

**Impact of Organized Retailers on
Traditional Retailers in Kerala
with Special Reference to Food and
Grocery Sector**

**Thesis
submitted to the University of Calicut
for the award of the degree of
Doctor of Philosophy in Commerce**

**By
Yasmin C K.**

**Under the Supervision of
Dr. E K. Satheesh
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February 2019**

Declaration

I, Yasmin C K. hereby declare that the thesis entitled “**Impact of Organized Retailers on Traditional Retailers in Kerala with Special Reference to Food and Grocery Sector**” is a bonafide research work done by me under the supervision of Dr.E K. Satheesh, Professor and Dean, Department of Commerce and Management Studies, University of Calicut. I further declare that no part of this thesis has been presented before for the award of any degree, diploma or other similar title or recognition in any university.

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This is to certify that this thesis entitled **Impact of Organized Retailers on Traditional Retailers in Kerala with Special Reference to Food and Grocery Sector**, prepared by Ms. Yasmin C.K., for the award of the Degree of Doctor of Philosophy in Commerce of the University of Calicut, Is a record of bonafide research work carried out under my supervision and guidance. No part of the thesis has been submitted for any degree, diploma, fellowship or other similar title or recognition before.

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02/03/2020.

A handwritten signature in green ink, appearing to be 'E.K. Satheesh', written over a horizontal line.

Dr. E.K. SATHEESH
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List of Abbreviations

CAGR	Compound Annual Growth Rate
CRM	Customer Relationship Management
ERP	Enterprise Resource Planning.
FDI	Foreign Direct Investment
FLRS	Food Licensing and Registration System
GDO	Gross Domestic Output
GDP	Gross Domestic Product
IBEF	India Brand Equity Foundation
ICRIER	Indian Council for Research on International Economic Relations
SAP	Systems, Applications, Products
SMS	Short Message Service

Chapter 1

Introduction

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Preamble

India is known as the ‘nation of shops’. Retailing is one of the oldest businesses of mankind and almost close to settled agriculture, as its origins can be traced back to the time when exchange goods of started taking place. Retail sector in India is one of the fastest growing industry in the world. Retailing has become such an intrinsic part of our everyday lives that it is often taken for granted. The nation that have enjoyed the greatest economic and social progress have those with a strong retail sector. India is the world’s fifth largest global destination in the retail space. It is projected to grow from US\$672 billion in 2017 to US\$1.1 trillion in 2020. It accounts for over 10 percent of the country’s Gross Domestic Product (GDP) and around 8 percent of the employment (IBEF 2017).

Retailing, by its very nature, is a dynamic industry. The arrival of modern retail in developing countries occurred in three successive waves (Reardon and Hopkins, 2006; Reardon and Berdegue, 2007). The first wave took place in the early to mid-1990s in South America (e.g., Argentina, Brazil, and Chile), East Asia outside China (South Korea, Malaysia, Philippines, Thailand, and Taiwan), North-Central Europe (e.g., Poland, Hungary, and Czech Republic) and South Africa. The second wave happened during the mid to late 1990s in Mexico, Central America (e.g., Ecuador, Colombia, and Guatemala), Southeast Asian countries (e.g., Indonesia), Southern-Central Europe (e.g., Bulgaria). The third wave has just begun in the late 1990s and early 2000s in parts of Africa (e.g., Kenya), some countries in Central and South America (e.g., Nicaragua, Peru, and Bolivia), Southeast Asia (e.g., Vietnam), China, India, and Russia. Thus, the third wave countries which include China, India and Russia are latecomers in the diffusion of modern retail. According to the authors, the main reason why they lagged behind was the severe restrictions on Foreign Direct Investment (FDI) in retailing in these countries. The demand side features of these countries, such as income, size of the middle class, urbanization, and the share of women in workforce etc., have been similar to countries in the second wave (ICRIER, 2008).

Retailing industry comprises of organized and traditional sectors. Difference between organized and traditional retail can be specified on the basis of their ownership, logistic, supply chain facilities and structure of management. The Indian retail sector is highly traditional with 93% (IBEF, 2017) of its business being run by the traditional retailers. There are over 15 million traditional stores in India. More than 8% of the population is engaged in this activity (Indian Retail report, 2017). Some of the changes that have affected India's social structure with the customer, being acknowledged as the king or queen. The increasing number of nuclear families, double income households and increase in work pressure putting the customers under constant time stress. This means that such people have very little time at their disposal for relaxation purpose. In this scenario, customers are constantly looking out for convenience of one-stop shopping experience to make better utility of their time. Further, they are also seeking speed and efficiency in processing and hence on the lookout for additional information, better quality and value items, shorter queues and healthy and clear shopping environment. To meet these demands, there has been an evolution in the retail industry also. On the one side there are traditional stores which operate out of small outlets. These retailers have a better proximity to customers, are usually family run businesses with low overhead cost, follow a credit system and offer services such as home delivery and so on. On the other side there is the organized retail industry comprising super market, hypermarket, convenience stores, speciality stores, malls, discount stores etc. which are seeking to satisfy the needs of customers preferring to shop in an ambience, which is attractive hygienic, offering convenience in addition to a wide range of products at a competitive price etc.

The post liberalization era in India has seen a significant change in the market scenario. Due to the large scope of business and high growth potential, India has been attracting investors across the world. Globalization of economies complemented by technological progress has led to the boom in the retail sector in India. An important aspect of the current economic scenario in India is the emergence of organized retailing. There has been considerable growth in organized retailing business in recent years and it is poised for much faster growth in the

future. Major industrial houses have entered in this area and have announced very ambitious future expansion plans. Transnational corporations are also seeking to come to India to set up retail chains in collaboration with big Indian companies. However the emergence of modern organized retailers has led to share the customer base, which was controlled by the traditional retailers for a long time. However, opinions are divided on the impact of the growth of organized retail in the country. Concerns have been raised that the growth of organized retailing may have an adverse impact on retailers in the traditional sector. According to ICRIER study, traditional retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit after the entry of large organized retailers (ICRIER, 2018). It has also been argued that growth of organized retailing will yield efficiency in the supply chain, enabling better access to markets to producers (including farmers and small producers) and enabling higher prices, on the one hand and, lower prices to customers. India's Planning Commission, in its Approach Paper for the Eleventh Five Year Plan has noted: "Organized retailing brings many advantages to producers and also to urban customers, while also providing employment of a higher quality. Organized retailing in agricultural produce can set up supply chains, give better prices to farmers for their produce and facilitate agro-processing industries. Modern retailing can bring in new technology and reduce consumer prices, thus stimulating demand and thereby providing more employment in production". The other argument is that, Traditional stores still continue to score over modern retailing as customers will never stop visiting neighbourhood stores for their day to day needs. So, today there is co-existence of both traditional and organized retail sectors. Modern retailing is not threat to independent Mom and Pop stores as most of the customers said that they never stopped visiting kirana stores (Dinar Fatima, 2013). In India, currently FDI is allowed in retail marketing. With the rising need for consumer goods, many companies have invested in the Indian retail space.

The retail sector in India has drastically grown with modification as the traditional food and grocery segment has seen the emergence of supermarkets/ grocery chains, convenience stores and fast-food chains and appliance of global

perception have also shown the phenomenal expansion in Indian retail. Unlike most other countries, Indian retail sector is highly fragmented and bulk of the business is in the traditional sector (93%) like local 'wet' market vendors, road side push cart sellers or tiny grocery stores. There is an estimated twelve million retail outlets, of which almost seven million sell food and grocery products (IBEF, 2017). The vast majority of these are small kiosks, general provision stores and grocery stores run by a single trader and his family. In the context of divergent views on the impact of organized retail, it is essential that an in-depth analytical study on the possible effects of organized retailing in Kerala is conducted. The present study is an attempt to assess the impact of the emergence of modern retail business upon the traditional food and grocery business sector in Kerala.

1.2 Significance of the Study

Retailing is one of the oldest businesses that human civilization has known. It acts as an interface between producers and customers. More than ninety percentage of its business is being run by the small retailers like the traditional family run stores and corner stores. The Indian retail industry has over 12 million outlets, which is the largest in the world. It has contributed over 10% to the GDP of the country and is estimated to have provided with employment to over 18 million people, around 8% of the country's employment, being the largest employment providing sector after agriculture (Retail Report, 2017).

Though the retailing is one of the largest sectors in the global economy and is going through an evolutionary phase in India. Though organized retailing offers huge potential for future growth of retailing in India and migration from traditional stores to modern retail continues, but modern formats still holds only 8 percent of the whole market, and particularly in case of food and grocery segment traditional structure dominates the retail sector in India. The Indian food and grocery market is the world's sixth largest retail sector (IBEF Report, 2017). The most significant object to note is that the traditional food and grocery retail format helps a larger population and gives direct employments. Food & grocery is the main revenue drivers in the Indian retailing. The realization of the enormous growth potential of

this industry has attracted huge investment from major domestic corporate houses in the retail sector. Most available studies related to the phenomenon of organized retail trade have focused on its growth prospects in the country and have accordingly projected its contributions to nations income and employment generations. These studies or reports give least importance to reveal the impact or consequences of organized retailers upon the traditional retailers in the market. Thus, the major focus of the study is the consequences and impacts of organized retailers upon the traditional one in Kerala with special reference to food and grocery sector.

1.3 The Research Problem

Indian retailing is dominated by a large number of small retailers consisting of the local kirana shops, owner-manned general stores, chemists, footwear shops, apparel shops, paan and beedi shops, hand-cart hawkers, pavement vendors, etc. which together make the so-called “traditional retail”. The last few years have witnessed the entry of a number of organized retailers opening stores in various modern formats in metros and other important cities (ICRIER, 2008). Food and grocery forms the backbone of the Indian retail sector. By 2020 food and grocery segment is expected to account for 66 percent of the total revenues in the retail sector followed by apparel segment (Retail Report, 2017). India’s food and grocery sector is still largely traditional retail market where maximum retailers operate in less than 500 sq.ft. of space. Over the last decade, the retail sector in India has drastically grown with modification as the traditional food and grocery segment has seen the emergence of supermarkets/grocery chains, convenience stores and fast-food chains and appliance of global perception have also shown the phenomenal expansion.

