responses of the questions were varied and inconsistence, the analysis was done descriptive and interpreted through simple tabulations and percentages methods.

3.6 Validity and Reliability

The format of the questionnaire, and the wording and sequence of questions, affects the validity of the responses and in the case of mail questionnaires, the number of responses received (Schiffman and Kanuk, 2000). For ensuring validity, the researcher was sensitive in the wording and sequencing of questions. Further, the questionnaire was also pre-tested. Further, reliability refers to the consistency with which the technique measures what it does measure (Schiffman and Kanuk, 2000). The researcher tried to keep up this consistency to greater possible degree.

3.7 Limitations

The time necessary for the research is the most fundamental factor for the accomplishment of a research work so far as the legality of the findings is concerned, as a fast research cannot give correct results. Though, in spite of the provided limited time, the researcher could hold the complete things systematically and comfortably.

3.8 Ethical Issues

Over the past couple of decades, a marketing information revolution has taken place that has enabled marketers to become more efficient in their consumer information acquisition and assessment of the needs of individual customers (Blattberg, Glazer, and Little 1994). The marketing information revolution, however, raises important public policy issues, as organizations are increasingly building comprehensive consumer databases and applying sophisticated data-mining techniques (Bloom, Milne, and Adler 1994). With the growing application of the Internet as a tool for conducting commerce, privacy and ethics issues become even more salient and pressing (Caudill and Murphy 2000; Richards 1997). To entice consumers to participate in the world of e-commerce, which is relatively unregulated, it is important for marketers to follow ethical behavior and protect consumer privacy.

Chapter 4

FINDINGS AND ANALYSIS

4.1 Introduction

This part of the study, is details about the primary data which was collected through questionnaire method, which was managed both through personally and telephonic. A set of 10 close-ended questions in the questionnaire, which were put in order keeping in mind the research aims and objectives. All the questions were provided with multiple options, as close-ended questions are that found easier to answer and sample was selected conveniently. For this, 35 managerial level officers working in different retail chains (Delhi based) were approached.

4.2 Findings and Analysis

Customer Response and Retailing in India

Indian GDP is growing with fast speed, which is set to continue in the next five years implying that the consumption and the retailing opportunity will also double form its existing market size. Further the growing Indian middle class with its rising consumption is behind the growth in recent years. The economy is undergoing a change in the age profile of spenders and the total number of young spenders is expected to increase sharply in future. A younger population translates to higher propensity to spend and more consumption boosting to retail sector. This means more purchasing power, which in turn fuels growth in retail. The huge multicultural country India is transforming from a socialist economy to consumption led creative economy. The scope and depth of change that is taking place across India defies description. This change provides both a humongous challenges and gigantic opportunity for marketers and retailers. Changing demographic profiles, increasing income levels, urbanization, technology and globalization are bringing about a dramatic shift in consumer tastes and preferences. In this scenario, retailers have not only to acknowledge this change but also stay a step ahead of the evolution curve of Indian consumers. The average household income in urban areas has grown at a considerable rate over the last decade. This means more purchasing power, which in turn fuels growth in retail. The economy is undergoing a change in the age profile of spenders and the total number of young spenders is expected to increase sharply in future. A young working population will not only drive productivity but also set a spiraling effect on consumption and income generation. A young national is willing to work harder, earn higher and spend more on buying and services. The government has been opening up various sectors and privatizes some sectors (telecom, aviation, insurance and energy). This shows its positive attitude to FDI inflows. Retailing has already been looked at as a prospective area for FDI. The Government is also promoting investment in supply chains an infrastructure like real estate through FDI to facilitate retail growth. The Government is considering opening up the retail sector to FDI. Global giants such as Wal-Mart (Wal-Mart already had tied up with the Bharti group in India) and Tesco are waiting in the wings to enter retail in India and this will take the organized sector to higher levels in customer service.

The report in the research illustrates that the key factors of exceptional growth in Indian retailing are rising incomes, increasing urbanization, greater brand competition, and advent of youth driven culture. Putting these factors at the center of investigation in this research, it was investigates as which of these factors constitute key factors to the huge customer response of retailing in the country. The data collected in this context revealed that massive customer response of retailing in India is primarily the result of rising incomes and advent of youth-driven culture (*see table and figure 4.1*).

Table 4.1: Customer Response and Retailing in India

Facts	**No. Of Respondents**	**Response Percentage**	**Valid Percentage**
Rising incomes	13	37.14%	37%
Increasing urbanization	5	14.28%	14%
Greater brand competition	4	11.42%	11%
Advent of youth-driven culture	10	28.57%	29%
Others	3	8.57%	9%

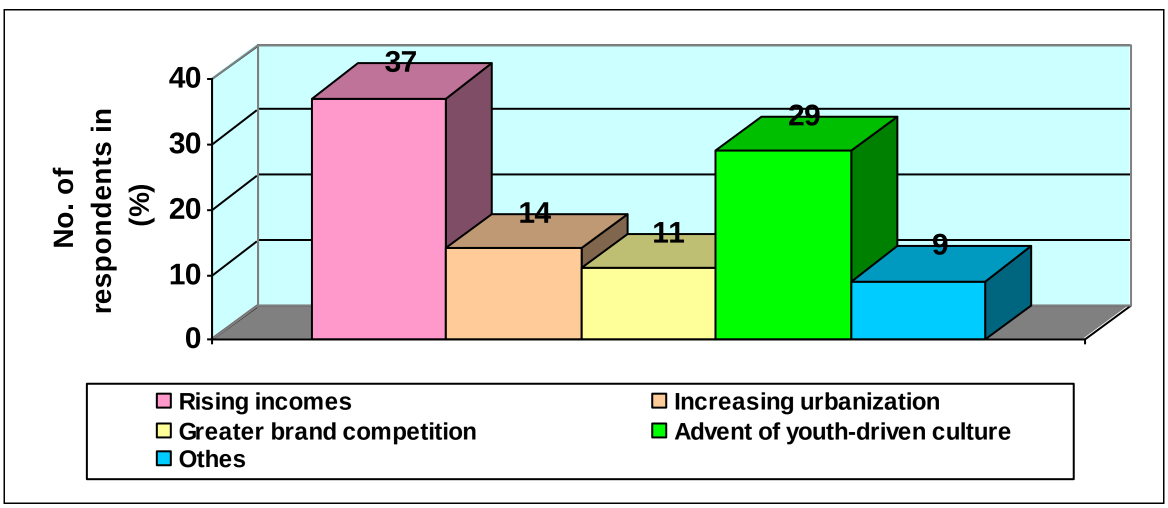


Figure 4.1: Customer Response and Retailing in India

The data mentioned in the above table illustrates that; for 37% (13) of the total 35 respondents they opine that the huge customer response of retailing is chiefly the outcome of "Rising incomes'; 29% (10) respondents opine this about 'advent of youth'. driven culture'; 14% (5) respondents pine this about 'increasing urbanization'; 11% (4) respondents opine this about 'greater brand competition'; and the remaining 9% (3) respondents opine this about 'other'. Overall, these data conclude that huge customer response of retailing in India is chiefly the outcome of rising incomes and advent of youth-driven culture.