Through different types of retailers, the customers are linked with the producers. In this linking process one can see both organized and traditional sectors. Each play in different ways and manner, deal with different categories of customers based on their preference and life style. Food and grocery business is a major sector in Indian retail business. It caters to the needs of both poor and rich in the society and render essential service to community. This study attempts to analyze the impact

of organized retailers on traditional retailers with special reference to food and grocery sector. From the available literature, it is found that no in-depth study has been conducted so far in this particular area. Therefore, the investigator proposes to fill the gap through the present study.

Thus, the present research work is an humble attempt to find answers to the following research questions.

1. Do the food and grocery organized retailer's affect the sales performance of traditional retailer?
2. Whether the organized retailers affect the employees and customers of traditional food and grocery sector?
3. Has the traditional retailer adopted survival strategies to face the challenges offered by food and grocery organized retailers?
4. Do the demographic and behavioral factors influence the customers' preferences towards organized and traditional retailers?
5. To what extent the customers are satisfied with the organized and traditional stores?
6. Is there is any difference in the attitude of organized and traditional retailers customers?
7. Which type of customers will be the main drivers of organized and traditional retailers?
8. Whether the promotional strategies adopted by organized retailers are effective or not?

1.4 Objectives

The main objective of the present research work is to conduct a descriptive study on the impact of organized retailers on traditional retailers with special reference to food and grocery sector. In order to accomplish this main objective, the following specific objectives have been set forth.

1. To assess the impact of food and grocery organized retailers upon the sales performance of traditional retailers.

2. To examine the impact of food and grocery organized retailers on customers and employees of traditional retailers.
3. To analyze the survival strategies adopted by the traditional retailers to face the challenges and competitions created by food and grocery organized retailers.
4. To observe the facilities and services offered by organized and traditional retailers.
5. To evaluate the attitude of traditional retailers towards market trend, dealing with competition and children taking up their business.
6. To study the effectiveness of promotional strategies adopted by organized retailers.
7. To study the demographic and behavioral factors those influence the customers' preferences towards organized and traditional retail stores.
8. To study the product wise preferences of customers towards organized and traditional retail store.
9. To study the customer purchase behavior towards organized and traditional retail stores.

1.5 Hypotheses

Hypotheses are formulated based on objectives are given below:

- A. To assess the impact of food and grocery organized retailers upon the sales performance of traditional retailers.**

H₀: There is no significant association between average daily turnover of traditional retailers and their distance from organized retail store.

H₀: There is no significant association between average daily turnover of traditional retailers before five years and their distance from organized retail store.

H0: There is no significant association between reason for decreasing average daily turnover of traditional retailers and their distance from organized retail store.

H0: There is no significant association between average turnover per month of traditional retailers and their distance from organized retail store.

H0: There is no significant association between average turnover per month of traditional retailers before five years and their distance from organized retail store.

H0: There is no significant association between reason for decreasing average turnover per month of traditional retailers and their distance from organized retail store.

B. To examine the impact of food and grocery organized retailers on customers and employees of traditional retailers.

H0: There is no significant association between number of employees working in traditional retail stores (now) and their distance from organized retail store.

H0: There is no significant association between number of family employees working in traditional retail stores (now) and their distance from organized retail store.

H0: There is no significant association between number of hired employees working in traditional retail stores (now) and their distance from organized retail store.

H0: There is no significant association between number of employees working in traditional retail stores before five years and their distance from organized retail store.

H0: There is no significant association between number of hired employees working in traditional retail stores before five years and their distance from organized retail store.

- H0: There is no significant association between number of family employees working in traditional retail stores before five years and their distance from organized retail store.
- H0: There is no significant association between reason for decreasing employees of traditional retailers and their distance from organized retail store.
- H0: There is no significant association between number of customer per day of traditional retailers and their distance from organized retail store.
- H0: There is no significant association between number of customer per day of traditional retail stores before five years and their distance from organized retail store.
- H0: There is no significant association between reason for decreasing customers of traditional retailers and their distance from organized retail store.
- H0: There is no significant association between percent of regular customers of traditional retailers and their distance from organized retail store.
- H0: There is no significant association between number of regular customers of traditional retail stores before five years and their distance from organized retail store.
- H0: There is no significant association between socioeconomic profile of customers of traditional retailers and their distance from organized retail store.
- H0: There is no significant association between socioeconomic profile of customers of traditional retail stores before five years and their distance from organized retail store.
- C. To analyze the survival strategies adopted by traditional retailers to face the challenges and competitions created by food and grocery organized retailers.**
- H0: There is no significant association between change in traditional retail business after any organized retail store opening nearby and their distance from organized retail store.

H0: There is no significant association between product related survival strategies adopted by traditional retailers and their distance from organized retail store.

H0: There is no significant association between price related survival strategies adopted by traditional retailers and their distance from organized retail store.

H0: There is no significant association between distribution related survival strategies adopted by traditional retailers and their distance from organized retail store.

H0: There is no significant association between promotion related survival strategies adopted by traditional retailers and their distance from organized retail store.

D. To evaluate the attitude of traditional retailers towards market trend, dealing with competition and children taking up their business.

H0: There is no significant association between attitude of traditional retailers towards market trend and their distance from organized retail store.

H0: There is no significant association between attitude of traditional retailers towards dealing with competition and their distance from organized retail store.

H0: There is no significant association between attitude of traditional retailers towards children taking up their business and their distance from organized retail store.

E. To observe the facilities and services offered by organized and traditional retailers.

H0: There is no significant association between the facilities and services offered by traditional retailers and their distance from organized retail store.

H0: There is no significant association between the facilities and services offered by organized retailers and their format type.

F. To study the effectiveness of promotional strategies adopted by organized retailers.

H0: There is no significant association between promotional strategies adopted by organized retailers and their format type.

H0: There is no significant association between effectiveness of promotional strategies adopted by organized retailers and their format type.

G. To study the demographic and behavioral factors that influence customers' preferences towards organized and traditional retail stores.

H0: There is no age wise difference between customers of organized and traditional retailers.

H0: There is no education wise difference between customers of organized and traditional retailers.

H0: There is no occupation wise difference between customers of organized and traditional retailers.

H0: There is no monthly income wise difference between customers of organized and traditional retailers.

H0: There is no marital status wise difference between customers of organized and traditional retailers.

H0: There is no distance wise difference between customers of organized and traditional retailers.

H0: There is no motive wise difference between customers of organized and traditional retailers.

H0: There is no mode of transport wise difference between customers of organized and traditional retailers.

H0: There is no frequency of visit wise difference between customers of organized and traditional retailers.

H0: There is no shopping time wise difference between customers of organized and traditional retailers.

H0: There is no money spend wise difference between customers of organized and traditional retailers.

H. To study the product wise preference of customers towards organized and traditional retail stores.

H0: There is no product wise difference between the customers of organized and traditional retailers.

H0: There is no shop wise difference between the customers of organized and traditional retailers.

H0: There is no spending wise difference between the customers of organized and traditional retailers.

I. To study the customer purchase behavior towards organized and traditional retail stores.

H0: There is no significant difference between the attitude of organized and traditional customers on product.

H0: There is no significant difference between the attitude of organized and traditional customers on price.

H0: There is no significant difference between the attitude of organized and traditional customers on outlet.

H0: There is no significant difference between the attitude of organized and traditional customers on location.

H0: There is no significant difference between the attitude of organized and traditional customers on promotion.

H0: There is no significant difference between the pressure of reference group and retail format selection of organized and traditional retail customers.

- H0: There is no significant difference between the behavioral control belief of customers of both organized and traditional retailers.
- H0: There is no significant difference between the satisfaction of organized and traditional customers on product.
- H0: There is no significant difference between the satisfaction of organized and traditional customers on price.
- H0: There is no significant difference between the satisfaction of organized and traditional customers on outlet.
- H0: There is no significant difference between the satisfaction of organized and traditional customers on location.
- H0: There is no significant difference between the satisfaction of organized and traditional customers on promotion.

1.6 Scope of the Study

The scope of the present study is limited to the impact of organized retailers on traditional retailers with special reference to food and grocery sector. Three largest cities in Kerala (Kozhikode, Trivandrum and Kochi) have been taken for the detailed study. This survey is conducted to compare the changes in turnover, employees and customers of traditional retailers in clusters where organized retailers have a presence (treatment clusters) and where they do not have a presence (control clusters), so 400 traditional retail stores selected from treatment area and 75 stores selected from control area and for more reliable result a distance criteria used for analysis, ie, total area divided in to three (The nearest, Around and Far away). The study also focuses on purchase behaviour of organized and traditional retail customers. Hence the sample size taken as 400 customers, i.e. 200 traditional retail customers and 200 organized retail customers. According to this study organized retailers are chain stores that situated in each sample cities. Three types of retail formats are selected as sample. These are Discount stores, Super market and Hyper market. In the case of organized retailers researcher selected whole population as the sample population for this study.

1.7 Variables of the Study

The table 1.1 shows the variables of the study.

Table 1.1
Variables of the Study

Sl No	Dependent Variables	Independent Variables
1.	Sales performance	1. Average daily turnover 2. Average monthly turnover
2.	Effects on customers and employees	3. Reduction of employees 4. Reduction of customers 5. Socio economic profile of customers
3.	Survival strategies adopted by traditional retailers	6. Product related strategies 7. Price related strategies 8. Distribution related strategies 9. Promotion related strategies
4.	Facilities and services	10. Facilities and services offered by traditional retailers 11. Facilities and services offered by organized retailers
5.	Attitude of traditional retailers	12. Market trend, 13. Dealing with competition 14. Children taking up their business
6.	Promotional strategies adopted by organized retailers	15. Promotional strategies
7.	Demographic factors of customers.	16. Gender 17. Age 18. Education 19. Occupation 20. Monthly income 21. Marital status 22. Distance

Sl No	Dependent Variables	Independent Variables
8.	Behavioral factors of customers	23. Motive 24. Mode of Transport 25. Frequency of visit 26. Shopping Time 27. Spending habit
9.	Product buying preference of customers	28. Product wise preference 29. Shop wise preference 30. Spending wise preference
11.	Customer purchase behavior	31. Pressure of reference group 32. Behavioral control belief 33. Attitude of customers 34. Customer satisfaction level

1.8 Conceptual Model

The study has developed two conceptual models using the above mentioned variables for impact of organized retailers on traditional retailers and customers purchase behavior, and it is depicted in fig. 1.1, and 1.2 respectively.

Impact of Organized Retailers on Traditional Retailers

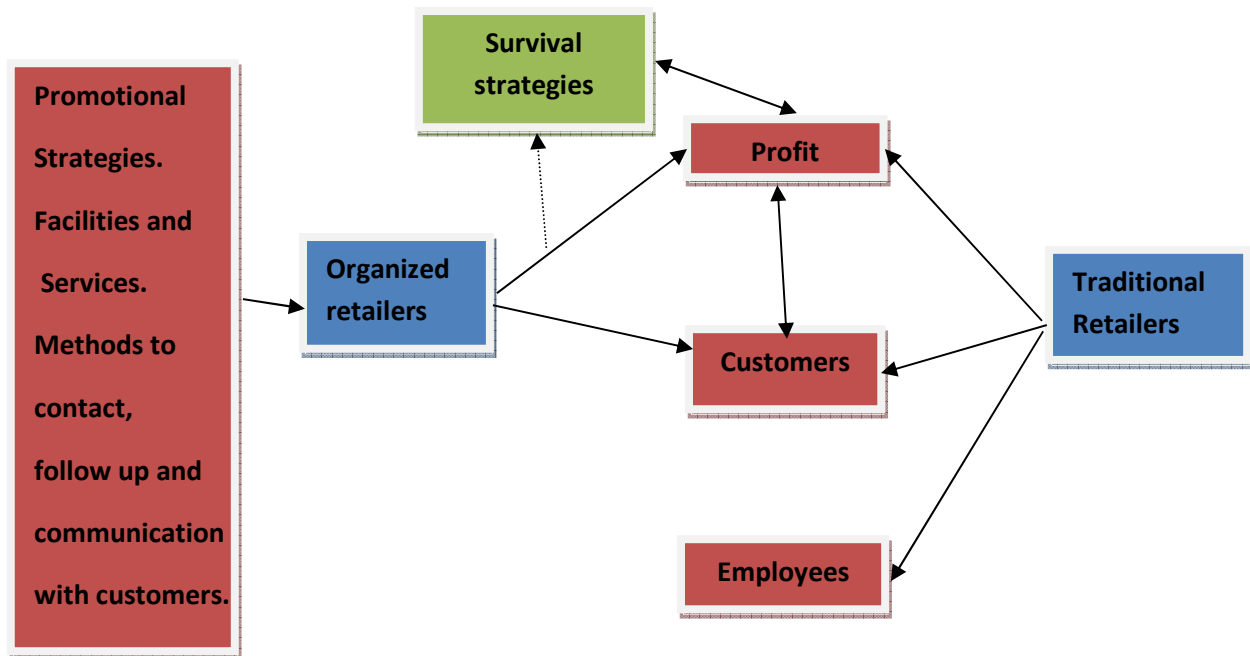


Figure 1.1 Impact of organized retailers on traditional retailers.

The present study identified the Impact of organized retailers on profit, customers and employees of traditional retailers. The variables of organized retailers are promotional strategies, facilities and services and methods to contact, follow up and communication with customers.

Customers Purchase Behavior

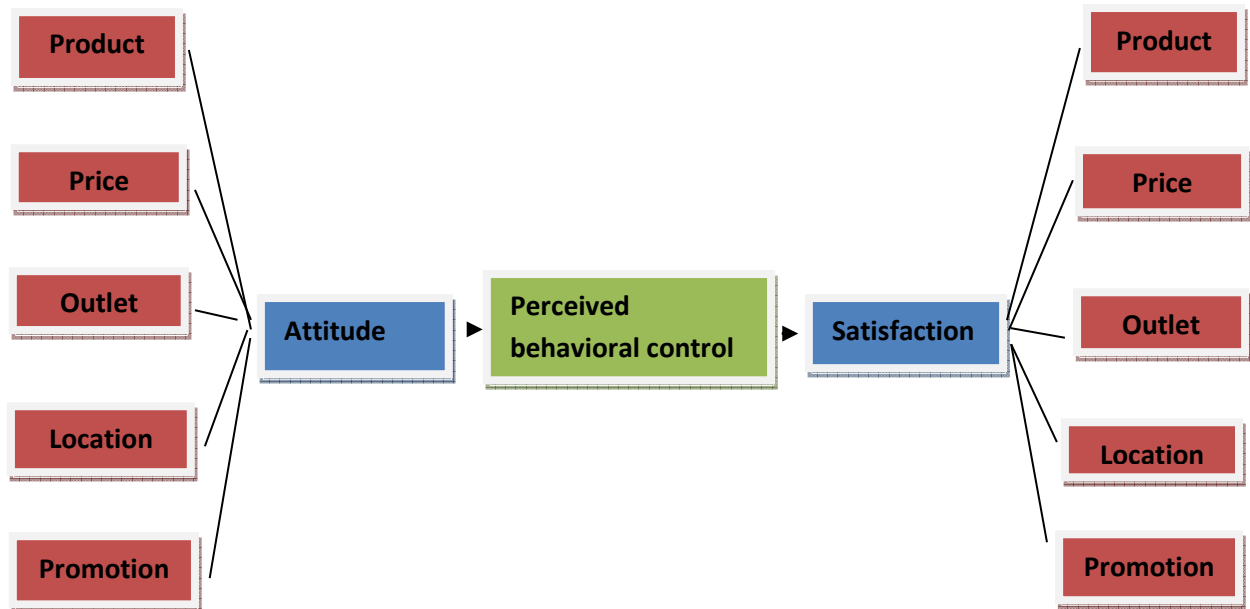


Figure 1.2 Customers purchase behavior

The study use same variables for attitude and satisfaction for the purpose of comparison. These variables are product, price, outlet, location and promotion. The perceived behavior control taken as an independent variable.

1.9 Operational Definition of Terms and Concepts

The important terms and concepts used in the study are briefly explained below.

Organized Retail

Organized retail or modern retail is chain stores, all owned or franchised by a central entity. The relative uniformity and standardization of retailing is the key attribute of organized retail. The supply chain and sourcing are centrally controlled. Organized retail firms are adopting a combination of formats including, mega (Hypermarket) and medium (Supermarket and Discount stores).

Traditional Retail

Traditional /unorganized retail refers to the traditional form of retail often situated near residential areas. It is generally characterized by low rentals, low tax payouts with a majority of being owner managed and employing personal capital. The supply chain and sourcing are also done locally to meet the local needs.

Food and Grocery Store

Food and Grocery stores include grocery stores, general stores and vegetable stores. Grocery shops deal mainly in grocery items, such as food items (rice, atta, wheat, grains and flour, cooking oil, ghee, vanaspati, spices, etc.) are available in loose. General stores, as the name suggests, deals in variety of general use items and food items used for daily needs. For example, in a general store one can find items, such as toiletries, biscuits and snacks, packaged foods, cosmetics, hosiery and stationary, etc. Vegetable stores deal with vegetables and fruits.

Hyper Market

Hypermarkets typically have business models focusing on high-volume, low-margin sales. Typically covering an area of 50000 sq. ft. and 100000 sq. ft., they generally have more than 200000 different brands of merchandise available at any one time. The product mix in the hypermarket format is typically 60 per cent food and 40 percent non-food. The key players in the segment are: the RPG Group's Giant (Spencer's) hypermarkets, and Pantaloon Retail's Big Bazaars.

Super Market

A supermarket is a large self-service retail store selling food and household supplies with a selling area of between 400 sq. ft and 2,500 sq. ft, selling at least 70% of its merchandise comprising of foodstuffs and everyday commodities. The family is their target customer and typical examples of this retailing format in India are Reliance, more, Food Bazaar etc. .

Discount Store

A discount store is a retail store offering a wide range of products, mostly branded at discounted prices. The average size of such stores is 1000 sq.ft. The discount stores largely concentrate on grocery products and fruit and vegetables. Typical examples of such stores in India are Subhiksha, Margin Free, Neethi store etc.

Customer Satisfaction

Customer satisfaction is the reaction of the retail customers that derives from the fulfillment of his needs and wants.

Promotional Strategy

Strategies adopted by organized retailers for finding appropriate market and utilizing all aspects of the promotion such as advertising and discounts to promote the product or service provided to a particular market.

Survival Strategy

Strategies adopted by traditional retailers to face competition from organized retailers.

Chain Store

One of a series of stores owned by one company and selling the same merchandise (Oxford Dictionary, 2005).

Subjective Norms

It refers to the perceived social pressure that influences the purchase behavior of retail customers.

Behavioral Control Belief

Control belief has to do with the perceived presence of behavioral factors that may facilitate or impede performance of a behavior.

1.10 Methodology

The methodology followed in the present research work is briefly explained in the following heads.

1.10.1 Method of Research

The research work is both descriptive and analytical nature. It is descriptive because it is a fact finding investigation and focuses on particular facets or dimensions of the problem by gathering descriptive information and the study uses the statistical methods for analyzing the quantitative data, it can be described as an analytical study also. The study uses the Stratified Random Sampling Method.