Customers' Choice of Retailing in India

In Indian retailing sector various essential services provided by the retailers to meet the needs of their customers are identified principally in the forms of accessibility of information, convenience of timing, convenience of size, and lifestyle support. *Accessibility of location:* There is no value of products and services to consumers until they obtain those. Successful retailers make a range of products and services, often from distant locations, accessible to the consumer. *Convenience of timing:* Successful retailers ensure that goods and services are available to the consumers as and when required by them. Recent trend to longer opening hours reflects the social and economic changes that demand greater flexibility in service proposition. *Convenience of size:* Successful retailers adapt the quantities to suit their customers. Needs and accommodate larger size of customers in a store. *Information:* The amount of information expected by consumers is essential to function and also to increase success rate, particularly in an increasingly complex society. This applies also to their consumption and choice of products. *Lifestyle support:* Most consumers identify themselves with a particular lifestyle that integrates their use of products or services into their general way of living. When retailers make their selection of appropriate goods and services to support their consumers. Lifestyles and perform these functions effectively, they create added value for their customers. However, this value is subjective because what is valuable to one person may be of no value to another.

The report in the research illustrates that the various essential services provided by the retailers to meet the needs of their customers are identified principally in the forms of accessibility of information, convenience of timing, convenience of size, and lifestyle support. Putting these factors at the center of investigation in this research, it was investigates as customers' choice of retailing India is primarily dominated by which offered services. The data collected in this context revealed that customers' choice of retailing in India is chiefly dominated by accessibility of location and lifestyle support (*see table and figure 4.2*).

Table 4.2: Customers' Choice of Retailing in India

Facts	**No. Of Respondents**	**Response Percentage**	**Valid Percentage**
Accessibility of location	15	42.85%	43%
Convenience of timing	4	11.42%	11%
Convenience of size	3	8.57%	9%
Information	5	14.28%	14%
Lifestyle support	8	22.85%	23%
Others	0	0%	0%

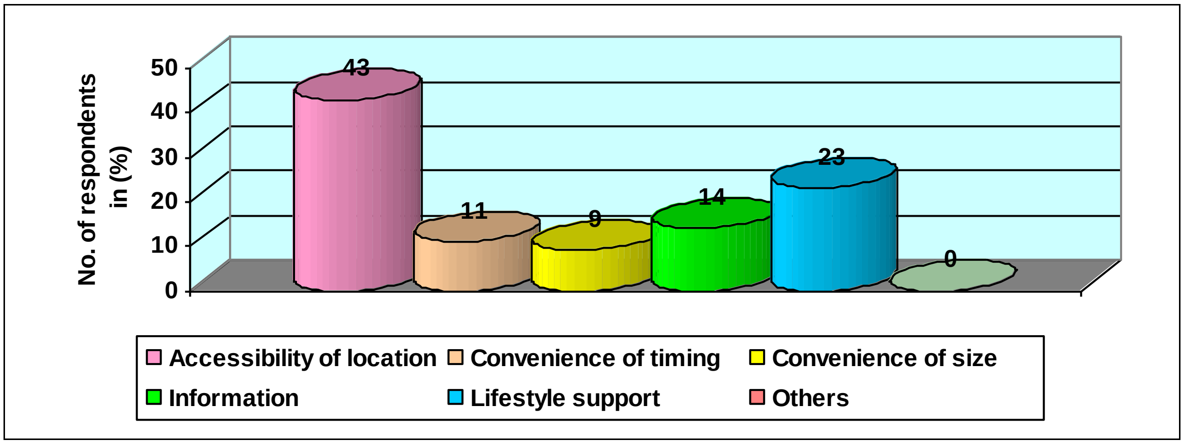


Figure 4.2: Customers' Choice of Retailing in India

The data mentioned in the above table illustrates that; for 43% (15) of the total 35 respondents, they opine that costumers' choice in retailing is chiefly dominated by 'accessibility of location'; for 23% (8) respondents, they opine this about 'lifestyle support'; for 14% (5) respondents, they opine this about information'; for 11% (4) respondents, they opine this about 'convenience of timing'; and for the remaining 9% (3) respondents, they opine this about 'convenience of size'; Overall, these data conclude that customers' choice of retailing in India is chiefly dominated by accessibility of location and lifestyle support.

Marketing Mix and Customers in Indian Retailing

Marketing mix in retailing concerns to the different attributes in the forms of location, size, merchandise, price and atmosphere. *Location:* Store location significantly affects customer's expectations. For example, stores in out-of-town shopping centers will have to offer a superior selection to attract customers. *Size:* The size of the store affects customer expectations as to the range of products stocked. Small boutiques will be expected to stock an interesting variety of a limited assortment of products. *Merchandise:* This has a number of aspects that the retailer needs to take note of such : product mix - the combination of merchandise in a unit; merchandise assortment - choices of merchandise within a classification; breadth -usually measured by the number of different merchandise brands stocked; depth of merchandise - measured by the average number of stock keeping units (SKUs) within each brand. *Price:* Specialist shops are expected to provide a comprehensive range of products whereas a supermarket is expected to charge low prices and offer a wide range and deep assortment. *Atmosphere and service:* sense of quality or low price; full service or limited services are all signals that customers pick up and use in deciding where to shop. Apart from above, there are a number of different *Retail categories* and they include the types of store such as neighborhood based stores, One-stop shopping stores, Specialist stores, Mass Merchandiser, Discounters.

The report in the research illustrates that marketing mix of retailing also more or less relates to product (choices of merchandise within a classification), price (charge low prices and offer a wide range and deep assortment), place (stores in out-of-town shopping centers will have to offer a superior selection to attract customers), and promotion (Mass Merchandiser, Discounters). Putting these factors at the center of investigation in this research, it was investigated as while purchasing through retail, customers' in India mainly focus is on which aspect of marketing mix. The data collected in this context revealed that while purchasing through retail, Indian customers' chiefly focus on price, followed by place and others (*see table and figure 4.3*).

Table 4.3: Marketing Mix and Customers in Indian Retailing

Facts	No. Of Respondents	Response Percentage	Valid Percentage
Product	5	14.28%	14%
Price	16	45.71%	46%
Place	8	22.85%	23%
Promotion	6	17.14%	17%

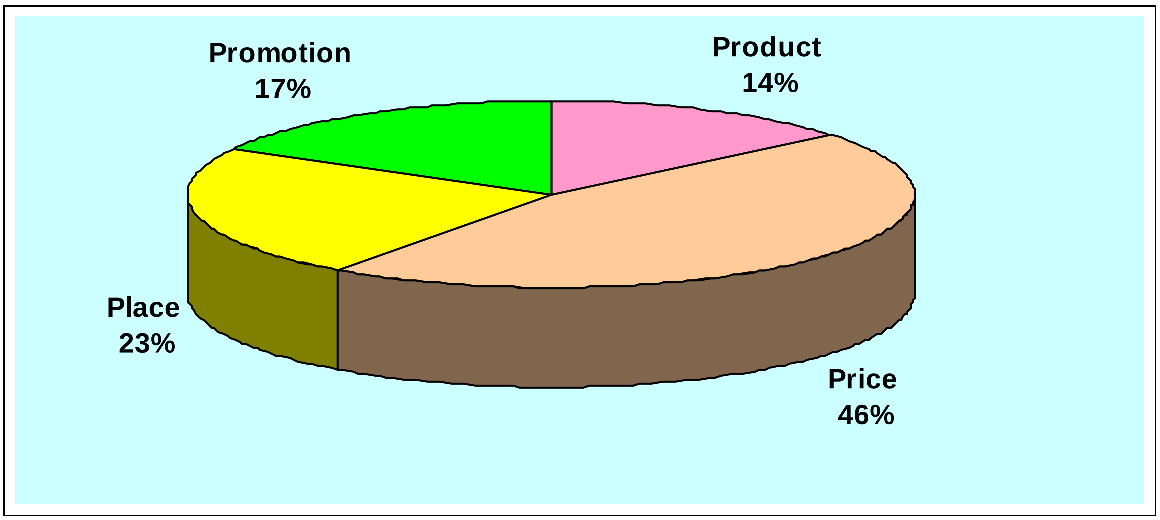


Figure 4.3: Marketing Mix and Customers in Indian Retailing

The data mentioned in the above table illustrates that; for 46% (16) of the total 35, respondents, while purchasing through retail, customers' chief focus is on 'price'; for 23% (8) respondents, customers' chiefly focus on 'place'; for 17% (6) of them, customers' chiefly focus on 'promotion'; and for the remaining 14% (5) of them, customers' chiefly' focus on 'product'. Overall, these data conclude that while purchasing through retail, Indian customers' chiefly focus on price, followed by place and others.

Modern Retail Format and Indian Retailing

Basically there are four features of modern format change in the forms of: drive to scale; volatility in scale; rise of specialty formats; and value, not discount retailing. *Drive to scale*: The issue of drive *to scale* concerns to the fact that the critical mass of profitability is shifting higher all the time, in a higher cost setting. For instance, trends in UK retailing, in the form of the boost in the size of grocery formats made possible by moves to out-of-town locations and the succeeding wave of re-entry into city centers based on new, smaller formats like Tesco's Metro and Express formats are well known. Whereas, less well known is what has been occurring in the non-food retailing sector, where there has not only been a drift towards lasting growth but also a step-change in the format sizes opening in town centre. *Volatility in scale*: Though, it is indispensable to enquire how far upsizing can be sustained in town centers, but out-of-town retailing offers the perfect location for large-scale operations and scale of operation cannot be constantly delivered within town centre environments. The operating model of the large stores within the company is just too costly and stores struggle to keep the prices where they are supposed to be since the level of rents and running expenses is so high. *The rise of specialty formats*: Change in retail formats is driven by change in products and life-styles, where an elementary polarization in consumer behavior take place that concurrently entails a preference for large-scale and convenience formats beside an increasing interest in specialty formats. Specialty formats cater to contemporary consumers demands for a more hedonic shopping experience, for expediency and for brand values as well as value for money. Catering to a more segmented market but also to more demanding, inconsistent, leisure-oriented and time-pressed consumers inexorably implies more specialty formats. However, the authority of the range, brand identity and the knowledge of employees differentiate the specialty format from more conventional formats. From the retailer's perspective, the specialty format is based on a challenging business model with diverse location wise and space requirements. However there emerges to be no scarcity of applicants. *Value, not discount, retailing*: Clearly there has been enormous growth in low price or discount retail formats. But the term discount is not enough to explain all these formats. Driving their growth is not just the yearning for low price disposable commodities but also for real value, low prices plus quality.

The report in the research illustrates that modern retailing format takes in the forms of drive to scale; volatility in scale; rise of specialty formats; and value, not discount retailing. Putting these factors at the center of investigation in this research, it was investigated as which modern retail format change is most prospective in India. The data collected in this context revealed that specialty format and discount retailing' as modern retail formats have most prospective future in India (*see table and figure 4.4*).