1.10.2 Sources of Data

Both the secondary and primary data have been collected and used for the research work.

A Secondary Data

The secondary data needed for the study has been collected from the following sources:

- Annual Report on Indian Retail Sector
- Organized retailers Website
- Websites of FLRS
- Research Dissertations and Theses
- Research Journals
- Periodicals
- Study Reports
- Research Publications
- Books related to the study area
- Other websites

B Primary Data

Primary data have been collected from organized and traditional retailers in the largest three cities in Kerala and customers of both organized and traditional retailers.

Sample Design

The sample design of the present research work is described in detail as follows:

i) Selection of Cities

Three largest cities in Kerala were covered in the study.

These are:-

- Kozhikode
- Trivandrum
- Kochi

ii) Sampling Design: Small Traditional Retail Stores

Small, traditional retail stores are adversely affected by the expansion of organized retailers, if they fall in the catchment area of the organized retail store. A catchment area is defined as the area (radius of distance in km) from where the organized outlet is expected to draw its customers. Using the standard industry norms, the catchment area for organized retail store is 5 km (ICRIER, 2008).

From the catchment area of every sampled organized retail store (hereafter referred to as a cluster), a fixed number of traditional retail stores selected as sample. The number of traditional retail stores was obtained from Assistant commissioner of Food and safety office (Kozhikode, Kochi, and Trivandrum).

In order to ensure that the sample of traditional retailers drawn extends over the entire catchment area, a distance criterion (distance of the traditional retail stores from the organized retail stores i.e. cluster) was used to select traditional outlets

which are both “*The nearest*” and “*Around*” from catchment area and “*Far away*” from out of catchment area. The differences observe between the two samples together help to establish the impact of organized retailers on traditional retailers. The clusters on the basis of distance criteria as shown below.

Table 1.2
Distance Criteria

Distance	Kilometre	Number
The nearest	Up to 2.5	219
Around	2.6-5	181
Far away	5.1-12	75
Total		475

Primary data (Assistant commissioner of food and safety office)

For selecting the requisite number of traditional retailers from each cluster, the researcher generate a list of such outlets in the catchment area. This was done in consultation with key informants and knowledgeable retailers in the area and the requisite sample was drawn from the list following the systematic random sampling procedure.

Table 1.3
Population of Traditional Retailers

Sample cities	Number of traditional retailers
Kozhikode	2262
Trivandrum	3026
Kochi	8858
Total	14146

Primary data (Assistant commissioner of food and safety office)

The sample size is selected based on the US National Education Association Statistical Table and Formula by Krejcie and Morgan (1976).

The formula is

$$x^2 NP (1-P)$$

$$S = \frac{x^2 NP (1-P)}{d^2 (N-1) + x^2(1-P)}$$

S = Required sample size.

x^2 = The table value of chi-square for 1 degree of freedom at the desired confidence level (.10=2.71 .05=3.84 .01=6.64 .001=10.83).

N = The population size.

P = The population proportion (assumed to be .50 since this would provide the maximum sample size).

d = The degree of accuracy expressed as a proportion (.05).

The Sample Size of Traditional Retailers

$$\begin{aligned} S &= \frac{3.84 \times 14146 \times (0.5) (1-0.5)}{(0.05)^2 (14146-1) + 3.84 (0.5) (1-0.5)} \\ &= \frac{13580.16}{36.3225} \\ &= 373.877 \end{aligned}$$

Hence the sample size taken as 400 stores in the case of traditional retailers.

iii) Sampling Design: Customers at Organized and Traditional retail stores

To assess the impact of organized retail stores on customers, exit interviews were conducted with the customers. Exit interviews were preferred over household surveys as it is difficult to locate households who have made purchases from the sampled organized clusters (as the catchment's area extends over a large area). Moreover, there could be a poor or inaccurate recall if the actual incidence of purchase occurred long before the date of the interview. In order to capture adequate information about the products purchased and savings made if any from purchasing at organized retail stores, only customers who have spent at least Rs. 100/- at the

organized retail stores in the present visit. As the number of customers visiting traditional retail stores is not large, so the researcher selected every alternate consumer visiting the store for making a purchase (visitors who do not make any purchase, however, is not include in the sample).

The sample size is selected based on the US National Education Association Statistical Table and Formula by Krejcie and Morgan (1976).

The whole kerala population taken as sample population (Kerala Census Report, 2011).

The Sample Size of Customers

$$\begin{aligned} S &= 3.84 \times 33387677 \times (0.5)(1-0.5) / (0.05) (33387677-1) + 3.84 (0.5) (1-0.5) \\ &= 32052170 / 83470.15 \\ &= 383.99 \end{aligned}$$

Hence the sample size taken as 400 customers, i.e. 200 organized retail customers and 200 traditional retail customers.

iv) Sampling Design: Organized Retail Stores

Only where an organized retail outlet is located, could it impact the small, traditional retail outlets. Thus, the next stage of selection in the study involved sampling of organized retail stores. According to this study organized retailers are chain stores that situated in each sample cities. Three types of retail formats are selected as sample. These are:-

- Discount stores
- Super market
- Hyper market

The following process was adopted for the sampling of organized retail stores:-

1. The number of organized retailers by outlet type (food and groceries) and format category (discount stores/ supermarkets/ hypermarkets) was obtained from Assistant Commissioner of Food and Safety Office from each city.
2. Using information in step 1 above, the list of organized retail outlets has generated and prepare list of all the retail chain outlets that situated in three cities.
3. Researcher selected whole population for this study, each of the chain discount stores, hypermarkets, and supermarkets were covered.

Table 1.4
Organized retailers

Retail formats	Kozhikode	Trivandrum	Kochi	Total
Hyper market	1	2	3	6
Super market	9	13	27	49
Discount stores	11	31	30	72
Total = 127				

Primary data (Assistant commissioner of food and safety office)

1.10.3 Tools/Instruments for Data Collection

The structured questionnaire was used as the instrument for the collection of primary data. Three separate questionnaires prepared for traditional retailers, organized retailers and customers. Same questionnaire used for both organized and traditional retail customers, then only the researcher can compare these two data's.

1.10.4 Pilot study and Pre-test

For finalization of the scale, the pilot study was done among 100 traditional retailers, 30 organized retailers and 100 customers. In the case of 100 customers, 50 from traditional and 50 from organized retail sector. The questionnaire was also cross-checked by the experts in the field like academicians; retail store managers, retail association secretaries, surveyors and their suggestions are incorporated within it. After a pilot study, suitable modifications were incorporated into the

questionnaire and thereafter the work of data collection was started. The work of data collection has started during January 2017 and completed in February 2018 covering a period of 14 months.

1.10.5 Reliability and Validity Testing

For the scale evaluation, reliability and validity testing are generally applied.

A. Reliability Testing

Reliability testing is very essential for the validation of the scale. A measure is said to be reliable when it elicits the same response from the same person when the measuring instrument is administered to that person successively in similar or almost similar circumstances (Bajpai, 2011). In this study, the reliability of the measurement scales was tested by using Cronbach's Alpha Reliability Coefficient.

Table 1.5
Result of the Reliability Analysis- Scale (Alpha)

Reliability Coefficients	
N of Cases	50
N of Items	11
Cronbach Alpha	.7123

B. Validity Testing

The validity of a measurement scale means the ability of the measurement scale to measure what it is supposed to measure (Bajpai, 2011). In this study, two approaches of validity are tested. They are:

1. Content Validity

The researcher inquired about the expert's opinion regarding the validity of the instrument. Henceforth, the researcher showed the questionnaire to the supervisor, senior professors, statistician, retail store managers, retail consultants

and the senior colleagues in the field of research and ensures that all the questions are relevant and suitable for fulfilling the research objectives. The researcher also made an attempt to confirm that the instrument contained all the important items.

2. Face Validity

In the present study, the researcher made an attempt to confirm whether the instrument contained the important items to be measured to ensure face validity. The panel of expert checked whether the instrument appears to measure what it is intended to measure.

C. Normality Testing

The normality of data is needed to test for applying probability statistical tests in the study. It was tested by using One sample K.S Test and found that the result showed a non normal data, as the p values are less than 0.05. Hence it is very important to test the Skewness and Kurtosis to see whether the deviation is problematic. Skewness and Kurtosis values should be in the range of ± 2.58 and ± 1.96 (Hair, Black, Babin, Anderson, & Tatham, 2006). Here, none of the values are above this limit and hence univariate normality can be generally assumed. Hence the researcher can do the parametric test assuming a normal distribution.

D. Randomness Testing

The Run test is used to test the randomness of data. The result shows that for all the variables, the p values are above 0.05. Therefore the randomness of the data is assumed.

E. Data Independence

Independence means there isn't a connection between the data, the assumption of independence means that the data isn't connected in any way. The Durbin-Watson statistic should be between 1.5 and 2.5 for independent observations (Garson, 2012). In the present study Durbin-Watson values are in between the limits prescribed, hence data independence present.

1.10.6 The Tools used for the Analysis

The tools used for the analysis are briefly discussed below.

1. Mean, Percentage and Standard Deviation

The mean or average is used to derive the central tendency of the data. It is a measure of central tendency that attempts to describe a set of data by identifying the central position within that set of data. The standard deviation is the most common measure of variability, measuring the spread of the data set and the relationship of the mean to the rest of the data.

2. One-Sample t Test

The One-Sample t test determines whether the sample mean is statistically different from a known or hypothesized population mean. It is commonly used to test the statistical difference between a sample mean and a known or hypothesized value of the mean in the population and to test the statistical difference between the sample mean and the sample midpoint of the test variable.

3. Independent Sample t Test

The Independent Sample t test is a statistical test for comparing the means of two independent groups in order to determine whether there is any significant difference between these groups.