Table 4.4: Modern Retail Format and Indian Retailing

Facts	**No. Of Respondents**	**Response Percentage**	**Valid Percentage**
Drive to scale	5	14.28%	14%
Volatility in scale	4	11.42%	11%
Specialty format	16	45.71%	46%
Discount retailing	10	28.57%	29%

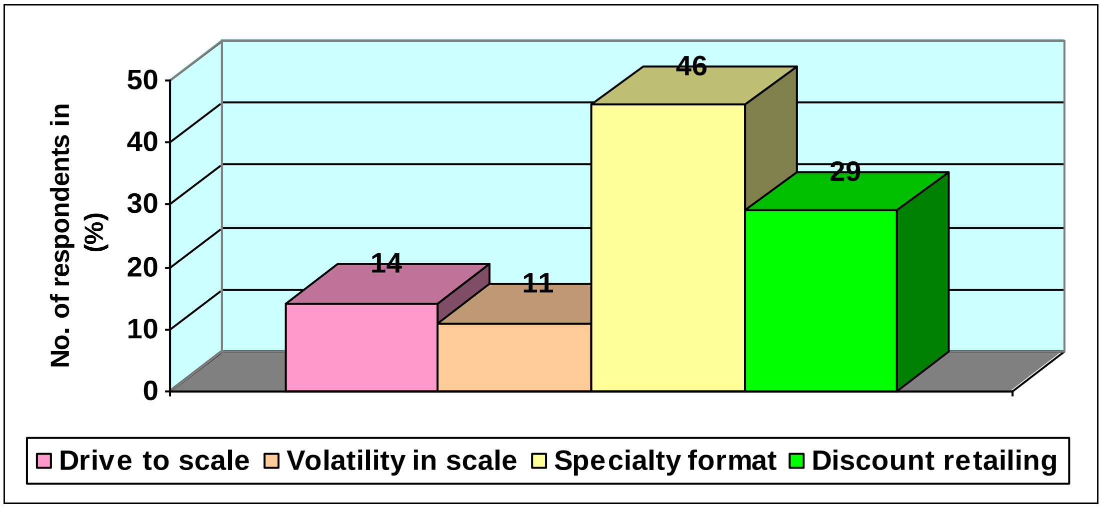


Figure 4.4: Modern Retail Format and Indian Retailing

The data mentioned in the above table illustrates that; for 46% (16) of the total 35 respondents, 'specialty format' has most prospective future; for 29% (10) respondents, 'discount retailing' has most prospective future; for 14% (5) respondents, 'drive to scale' has most prospective future; and for the remaining 11% (4) respondents, 'volatility in scale' has the most prospective future. Overall, these data conclude that specialty format and discount retailing' as modern retail formats have most prospective future in India.

Quality and Brand Values and Retailing in India

Quality entails dependable characteristics that can be summed up as brand values. However, the old trade-offs stuck between quality and price appears no longer to be tolerable to consumers. Low prices are at present expected even for powerfully branded merchandise; given the proliferation of retail offerings, escalating competition and customers' very much augmented aptitude to assume information searching, through the internet. Apart from these, retailers are introducing stronger brands in lower price ranges. An additional factor driving down costs has been superior competence and the strengthened capability to compete and to distinguish the offering resulting from the appliance of information and communications technology and the progressively more efficient incorporation of supply chains.

The report in the research illustrates that quality and brand values appear as key determinants of success in retailing. Putting these factors at the center of investigation in this research, it was investigated as what the customers' response is regarding quality and brand values of retailing. The data collected in this context revealed that customers response regarding quality and brand values of retailing is generally reasonable (neither very high nor belong to the mark (*see table and figure 4.5*).

Table 4.5: Quality and Brand Values and Retailing in India

Facts	**No. Of Respondents**	**Response Percentage**	**Valid Percentage**
Very high	8	22.85%	23%
Reasonable	20	57.14%	57%
Below to the mark	7	20%	20%

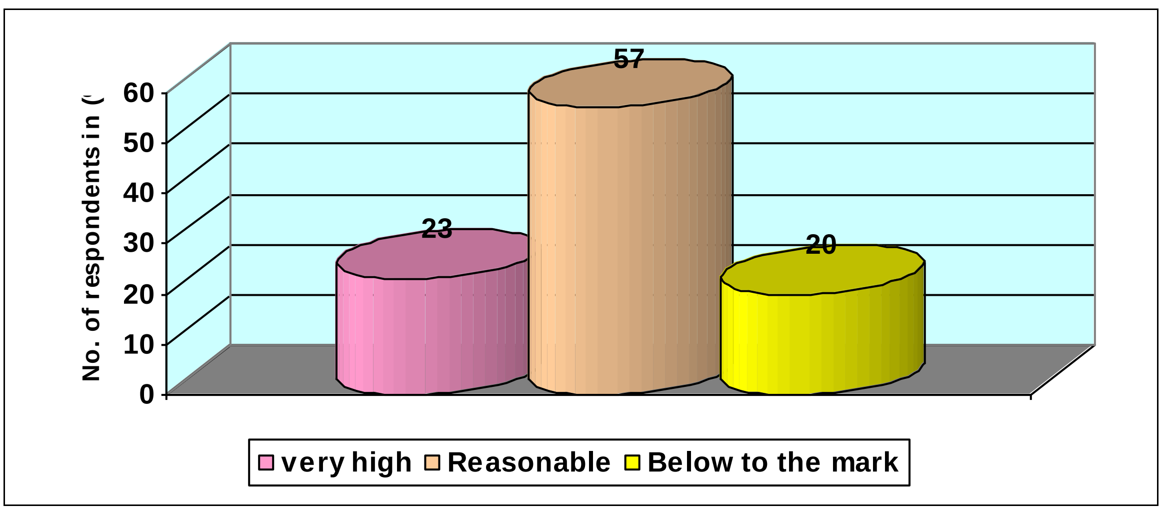


Figure 4.5: Quality and Brand Values and Retailing in India

The data mentioned in the above table illustrates that; for 57% (20) of the total 35 respondents, customers response regarding quality and brad values of retailing is ‘very high’; fro 23% (8) respondents, this is ‘reasonable’; and far the remaining 20% (7) respondents, this is ‘below to the mark’. Overall, these data conclude that customers response regarding quality and brand values of retailing is generally reasonable (neither very high nor belong to the mark.

Current and Future Trademark of India Retailing

The Indian retailing picture appears to be driven more by enthusiasm. The trademark of Indian retailing, the small shop with a high level of personalized service, is composing shoppers unwilling to go away from conventional ways of shopping. A number of successful chains are at present holding back new-fangled expansions.

The report in the research illustrates that the trademark of Indian retailing, the small shop with a high level of personalized service, is composing shoppers unwilling to go away from conventional ways of shopping. Putting these factors at the center of investigation in this research, it was investigated as whether the current and future trademark of India retailing is ‘small shop with a high level of personalized service’. The data collected in this context revealed that on greater level, the current and future trademark of Indian retailing is/ will characterized by ‘small shop with a high level of personalized service’ (*see table and figure 4.6*).

Table 4.6: Current and Future Trademark of India Retailing

Facts	**No. Of Respondents**	**Response Percentage**	**Valid Percentage**
Yes	22	62.85%	63%
No	13	37.14%	37%

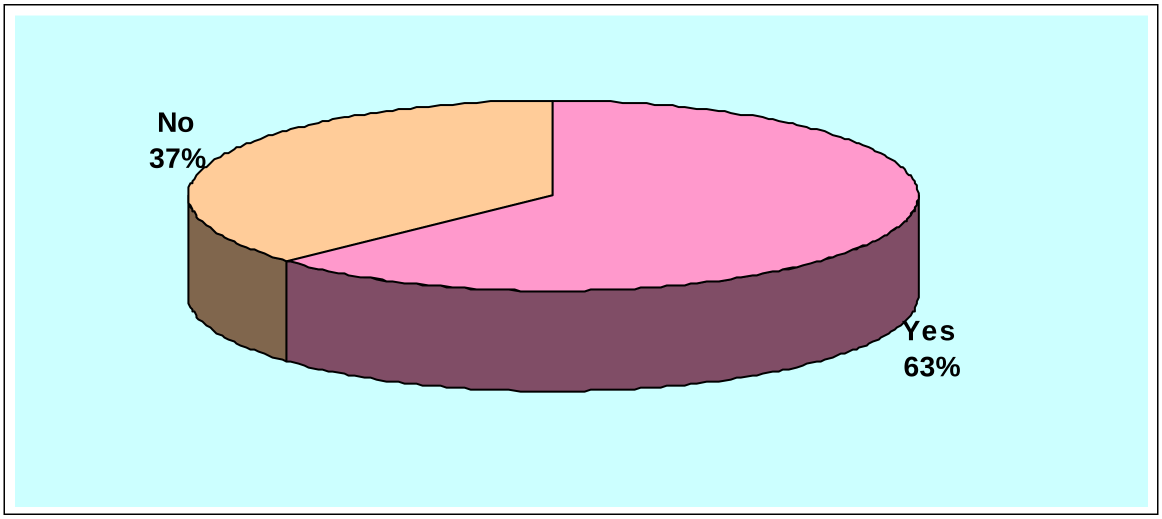


Figure 4.6: Current and Future Trademark of India Retailing

The data shown in the above table illustrates that; for 63% (22) of the total 35 respondents, they are of the firm belief that the current and future trademark of Indian retailing is 'small shop with a high level of personalized service' whereas the remaining 37% (13) respondents are not of that belief. Overall, these data conclude that on greater level, the current and future trademark of Indian retailing is/ will characterize by 'small shop with a high level of personalized service'.

Prospective Retail Shop in India

5The four large segments of organized retailing are food, clothing, consumer durables and books and music. Food: India is rising on the Food Demand Curve. In countries like India and China, people are moving from mass consumption to convenience food technology. The trend of ready to eat food is slowly catching on. Rural India is in itself a big market. It is a growing but an untapped market. Food retailing in rural areas would increase the prosperity in these areas. Consumer Durables: With ever evolving technology and communication spread, last few years have seen big change in consumer mindset. Indian consumers now upgrade fast. The traditional formula of progression may not apply in the context of changing consumer behavior in this country. A rich villager wanting to buy his first TV set can go straight for a plasma model. Books & Music: The books & music segment offers tremendous opportunity to structure the roadside selling of new and old publications. Neighborhood stores, kiosks in malls, airports, stations & subways and online space tremendous opportunity for this segment to grow. Clothing: The branded retail revolution is yet to happen for the Indian women. With some of the fashion companies entering the women's market, we see the stirring of a revolution that may sweep India in the next 5 years or so. The designer fashion brands may also play a role in this dramatic development. Women have driven fashion worldwide. The power of the purse is getting more powerful by the day. In India too, we are beginning to see the change and it's high time that our fashion industry and the marketers strategies to drive this trend towards business generation. If the fashion business has to grow, it is arguably the untapped women's segment that needs attention of the corporate giants.

The report in the research illustrates that the four large segments of organized retailing are food, clothing, consumer durables, books and music.

Putting these factors at the center of investigation in this research, it was investigated as which form of retail shop has most prospective future in India. The data collected in this context revealed that clothing and food retail shops have most prospective future in India (*see table and figure 4.7*).

Table 4.7: Prospective Retail Shop in India

Facts	No. Of Respondents	Response Percentage	Valid Percentage
Food	11	31.42%	31%
Clothing	14	40%	40%
Consumer durable	7	20%	20%
Books and music	3	8.57	9%

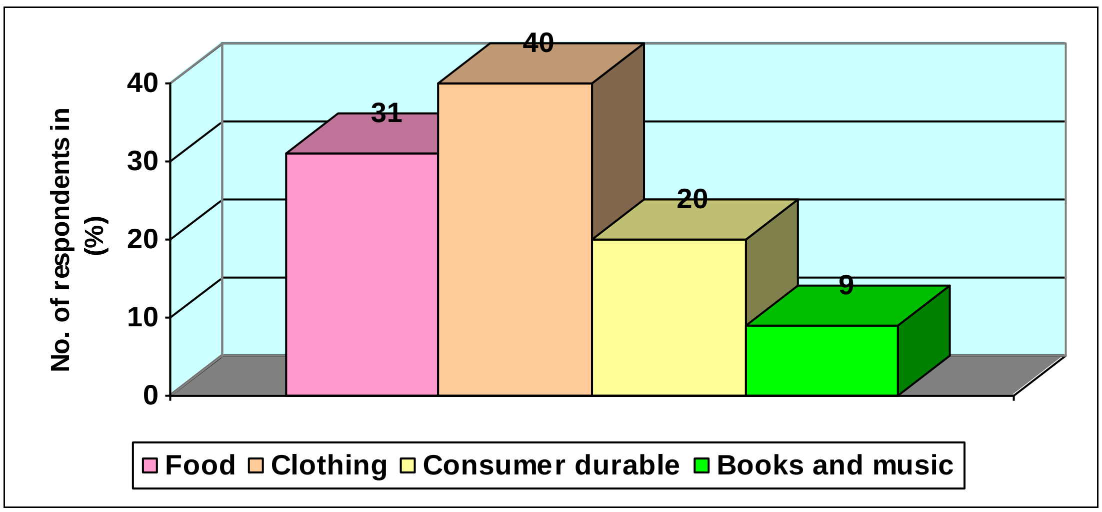


Figure *4.7: Prospective Retail Shop in India*

The data mentioned in the above table illustrates that; for 40% (14) of the total 35 respondents, 'clothing' form of retail shop; has most prospective future; for 31% (11) respondents 'food' retail shop has most prospective future; for 20% (7) respondents, 'consumer durables' retail shop has most prospective future; and for the remaining 9% (3) respondents, 'books and music' retail shop has the most prospective future. Overall, these data conclude that clothing and food retail shops have most prospective future in India.