4. One Way ANOVA

The One-way ANOVA stands for One-way Analysis of Variance (ANOVA). It is used to determine whether there is any significant difference among the means of three or more independent groups.

5. Scheffe Post Hoc Test for Multiple Comparisons

Post hoc tests are designed for situations in which the researcher has already obtained a significant difference among three or more independent groups using

ANOVA and to know the exact difference between these groups. Scheffe test is one of the most popular, conservative and flexible methods of post hoc test.

6. Quartile Deviation

Quartile deviation is a slightly better measure of absolute dispersion. While dividing the data into four equal parts, the first quartile is the data point at the 25th percentile, second different point is the second quartile, which is same as median and third such part is third quartile, the data point at the 75th percentile.

7. Regression

Regression analysis is used to model the relationship between a response variable and one or more predictor variables.

8. Correlation Analysis

The correlation coefficient measures the degree of association between variables. The correlation could be positive or negative. When two variables move in the same direction, their association is termed positive correlation. When they move in the opposite direction, their association is said to be negative or inverse correlation (Krishnaswami &Ranganatham).

8. Structural Equation Modeling (SEM)

Structural Equation Modeling (SEM) is a methodology for testing a network of the relationship between variables. It tests the hypothesised patterns of directional and non directional relationships among a set of observed and unobserved variables (MacCallum & Austin, 2000). The analysis of the quantitative data has been done with the help of statistical software's called SPSS 17 and Warp PLS 4.0.

1.11 Limitations of the Study

The present study suffers from the following limitations

- ▶ The focus of the study is impact on unorganized retailers in cities in Kerala. While this is based on the similarities in social economic profile of population in

emerging cities, the regional biases and preferences would have certain influences on the findings for other cities.

- ▶ As in the case of any study based on survey, there is an element of personal bias as inferences are drawn based on the response of consumers and retailers.
- ▶ The success of any retail format depends on the total retail market strategy. The study primarily focuses on consumer behavioural aspects and does not cover other aspects like logistics and supply chain, store area etc.

1.12 Chapter Scheme

The report of the study has been presented in seven chapters as shown below:

Chapter 1: Introduction

The first chapter deals with the introduction, research problem, significance and scope of the study, objectives of the study, hypothesis, operations definition of terms and concepts, methodology and database, conceptual model, limitations of the study and the chapterisation of the study.

Chapter 2: Review of Literature

Chapter two covers the review of the previous literature relating to growth of organized retailers, impact of organized retailers on traditional retailers, survival strategies adopted by traditional retailers and customers attitude towards organized and traditional retailers. This chapter identifies the research gap through these literature reviews.

Chapter 3: Growth and Development of Retail Sector- Global and Indian Scenario

The third chapter makes a theoretical overview of the concepts of changes in retail market, impact of organized retailers on traditional retailers, strategies adopted by retailers and customers purchase behavior.

Chapter 4: Impact of Organized Retailers on Traditional Retailers

Chapter four gives a detailed analysis of impact of organized retailers and survival strategies adopted by traditional retailers. It also covers the demographic profile of the traditional retailers.

Chapter 5: Food and Grocery Organized Retailers

This chapter demonstrates the comprehensive analysis of the promotional strategies adopted by the organized retailers. It also provides the information about the demographic and behavioural factors of organized retail customers.

Chapter 6: Customers of Organized and Traditional Retail Stores - A Comparative Study

This chapter gives a detailed analysis of the purchase behaviour of both organized and traditional customer's. It also covers the demographic and behavioural factors of customers.

Chapter 7: Findings, Conclusions and Implications

The last chapter presents the summary of the whole study, findings, conclusions and the implications. It also provides the scope for further studies.

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Chapter 2

Review of Literature

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2.5 Identification of Research Gap	82

India's retail market is expected to increase by 60 per cent to reach US\$ 1.1 trillion by 2020, on the back of factors like rising incomes and lifestyle changes by middle class and increased digital connectivity. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent (IBEF, 2017). The objective of the study according to the researcher is to know the impact of organized retailers on traditional retailers with special reference to food and grocery sector in Indian market.

A literature review is a description of the literature relevant to a particular field or topic. This is often written as part of a thesis proposal, or at the commencement of a thesis. A critical literature review is a critical assessment of the relevant literature. Literature 'covers everything relevant that is written on a topic: books, journal articles, newspaper articles, historical records, government reports, theses and dissertations, etc. The important word is 'relevant'. A literature review gives an overview of the field of inquiry: what has already been said on the topic, by the key writers. It also gives an idea about the prevailing theories and hypotheses. The review also specifies what questions are being asked, and what methodologies and methods are appropriate and useful. A critical literature review shows how prevailing ideas fit into the thesis and how the thesis agrees or differs from them (Vijaya Jacqueline, 2012)

The researcher, in order to have a convenient study and better understanding of the facts, has classified literature review under the following heads:

- Changing trends in retailing
- Impact of organized retailers on traditional retailers.
- Customer attitude towards organized and traditional retailing.
- Strategies adopted by organized and traditional retailers.

The literature review covers the concepts in the field of retail business in India, and it also gives a snapshot of the retail business on the global level.

2.1 Changing Trends in Retailing

Goldman (1974), in his study tried to understand about the growth of large food stores in developing countries. He observed that, in a century retailing has taken many formats. This is especially true for the food retailing business. Formats such as Convenience stores, Department stores, Hypermarkets, Supermarkets, Specialty stores, Wholesale clubs, Discount stores, etc. have sprung up in the last half of the 20th century to make use of the growing demand for one-stop shopping solutions.

Sellers (1990); Smith (1989); Parikh (2006) observed that the retail environment today is changing more rapidly than ever before and is characterized by intensifying competition and more sophisticated and demanding customers who have great expectations related to their consumption experiences.

Caffey Andrew (1997), his study entitled “Opportunity Knocks”. The result of the study indicates that an independent retailers account for nearly 80 percent of total retail establishments and firms generate just 3 percent of total U.S. store sales. This study also observed that high number of independent retailers is associated with the ease of entry into the marketplace, owing to low capital requirement and relatively simple licensing procedures. The ease of entry into retailing is reflected in the low market shares of the leading firms in many goods /service categories as a percentage of total category sales.

Arnold (1998) studied the effects of large format retailers on smaller communities. The research stated that the entry of Mega- retail chains has both positive and negative impacts on communities. In his research he found that the market entry of large format retailer caused:

1. Offered consumer benefits.
2. Had varying appeals to different demographic segments.
3. Increased sales and market share growth.
4. Offered economic growth.

5. Caused growth and decline in various commercial sectors in the down town business core.
6. Result in economic decline in nearby markets.
7. Change the mix of jobs.
8. Disrupted market efficiency, and
9. Increased environmental pollution.

Fernandes et al (2000) opined that modernisation in retail formats is likely to happen quicker in categories like Dry groceries, electronics, Mens' apparel, Books, Music. Some reshaping and adaptation may also happen in Fresh groceries, Women's apparel, fast food, and personal care products.

Aggarwal (2000) studied about current issues in Indian retailing. He observed that Indian retailing is undergoing a process of evolution and is poised to undergo dramatic transformation. The retail sector employs over 8% of the national workforce but is characterized by a high degree of fragmentation with over 5 million outlets, 96% of retailers are very small with an area of less than 50 square feet.

Sarma (2000) entitled "Some issues in retail management in India". This study observed that, because of their small size, Indian retailers have very little bargaining power with manufacturers and perform only a few of the flows in marketing channels unlike in the case of retailers in developed countries.

Venugopal (2001) examine the marketing channel management. This study mainly focused on customer centric approach. The result of this study revealed that the retail universe more than doubled between 1978 and 1996 and the number of outlets per 1000 people at an all India level, increased from 3.7 in 1978 to 5.6 in 1996. For the urban sector alone, the shop density increased from 4 per 1000 people in 1978 to 7.6 per 1000 people in 1996.

Anand & Rajashekhar (2001) observed that formats are not easily scalable across the country. Several companies have found that it is not easy to expand beyond some regions and cities as evident from the examples of Margin Free Market and Foodworld, which are active only in a few states or cities. Affordable real estate

prices and availability of sufficient number of economically well off households in the catchment area are critical requirements that will determine new store viability and thus the possibility of further expansion.

Rosemary Varley (2001), the author has tried to examine the retail product management. The author observed that Marketing-led organizations should not only give customers what they need, but should also identify and anticipate customer requirements. Retailers have seized the opportunity to establish close relationships with customers and gain a deep understanding of their purchasing habits, manifesting their authority in the development of strong retail brand identities. The study also found that the internet and other forms of direct marketing have offered opportunities for producers to fight back and she says that it is the retailers who have the greater opportunity to build on their existing knowledge and experience with consumers and use new marketing channels to their advantage.

Office of Small and Medium Enterprises Promotion (OSMEP) (2002) studied about small and medium enterprises in Thailand. This study observed that the ratio of private consumption compared to Gross Domestic Product (GDP) in 1988 prices was 54.49%. This was a high rate, which is crucial to change in the GDP and country's total economic growth. Therefore, a direct ratio of wholesale and retail business to GDP in 2002 was 14.93% which was the second highest after the industrial manufacturing sector in terms of employment opportunity.

Ramaswamy & Namakumari (2002) analyzing the factors affecting spread of retail chains in India, in their book 'Retail Management' has tried to explain the stressed that in recent years, there has been a slow spread of retail chains in some formats like supermarkets, department stores, malls and discount stores. Factors facilitating the spread of chains are the availability of quality products at lower prices, improved shopping standards, convenient shopping, display, blending of shopping with entertainment and the entry of industrial houses like Goenkas, Rahejas, Piramals and Tatas into retailing.

Byrom et al. (2003) entitled "Strategic Alternatives for Small Retail Businesses in Rural-areas". According to this study improvement in information

processing and telecommunications have made major changes in most industries. In addition, as consumers are exposed to more choices, loyalty has become less important than it was; a slightly better deal or temporary shortage of stock can easily result in the loss of customers. Competitors also can change rapidly, with new ones appearing from outside the country.