Future of Retailing in India

Almost half of retail market in India lies is in rural India; although share of urban market is increasing by almost 5% every 8-10 years. Of the total 361 mall projects currently underway in India, 227 are in the top 7 cities while the rest 134 are distributed over various Tier-II and Tier-III cities. These statistics reveal the far-reaching effects of positive macro trends in changing the consumer preferences and shifting mindsets towards organized retailing experience. Besides new malls, close to 35 hypermarkets, 325 large department stores and over 10,000 new outlets are also under development.

The report in the research illustrates that approximately half of retail market in India lies is in rural India; although share of urban market is increasing at considerable rate. Putting these factors at the center of investigation in this research, it was investigated as comparatively where (rural or urban) does lie more prospective future of retailing in India. The data collected in this context revealed that both urban and rural India has prospect in retailing, where yet urban India is preferred over preferred over rural India (*see table and figure 4.8*).

Table 4.8: Future of Retailing in India

Facts	No. Of Respondents	Response Percentage	Valid Percentage
Urban India	19	54.28%	54%
Rural India	16	45.71%	46%

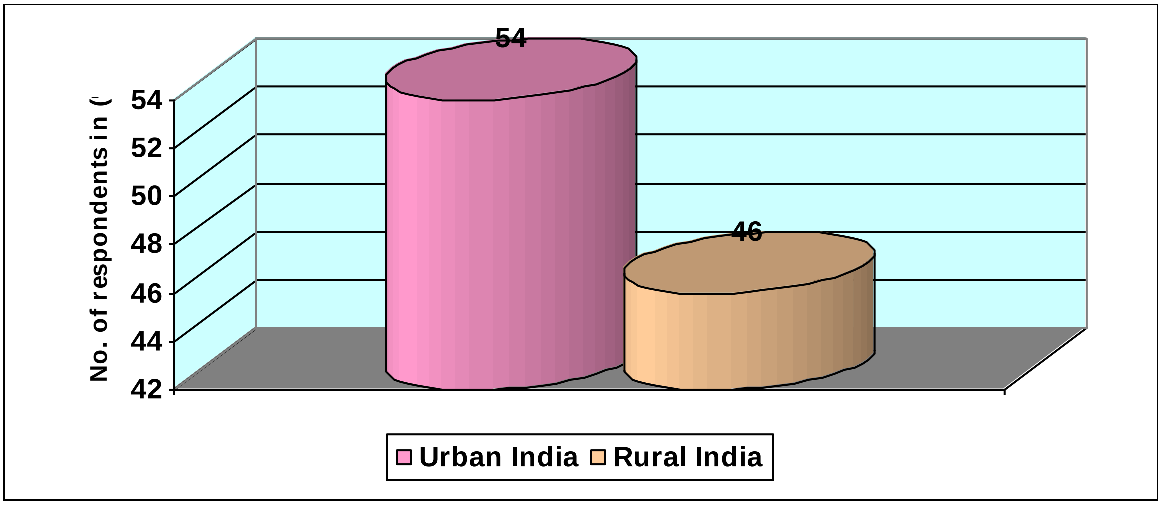


Figure 4.8: Future of Retailing in India

The data mentioned in the above table illustrates that for 54% (19) of the total 35 respondents, comparatively there lies more prospective future of retailing in 'urban India'; Whereas for the remaining 46% (16) respondents comparatively there lies more prospective future of retailing in 'rural India'. Overall, these data conclude that both urban and rural India has prospect in retailing, where yet urban India is preferred over preferred over rural India.

Future Format of Retail in India

The key retail formats are identified in the forms of Hypermarket, Supermarket, Specialty Store, and Department Store. The Indian retail market is complex. The international example of successful formats therefore may not be replicated in India. Hence, format selection becomes a strategic choice of retailers. Organized retailers in India are trying a number of formats ranging from supermarkets to hypermarkets to discount to convenience stores. While on hand, Hypermarkets provide one stop shopping experience, on the other, discount stores are emerging fast. What we really need in India is a good mix of multiple formats as evident form the expansion plans of he retailers. Of late, Hypermarkets have found takers as retailers expand to this format.

The report in the research illustrates that the key retail formats are identified in the forms of Hypermarket, Supermarket, Specialty Store, Department Store, though Of late, hypermarkets have found takers as retailers expand to this format. Putting these factors at the center of investigation in this research, it was investigated as which would be the leading future format of retail in India. The data collected in this context revealed that especially store and supermarket would be leading future format of retail in India (*see table and figure 4.9*).

Table 4.9: Future Format of Retail in India

Facts	**No. Of Respondents**	**Response Percentage**	**Valid Percentage**
Hypermarket	5	14.28%	14%
Supermarket	10	28.57%	29%
Specialty store	14	40%	40%
Department store	6	17.14%	17%

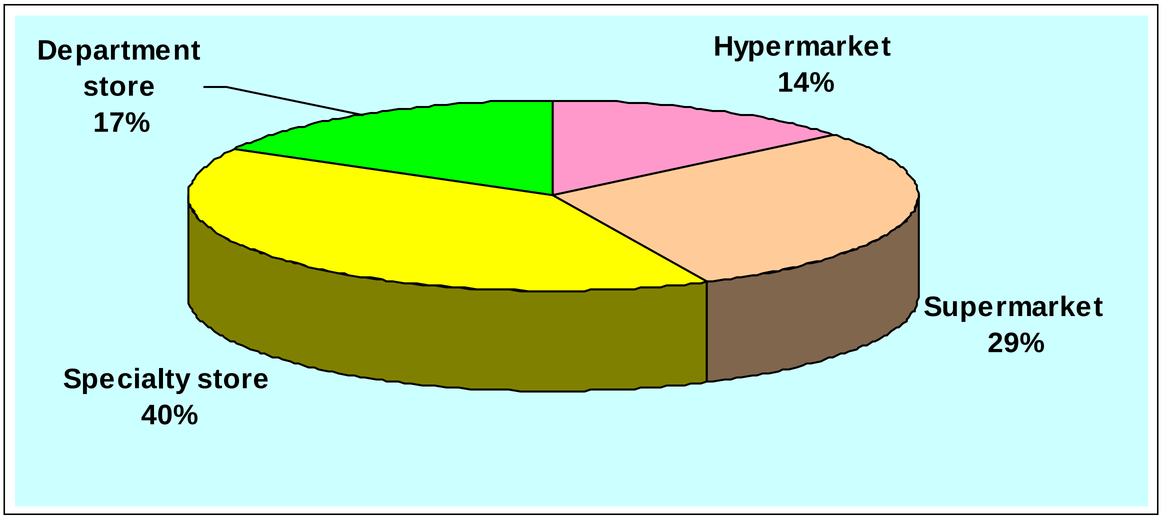


Figure 4.9: Future Format of Retail in India

The data mentioned in the above table illustrates that; for 40% (14) of the total 35 respondents, 'specially store' would be leading future format of retail; for 29% (10) respondents, 'supermarket' would be leading future format of retail; for 17% (6) respondents, 'department store' would be leading future format, of Retail; and for 14% (5) respondents, by 'supermarket' would be leading future format of retail. Overall, these data conclude that especially store and supermarket would be leading future format of retail in India.

Government Support for Promoting Retailing in India

The government has been opening up various sectors and privatizes some sectors (telecom, aviation, insurance and energy). This shows its positive attitude to FDI inflows. Retailing has already been looked at as a prospective area for FDI. The Government is also promoting investment in supply chains an infrastructure like real estate through FDI to facilitate retail growth. To facilitate easier FDI inflow, instead of having to seek FIPB approval, FDI up to 100% will now be allowed under the automatic route for cash and carry wholesale trading and export trading. The government has also allowed FDI up to 51% with prior Government approval for retail trade in 'Single Brand' products with the objective of attracting investment, technology and global best practices and catering to the demand for such branded goods in India. Putting these factors at the center of investigation in this research, it was investigated as how is the government support for promoting retailing in India. The data collected in this context revealed that the government support for promoting retail in India is generally reasonably supportive (neither highly supportive nor, not supportive) (*see table and figure 4.10*).

Table 4.10: Government Support for Promoting Retailing in India

Facts	**No. Of Respondents**	**Response Percentage**	**Valid Percentage**
Highly supportive	7	20%	20%
Reasonably	16	45.71%	46%
Not supportive	12	34.28%	34%

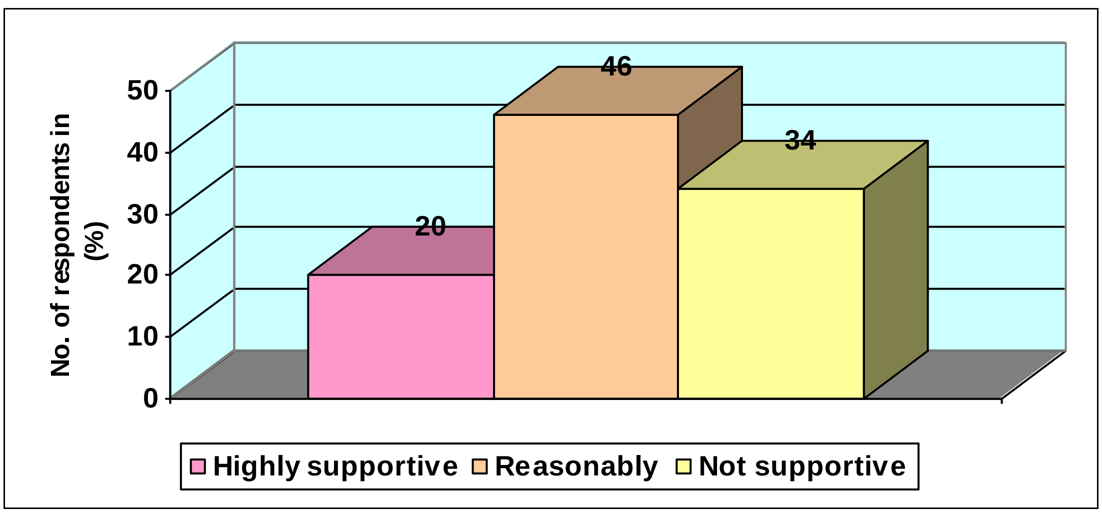


Figure 4.10: Government Support for Promoting Retailing in India

The data mentioned in the above table illustrates that; for 46% (16) of the total 35 respondents, they see the government support for promoting retail in India is 'reasonably supportive'; for 34% (12) respondent this is 'not supportive'; and the remaining 20% (7) respondents this is 'highly supportive'. Overall, these data conclude that the government support for promoting retail in India is generally reasonably supportive (neither highly supportive nor, not supportive).

Chapter 5

CONCLUSION

5.1 Introduction

This research was aimed to understand and evaluate the so-called boom in Indian retailing, with retailing structure, prospect and challenges in India. The objectives of the dissertation are: understanding and evaluating the current structure of retailing in India; understanding and evaluating the prospect of retailing in India; understanding and evaluating the challenges of retailing in India. In order to achieve these objectives both primary and secondary data was collected in this research. Secondary data in this research was collected through various forms, such as books journals, magazines, newspapers, data monitor and online sources. Primary data was collected through questionnaire method, which was administered both through personally and telephonic. For this, 35 managerial level people working in different retail chains (Delhi based) were approached. The opinions of the respondents were taken providing designed questionnaire. The collected data was analyzed in the previous chapter, and in the present chapter concluding part of the research is presented.

5.2 Summary of Research Results

The research results reveal that key factors of exceptional growth in Indian retailing are rising incomes, increasing urbanization, greater brand competition, and advent of youth driven culture. Putting these factors at the center of investigation in this research, it was investigated as which of these factors constitute key factors to the huge customer response of retailing in the country. The data collected in this context revealed that massive customer response of retailing in India is primarily the result of rising incomes and advent of youth-driven culture. Further, the research results reveal that the various essential services provided by the retailers to meet the needs of their customers are identified principally in the forms of accessibility of information, convenience of timing, convenience of size, and lifestyle support. Putting these factors at the center of investigation in this research, it was investigates as customers' choice of retailing India is primarily dominated by which offered services. The data collected in this context revealed that customers' choice of retailing in India is chiefly dominated by accessibility of location and lifestyle support.