David Gilbert (2003), one of the noted authorities who in his book titled “Retail Marketing Management” has identified the reasons of growth of modern retailing. According to him more than any other industry, retail sector witnessing the emergence of new forms of retailing and becoming more segmented with reforms focusing on the needs of particular consumer segment. The result of this is the development of more consumer friendly environment. The author has tried to emphasize on two facts: First, retailing has become a major avenue of growth & the increase in the retail operations has changed the market dimensions. Second thing, there is an impact of E-retailing which attracts considerable attention.

ACNielsen Report (2003), in this report made an attempt to examine the development of private enterprise in the people’s republic of China. According to this study retail structure of Asia has shown that for all the South-East Asian countries that have allowed the multinational retail chains to operate (China, South Korea, Malaysia, Singapore, Taiwan and Thailand). The growth in the number of supermarkets have been invariably accompanied by a concomitant decline in the number of traditional grocery stores. China is often cited as an example where FDI in retail has generated a large number of new jobs in the 1990s. It is important to note in this regard that substantial deregulation of foreign investment in retail trade in China took place only in 2004.

Mulky & Nargundkar (2003) tried to examine the modernization in Indian retailing. The result of this study revealed that, based on an analysis of retail developments in countries such as Thailand, Brazil, Greece and India, it is possible to conclude that modernization of retailing in India would be influenced by some important factors. These factors include economic development; improvements in civic situation; changes in consumer needs; attitudes and behavior; changes in

government policies; increased investment in retailing and rise in the power of organized retail.

Radhakrishnan (2003) gave an overview on organized retailing. This study observed that modern stores tend to be larger, carry more stock keeping units have a self service format and an experiential ambience. Modern formats also tend to have higher levels of sales per unit of space, stock turnover and gross margin but lower levels of net margin as compared to traditional formats.

Sinha and Kar (2004) investigated modern retail developments and growth of modern formats in the country. This study highlighted that the Indian retail sector is going through a transformation and this emerging market is witnessing a significant change in its growth and investment pattern. The study revealed that currently two popular formats – Hypermarkets and Supermarkets are growing very fast. They emphasized that consumer dynamics in India is changing and the retailers need to take note of this and formulate their strategies and tactics to deliver value to the consumer.

Sinha& Banerjee (2004) the author has tried to examine the store choice behavior in an evolving market. The result of this study revealed that sustained GDP growth rate in the last 10 years has already created a base of over 30 million consumers. Current economic indicators seem favorable and GDP growth rate of 6-7% can be maintained, 60 million affluent consumer base is possible by 2010. Now with the Government considering to open the Foreign Direct Investments (FDIs) in retail sector, the entry of multi-national retail chains would change the entire retail scenario of the country.

Sinha P.K, Methew E and Kansal (2005) studied about format choice of food and grocery retailers. They opined that hypermarkets have emerged as the biggest crowd pullers due to the fact that regular repeat purchases are a norm at such outlets. Hypermarkets not only offer consumers the most extensive merchandise mix, product and brand choices under one roof, but also create superior value for money advantages of hypermarket shopping.

KPMG (2005) along with **FICCI** conducted a survey of CEOs of twenty leading retail organizations in India to gain a better insight into the retail sector. The report highlighted that the last few years have witnessed an explosion of organized retail formats like Supermarkets and Hypermarkets in fragmented traditional Indian retail market. The study highlighted that in order to tap this growth opportunity, Indian retail organizations need to be prepared for a quick scale up across dimensions of people, processes, and technology in addition to identifying the right formats and value proposition for the Indian consumer. The findings of retail survey indicated that the Specialty format and Supermarket format have the most potential for growth in India followed by Hypermarkets.

Srivastava Ruchi (2005), gave an overview on the retail sector in India. According to this study, India as the most attractive retail market today with abundance of opportunities. The Indian retail market is growing with a rapid pace of about 25–30%.

Reardon & Hopkins (2006); Reardon & Berdegue (2007) observed that the arrival of modern retail in developing countries occurred in three successive waves. The first wave took place in the early to mid-1990s in South America, East Asia, outside China, North-Central Europe and South Africa. The second wave happened during the mid to late 1990s in Mexico, Central America, Southeast Asian countries, Southern-Central Europe. The third wave began in the late 1990s and early 2000s in parts of Africa, some countries in Central and South America, Southeast Asia, China, India, and Russia.

Cadilet al. (2006), in their study tried to understand about vegetable Supply Chains. This research was conducted in Vietnam. This study reports that higher prices offered by supermarkets were offset by the extra costs incurred by farmers to supply to them. In most cases, supermarkets still sourced from medium and large suppliers.

Barry Berman and Joel Evans (2006) have offered a different kind of approach to the present system of retailing. The author observe that a strategic approach is basically related with understanding the marketing phenomenon of

retailing, the changes brought in due to competition amongst retailers in terms of marketing, distribution, as well as promotional practices. The authors have noticed that the non-traditional retailing especially Web Stores, or Electronic Retail Channels are becoming more profitable and popular because of changing tastes and styles of buyers, because of liking of the new and emerging trend of Electronic medium.

Rajendra Nargundkar (2006) describes that the retailing scenario evolves in India; there are so many changes in the types of retail stores, their sizes and competitive strategies. The concept of discount stores is just catching on. He also analyses the process of modernisation in the Indian retail sector, and makes a prognosis about the likely pattern of future development of retailing in India and derives implications for practices and policy.

R. Sudarshan (2007), in his book 'Retail Management' have rightly concentrated on understanding dramatic transformation in Indian retail sector. As per this study, traditional formats of retailing are now co-existing with modern formats like supermarkets and non-store retailing channels, such as multi-level marketing and teleshopping. The structure of India's retail sector has an enormous influence on marketing strategy and marketing activities of firms. The Indian retail sector has arrived at a very critical stage. Stores in modern formats have emerged in the metropolitan cities, but the bulk of the retail sales still take place through traditional retail formats.

Barry Berman & Joel R Evans (2007) gave an overview on the impact of Retailing on the economy. According to them annual U.S. retail store sales exceed \$4 trillion- representing one-third of the total economy. This study observed that telephone and mail-order sales by non store retailers, vending machines, direct selling, and Web generate hundreds of billions of dollars in addition to yearly revenues, and apart from this the other services like personal consumption expenditures on financial, medical, legal, educational etc account for another several hundred billion dollars in annual retail revenues.

S.L. Gupta (2007), in his book 'Retail Management: An Indian Perspective Test and Cases' has tried to identify different aspects of retail marketing as it is going in Indian context. According to the author, Indian markets are witnessing revolution, since the liberalization of the economy there has been a tremendous growth in the variety of services and also in their form and context in which they are offered to Indian consumers. Internet penetration and aggressive marketing strategies of the retail sector, the services have changed the entire spectrum of retail. But within, retail sector has certain crucial concerns, particularly the security, legal and official issues, controlled entry regulations, etc. Global retail players have made it clear that they want to enter this industry.

'Retail Management: Principles and Practices' book written by **R. Sudarshan, S. Prakash & M. Sharma (2007)**. This book basically deals with the implications of retail management in India. The structure of India's retail sector has an enormous influence on marketing strategy and marketing activities of firms. The Indian retail sector has arrived at a very critical stage. Stores in modern formats have emerged in the metropolitan cities, but the bulk of the retail sales still take place through traditional retail formats. The development of modern retailing is of great interest to marketing scholars, practitioners, and policy makers.

Arshad et al. (2007) studied about the issues in Retailing. The main objective of this study has been to deliberate upon the retailing issues and to examine the prospects of organized retailing in India. The authors are of the view that the joint venture between Bharti and Wal-Mart shall prove to be turning point for the Indian retail industry. Moreover 47% of India's population is under the age of 20 and this will increase to 55% by 2015 and this young population will immensely contribute to the growth of the retail sector in the country. Organized retail has a huge scope because of the vast market and the growing awareness of the consumers about product, quality and service. According to this study the dynamics of the demography, double income, urbanization and internet revolution are the factors contributing to retail growth in India.

Gupta (2007) entitled “retailing in India and the role of the marketing mix”. This study reveals that the retail sector of a country reflects its socio-demographic characteristics. As per the study, there are a number of elements that characterize the retail industry in India and these are as follows:

- It is a people-centric industry.
- A highly service-oriented sector.
- Demand drivers are more location specific.
- Dissatisfying factors may be minor but with grave consequences.
- With growing competition, margins have shrunk drastically but expenses have spiralled.
- When there is a holiday or festival for the general public it is peak time for retailers.

Bhardwaj & Makkar (2007), their study entitled “retail revolution-emerging challenges and issues”. The researcher is of the view that secondary metros are perceived by retailers as the next retail destinations, which throw a strong challenge to Mumbai and NCR Region. Pune, Bangalore, Kolkata, Hyderabad and Ahmadabad all have significant mall development and are likely to account for one-third of India’s organized retail sector. Retailers have seen a notable shift from a “saving” to “spending” mindset of consumers.

Shukla (2007) gave an overview about Indian retailing. Result of this study revealed that favorable demographic and psychographic changes relating to India’s consumer class, international exposure, availability of products and brands communication are some of the factors that are driving the retail in India. Franchising is emerging as the preferred option for global retailers. The study suggests India will have to arrive at its unique formats of retailing in order to tap the market and this requires significant capital, technology and the best practices to bridge the existing productivity gaps, which are critical to the sector’s success.

Bhardwaj et al. (2007) studied about emerging challenges and issues in retail sector in India. This study indicated that the organized retail industry will mean thousands of new jobs, increasing income level, improved standard of living, better

products, better shopping experience etc. Consumers have multiple options to choose - ranging from the shopkeeper to the most sophisticated supermarkets, departmental stores, plazas and malls which provide the latest and better quality products. All this has made India the top spot among the favored retail destination.