The research results reveal that marketing mix of retailing also more or less relates to product (choices of merchandise within a classification), price (charge low prices and offer a wide range and deep assortment), place (stores in out-of-town shopping centers will have to offer a superior selection to attract customers), and promotion (Mass Merchandiser, Discounters). Putting these factors at the center of investigation in this research, it was investigated as while purchasing through retail, customers' in India mainly focus is on which aspect of marketing mix. The data collected in this context revealed that while purchasing through retail, Indian customers' chiefly focus on price, followed by place and others. Further, the research results reveal that the modern retailing format takes in the forms of drive to scale; volatility in scale; rise of specialty formats; and value, not discount retailing. Putting these factors at the center of investigation in this research, it was investigated as which modern retail format change is most prospective in India. The data collected in this context revealed that specialty format and discount retailing' as modern retail formats have most prospective future in India.

The research results reveal that quality and brand values appear as key determinants of success in retailing. Putting these factors at the center of investigation in this research, it was investigated as what the customers' response is regarding quality and brand values of retailing. The data collected in this context revealed that customers response regarding quality and brand values of retailing is generally reasonable (neither very high nor belong to the mark. Further, the research results reveal that the trademark of Indian retailing, the small shop with a high level of personalized service, is composing shoppers unwilling to go away from conventional ways of shopping. Putting these factors at the center of investigation in this research, it was investigated as whether the current and future trademark of India retailing is 'small shop with a high level of personalized service'. The data collected in this context revealed that on greater level, the current and future trademark of Indian retailing is/ will characterized by 'small shop with a high level of personalized service'.

The research results reveal that the four large segments of organized retailing are food, clothing, consumer durables, books and music. Putting these factors at the center of investigation in this research, it was investigated as which form of retail shop has most prospective future in India. The data collected in this context revealed that clothing and food retail shops have most prospective future in India. Further, the research results reveal that approximately half of retail market in India lies is in rural India; although share of urban market is increasing at considerable rate. Putting these factors at the center of investigation in this research, it was investigated as comparatively where (rural or urban) does lie more prospective future of retailing in India. The data collected in this context revealed that both urban and rural India has prospect in retailing, where yet urban India is preferred over preferred over rural India.

The research results reveal that the key retail formats are identified in the forms of Hypermarket, Supermarket, Specialty Store, Department Store, though Of late, hypermarkets have found takers as retailers expand to this format. Putting these factors at the center of investigation in this research, it was investigated as which would be the leading future format of retail in India. The data collected in this context revealed that especially store and supermarket would be leading future format of retail in India. Further, the research results reveal that the government has been opening up various sectors and privatize some sectors (telecom, aviation, insurance and energy). This shows its positive attitude to FDI inflows. Retailing has already been looked at as a prospective area for FDI. Putting these factors at the center of investigation in this research, it was investigated as how is the government support for promoting retailing in India. The data collected in this context revealed that the government support for promoting retail in India is generally reasonably supportive (neither highly supportive nor, not supportive).

Chapter 6

RECOMMENDATIONS

Retailers in India should focus on accessibility of location and lifestyle support. *Most consumers identify themselves with a particular lifestyle that integrates their use of products or services into their general way of living. When retailers make their selection of appropriate goods and services to support their consumers. Lifestyles and perform these functions effectively, they create added value for their customers. However, this value is subjective because what is valuable to one person may be of no value to another (Newman and Cullen, 2002).*

Retailers in India should focus on location and price. *Specialist shops are expected to provide a comprehensive range of products whereas a supermarket is expected to charge low prices and offer a wide range and deep assortment(Newman and Cullen, 2002).*

Retailers in India should focus on quality and brand values reasonably. *Quality entails dependable characteristics that can be summed up as brand values (Anniss, 2006).*

Retailers in India should focus on saleble concept of 'small shop with a high level of personalized service'.

Retailers in India should concentrate on clothing and food retail shops. *In the context of consumer durables stores are concerned, shoppers connect more value to merchandise, referral and ambience. They desire to visit those stores that have profundity and variety of products (Sinha and Banerjee, 2004).*

Retailers in India should adopt the format as specially store and supermarket. *Specialist shops are expected to provide a comprehensive range of products whereas a supermarket is expected to charge low prices and offer a wide range and deep assortment (Newman and Cullen , 2002). Leszczyc and Sinha (2000) have revealed that store choice is a vibrant decision and could be conceptualized as a dilemma of deciding when and where to shop, where the first decision being the conventional store location choice problem and the second the shopping trip occurrence dilemma relating to the timing of shopping trips.*

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APPENDIX

Questionnaire

1. In your opinion, the huge customer response of retailing in India is chiefly the outcome of …..?

   - Rising incomes ☐
   - Increasing urbanization ☐
   - Greater brand competition ☐
   - Advent of youth-driven culture ☐
   - Others ☐

2. Customers’ choice of retailing is chiefly dominated by…..?

   - Accessibility of location ☐
   - Convenience of timing ☐
   - Convenience of size ☐
   - Information ☐
   - Lifestyle support ☐
   - Others ☐

3. While purchasing through retail, customers’ chief focus is on which aspect of marketing mix…..?

   - Product ☐
   - Price ☐
   - Place ☐
   - Promotion ☐

4. Which modern retail format change is most prospective in India?

   - Drive to scale ☐
   - Volatility in scale ☐
   - Specialty format ☐
   - Discount retailing ☐

5. How do you see the customers’ response regarding quality and brand values of retailing…..?

- Very high response ☐
- Satisfactory response ☐
- Below satisfactory response ☐

6. Do you believe that the current and future trademark of Indian retailing is ‘small shop with a high level of personalized service’?

- Yes ☐
- No ☐

7. Which form of retail shop has most prospective future?

- Food ☐
- Clothing ☐
- Consumer durables ☐
- Books and music ☐

8. Comparatively where does lie more prospective future of retailing…..?

- Urban India ☐
- Rural India ☐

9. The leading future format of retail in India would be…..?

- Hypermarket ☐
- Supermarket ☐
- Specialty store ☐
- Department store ☐

10. How do you see the government support for promoting retailing in India…..?

Highly supportive ☐
Reasonably sportive ☐
Not supportive ☐

Thank you for your precious time.