Sreejith and Raj (2007) studied about organized retail market boom and the Indian society. They opined that the organized retail segment is growing at the rate of 25-30 per cent per annum, revenues from the sector are expected to triple from the current US\$ 7.7 billion to US\$ 24 billion by 2010 and making it among the fastest growing industries in the country.

The Deloitte-Stores (2007) study held, which opines that the retail business would slow down definitely over the next decade in developed countries, while it would grow strongly in developing countries. This is based on a projection of some significant changes that will occur. First, the population in the age-group 50-70 years and above in the developed world will explode, shifting the share of consumer spending further away from goods towards services, such as travel, healthcare and maintenance of the elderly.

Tapan & K. Panda (2007), in their book 'marketing management' have rightly concentrated on understanding various types of retail formats seen in the Indian retail environment. The growth in retail power and influences has originated from the concentration of trade into the hands of fewer, large enterprises. The change in retail industry is due to various factors like liberalization, change in regulation, globalization and consumer preferences.

Alam G. and D. Verma (2007) studied about connecting small-scale farmers with dynamic markets. This study focused on successful supply chain in Uttarakhand. This study observed that the fresh fruit and vegetable retail chains in India have confirmed relative advantages for farmers connected with organized retail. For example, retail chain-contracted farmers receive comparatively higher prices higher net profits and also had lower transaction costs.

Aggarwal (2008), his study entitled “The era of retail revolution: contribution to economy in management and technology”. This study throws light on multiple effects which retail is going to have on the Indian economy. The catalytic or multiple effects of retail on the Indian economy are: employment generation; development of small scale units; growth of real estate; increase in disposable income and development of retail ancillary market etc. The author also observes that the growth of retail industry from the most prevalent unorganized sector to an upcoming organized retail has given a new name to the Indian economy and the name is ‘Experience Economy’.

Sengupta (2008) captured the history of the evolution of modern food and grocery retail in India. He focused on the time period from 1971 to 2001. The study found that emergence of modern retail in India is not just a result of increasing consumer buying power but manufacturers and unorganized retailers also have an important role to play in this process at the macro-level. The study emphasized that at the micro-level, the trigger for growth of organized retail come from diverse angles like entrepreneurial desire to provide better service to consumers, social desire to provide relief to the masses in the form of lower prices, desire to capitalize on emerging business opportunities provided by the changing business environment etc.

Halepete et al. (2008) studied about Wal-Mart in India. The main objective of this study was to explore the challenges that Wal-Mart might face as it expands into the Indian retail market. Wal-Mart’s failures in Germany and South Korea are analyzed to identify the lessons that can be learned from these failures so that these lessons can be put to good use in the Indian market. The results of the study show that the main reason for Wal-Mart’s failure in Germany and South Korea are the cultural differences between consumers, lack of understanding of the consumer, high cost of real-estate and aggressive competition etc. The biggest challenge for Wal-Mart in India is the competition from organized and unorganized sector, different customers’ mindsets, value-conscious shoppers etc. This significant challenge needs to be well-understood and suitably addressed for success in the Indian market.

Kuruvilla and Ganguli (2008), their study tries to understand the growth of mall development in India driven by the organized retail sector. All development is expected to grow at a frantic pace in metros and mini metros. The basic reason behind the growth of malls is that it offers an experience and not just goods.

Mishra (2008) studied about the new retail models in India. With the help of Porter's five force analysis of organized retail industry, the study analyzed that competitive rivalry and bargaining power of buyers are moderate, on the other hand the threat of new entrants, bargaining power of suppliers and the threat of substitutes are low in the Indian retail industry.

The report by **Cygnus India (2008)** gave an overview about retail sector in India. The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as Department stores, Hypermarkets, Supermarkets, and Specialty stores. The report stated that the retail sector in India is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a steep trajectory.

Srivastava (2008) shared his observation about the changing retail scene in India. According to this study the increase in the number of retail chains across the country is an indication that organized retailing is emerging as an industry and will boom in a big way in the near future. Malls comprise of 90% of the total future retail development. A significant trend in the market is the development of a combination of retail and entertainment centers.

Arshad et al (2008) is highlighting the prospects of retailing in India opined that 47% of India's population is under the age of 20 and this will further increase to 55% by 2015 and this young population will immensely contribute to the growth of the retail sector in the country. According to this study growing middle class, large number of earning youth customers, increase in spending, and improvement in infrastructure, liberalization of Indian economy and India's booming economy are the various opportunities for organized retailing in India.

Hino (2010), Kaur et al. (2007) and CII (2008), all these studies are aimed to investigate the antecedents of supermarket formats` adoption and usage .This studies mainly focused on non-western customers .The results revealed that that the growing middle class, large number of earning youth customers, increase in spending, and improvement in infrastructure, and liberalization of the Indian economy offer tremendous opportunities for organized retailing in India. Accordingly, six emerging retail formats viz. malls, speciality stores, convenience stores, discount stores, hyper/supermarkets and departmental stores have been taken up for the analysis.

Nair Suja (2008) in her book ‘Retail Management‘has tried to explain the growth of retailing in Indian context especially in the context of new economic policy, global economic development, changes in the marketing and economic system as well as changing pattern and classification of economic activity.The author has tried to stress that there is a significant effect of liberalization and privatization policies on development of retail format. According to the author, retailing has come to occupy a prominent position in today`s modern society. The profile of today`s customer can be easily described as an affluent one with a higher and most disposable income, frequent visits & makes a longer and investment and time to explore a detailed shopping experience.

According to report on ‘Grocery Retailing in Asia Pacific’ by **KPMG (2009)**, the outlook of retail industry in Asia had never been more promising. This report observed that world`s largest retailers are jostling not only to gain but to preserve market share in the competitive landscape. This is especially true in the grocery sector, where maintaining differentiation is a constant challenge. The report found that there are significant opportunities for the retailers, and whether this growth is achieved organically, or by acquisition, joint venture or strategic alliance, thorough commercial and market analysis will be critical to help ensure that the strategy fits the business objectives and customer needs.

KPMG India (2009) identified the changing contour of retail industry in India and highlighted the drivers which will likely to have impact across retail

categories. The report featured several significant developments for the Indian retail industry, including the entry of many global players, growing acceptance of the modern formats, the success of many speciality retail formats, and the growing competition in the regional markets beyond the metros and Tier I cities.

Minten, Reardon and Sutradhar (2009) conducted a detailed case study of modern retail in Delhi, emphasized that modern retail is shown to emerge quickly, offering more labelled and branded food products and more choice than traditional markets. The authors highlighted that modern retail is at its mere incipience in India selling basic foods mostly at the same or lower prices than traditional retail and might thus become an important contributor to improved urban food security.

According to **India Retail Report (2009)**, liberalization of the Indian economy and rationalization of business procedures have already ensured a high economic growth for the manufacturing and retailing sectors. This report is based on the information received from various stakeholders in the retail industry and it explores the factors affecting the growth of retail sectors and focuses on the opportunities in Indian retail. According to this report, Healthy investment climate, retail revolution, retail market segments, growing shopping centres, malls, supermarkets and departmental stores are the major factors that have earned India the top spot among the favoured retail destinations.

Rajan Saxsena (2009) studied about Indian retail market. According to this study the Indian consumer has more disposable income, is upwardly mobile, more informed and has access to multiple television channels and the Internet at home. The consumer is also sound and is not dogmatic nor a follower of any taboo. Thus, the most significant drivers of change are the socio-economic profile of the Indian market, intensive competition, and continuous developments in information and communication technology.

A study conducted by **Satish and Raju (2010)** points out that the retail sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population will take a higher growth trajectory. The

study throws light on the major Indian retailers which contribute highly to the retail sector in India.

'Retail Management' is written by **S.K.Baral and S.C.Bihari (2010)**, the authors are trying to examine the new changes in retail in India. This study said that dramatic changes have taken place since last two decades on account of retailing. Indian and global environment displays the moving trends of retailing and it will become a large industry in near future.

Singh and Singla (2010) the authors are trying to examine about fresh food retail chains in India. This study mainly focused on small primary vegetable producers and traditional f & v retailers. This study revealed that retail chains have raised quality consciousness among farmers, introduced grading (in primary processing) and have helped in cost-cutting through extension and training on input use for better yield.

Abdul Kamal Mohideen (2011) observed that development of mega malls has been India is adding new dimensions to the booming retail sector. There is significant development in retail landscape not only in the metros but also in the smaller cities.

Arun Kr. Singh & P.K. Agarwal (2012) in their study made an attempt to examine the foreign direct investment in India. As part of the economic liberalization process set in place by the Industrial Policy of 1991, the Indian government has opened the retail sector to FDI slowly through a series of steps:

1995: World Trade Organization's General Agreement on Trade in Services, Which includes both wholesale and retailing services, came into effect.

1997: FDI in cash and carry (wholesale) with 100% rights allowed under the government approval route.

2006: FDI in cash and carry (wholesale) brought under the automatic route. Up to 51 percent investment in a single-brand retail outlet permitted.

2011: 100% FDI in single brand retail permitted.

The Indian government removed the 51 percent cap on FDI into single-brand retail outlets in December 2011, and opened the market fully to foreign investors by permitting 100 percent foreign investment in this area.

Sameer Ahmad Shalla & Manmeet Singh Mehta (2013), in their study tried to understand the impact of Foreign Direct Investment on unorganized retail sector. This study observed that the gigantic retail stalwarts from abroad like Wal-Mart, Carrefour etc. with their huge capital base and Technical know, unorganized retail outlets in India are feared to be hit very badly. The implementation of WTO recommendations at macro level since 1991 has led to the development of Malls across length and breadth of the country. The recent decision, however, is likely to create a different set of imperatives for retail industry in India.

2.2 Impact of Organized Retailing on Traditional Retailing

Beaumont (1994) observes that the opening of mega retailers in a community has the potential to impact on existing smaller merchants. Researcher found that modern retailers effect on the traditional retail business in terms of changes in sales volume. The traditional retailers change their business in terms of competitive strategies i.e. reduction in number of employees due to a fall off in sales in the business, changes in marketing practices, pricing, product mix and store positioning, location of outlet and recognition of customer service are central to survival.

Archer and Taylor (1994) argue that small retailers can survive in the shadow of the retail giants. The levels of customer service that the mega retailers provide cannot be possible by the small traders because their small size limits their abilities. Specifically, the mega retailers by using well documented retailing practices such as solving customers' problems, treating customers with respect, connecting with customers' emotions, setting the fairest price and saving customers' time, can achieve survival and success in their businesses.

Feeny et al. (1996) gave an overview about retailing in Thailand. According to this study, in Thailand, there has been a tradition of having independently owned

outlets called shop houses. These outlets were run by families with the shop located on the ground floor and the families living in quarters on upper floors. This study observed that Thai shopping habits and spending was still attained to traditional shop houses.

The similar views proposed by **Arnold et al (1998)** with reference to Wal-Mart discount departmental stores in United States of America, that the impact on the other retail stores is high and many of which have at the disappearing stage. The traditional retail sector face increased pressure from the organized retailers, super stores. Further as the economy and society has changed, so have retailers and shopping habits of consumers also altered enormously.

Shils and Taylor (1999) identified both social and economic effects of mega retail chains. The social effects are the physical and social decline of neighborhoods as retailers fail to survive, noting profound changes in joblessness and socialization. The most serious economic effects include retail closures as the traditional retailers fail to compete with the consequent loss of jobs including the employment of the owners themselves and reduced number of employees; both are caused by the presence of mega retailers shifting activities from various geographic traditional retail clusters.

Sukin (2001) entitled the work “Superstore: A 'Long Nightmare' for Grocers”. This study conducted in Thailand. This paper observed that only big companies have the resources to upgrade themselves in anticipation of the full impact of the rapidly changing business environment. Medium-sized and small traditional family owned shops are gradually disappearing in Thailand, as they cannot cope with competition from multiple retailers, changing customer tastes and financial difficulties. This study also observed that the replacement of traditional forms of retail trade with hyper markets can shift the allocation of trade circulating money at the local level so that a large amount of it go to a few big retailers owned by foreign-owned multinational companies .

Nathan (2001) studied about store based retailing. He observed that the traditional formats like hawkers, grocers and paan shops co exist with modern

formats like supermarkets. Example of modern formats include department stores like Akbarallys, supermarkets like Food World, franchise stores like Van Heusen and Lee, discount stores like Subhiksha, shop-in-shops, factory outlets and service retailers.

Poviah and Shirali (2001) observe that, shopping malls have not been able to eat in to the business of Kirana shops. While the house wife might pick up her shampoo at a shopping mall, she continues to use her local cart pusher for daily needs such as fresh vegetables. In fact, so far organized Indian retailing has enveloped only the middle section (self esteem social recognition) of Maslow's pyramid.

Broad bridge and Calderwood (2002) studied about rural grocery stores. The central question examined in this study is: do rural grocery shopper's attitudes reflect their actions. This study emphasized that in an age of increasing competition from large scale organized grocery retailers, local shops need to have the commitment and willingness to cater for the local community for survival, which means focusing attention more closely on local resident's wants and needs.

Siamwalla & Poapongsakorn (2003), in their study made an attempt to examine the impact of large scale multinational corporation retailers on traditional retailers. The result of the study indicate that, about 30-35% of total retail space was controlled by major chains including Tesco Lotus, Carrefour, Big C and Makro, up from 10% to 20% five years ago. The number of small grocery stores, meanwhile, has been steadily declining by 10-20% per year.

Kalippa Kalirajan (2003), in his study investigated the impact of globalization on employment and poverty reduction in India. The analysis in this study show that small and traditional retailers expressed a significant amount of dissatisfaction towards the growth of corporate retailing and the emergence of big shopping malls which in their views are contributing negatively to their survival due to the decline of customers and profits. Nevertheless, through a proper economic policy framework, which would promote economic activities between corporate retailers and small retailers (for example in the form of sub contracting of certain

activities such as packaging and delivery of goods to consumers), the survival of small and traditional retailers, may not be affected adversely.

Sobal and Dean (2006), the central question examined in this study is: has Wal-mart buried mom and pop. The result of this study suggest that the rapid spread of Wal-Mart stores has had no statistically significant long-run impact on the overall size and profitability of the small business sector in the United States. They use Schumpeter's theory on "creative destruction" to explain that there are inventions, such as for example the emergence of a Wal-Mart Store, that result in business failure in certain sectors, but despite these failures yield net gains because of the positive impacts on economic activity in other sectors. For example, a small traditional shop is converted into an art gallery or the office of a travel agent.

Anuradha Kalhan (2007) studied about impact of malls on small shops and hawkers in Mumbai. This study points to a decline in sales of groceries, fruits and vegetables, processed foods, garments, shoes, electronic and electrical goods in these retails outlets, ultimately threatening 50% of them with closure or a major decline in business. Only 14% of the small shops and hawkers have so far been able to respond to the competitive threat of the malls with the institution of fresh sales promotion initiatives.

KPMG (2007) observe that overall situation in Asia for grocery retailing indicates shrinkage in the traditional grocery sales with South Korea witnessing a 13 percent decline in small retailers between 1996-2004, Hong Kong facing a decline in market share of traditional grocery channels by 21 per cent between 1994 and 2004, Singapore witnessing a fall of 8 per cent between 2002 and 2003 in the proportion of households spending bulk of their grocery money at traditional shops, Japan facing a decline in contribution of small and independent businesses to the grocery retail market to the tune of 7 per cent between 1998 and 2004, China having traditional style markets contributing to only 68 per cent of grocery sales in 2004, and Indonesia facing a shrinkage in traditional retailers, including wet markets, roadside stalls and independent grocers.

Vijayraghavan and Ramsurya (2007), the study is aimed to investigate the impact of organized retail on traditional one. This study observed that although traditional retail currently constitutes over 95% at the total sales in the country, smaller retailers that are unable to compete with new age retailers in terms at variety and scale , have began losing volume is several parts of the country.

Daniel Suryadarama, Adri Poesoro, Sri Budiayati, Akhmadi and Menthisa Rosfadhila (2007) the study measures the impact of supermarkets on traditional retailers quantitatively using differences- indifference and econometric method as well as qualitatively using in depth interviews. The quantitative methods find no statistically significant impact on earnings and profits but a statistically significant impact of supermarkets on the number of employees in traditional markets. The qualitative findings suggest that the decline in traditional markets in mostly causes by internal problems from which supermarkets benefit. Therefore ensuring the sustainability of traditional markets would require an overhaul at the traditional market management system, enabling them to compete with and survive alongside supermarkets.

According to **Euro Monitor Survey (2008)**, there are large varieties of retailers operating in the Indian food retail industry and it is highly fragmented. This study observed that greater number of higher income Indians prefers to supermarkets. Rivalry is forecast to increase if, as expected, Indians market becomes more penetrated by the major western retailers. Overall, rivalry in the Indian food retail industry is assessed as strong. The study would force on the study area- Bangalore city to assess if the growth of the organized outlets have had an impact on consumers and the traditional retailers.

Mathew Joseph (2008), in this a report made an attempt to examine the impact of organized retailing on traditional sector. This study observed that decline in traditional retailer's volume of business and profit in the initial years after the entry of large organized retailers. According to this study there was no evidence of a decline in overall employment in the traditional retailers after the arrival of organized retailers. There is some decline in employment in the north and west

region which, however, also weakens over time. The rate of closure of traditional retail shops in gross terms is found to be 4.2% per annum which is much lower than the international rate of closure at smaller businesses.

Sujana Krishnamoorthy(2008), the author has tried to examine the impact of organized retailing on the traditional sector. This study revealed that developing economies, specifically India, are appearing on the world retail industry radar due to the size and potential of their markets. According to this study, organized retail presents enormous business opportunities, big names such as Reliance, Birlas and Tatas along with the foreign supermarket chains (in partnership with Indian companies), have been making an entry into this sector. Fearing loss of business and employment, traders and hawkers have held large-scale protests in various parts of the country.

. **V Ramanathan (2009)** Studied about survival strategies adopted by traditional retailers. According to this study the change process requires the traditional retailers to reshape their existing business practices of dealing in a limited variety of product alternatives to offering the complete assortment in the product categories handled by them. He suggests that, if the traditional retailers adopt this approach, together with the various forms of convenience that they already offer, they would be able to stand up to the competition from the organized retail formats.

Cherish Mathew (2009) studied about the opportunities and threats in organized retail sector. According to this study the overall attitude likely to change favorably towards organized retailing. Organized retail is unlikely to be a threat to existing players, but would be an emerging business opportunity for local, global and nation player in India, to the mutual benefits of all concerned.

The study by **Dash et al. (2009)** revolves around the opportunities and challenges faced by organized and traditional retail players in Bangalore. The data was collected from the sample of one hundred managers of organized retail outlets and one hundred traditional retail outlets. The results depict that competition faced by the traditional sector is the biggest challenge for organized retailers. Inefficiency of distribution channels, internal logistical problem and retail shrinkage are other

challenges faced by organized retailers. On the other hand, organized retailing, logistical problems, competition between other kirana retailers are the challenges for the traditional retailers. This study also observed that growing middle class, large number of earning youth customers, increase in spending, India's booming economy and large number of educational institutions are the opportunities for organized and traditional retailers.

Chetan Choithani (2009), this study focused on the impact of organized food and grocery retailing on its corresponding service providers in the unorganized sector. The study also attempts to investigate the impact of discounts and schemes being offered by organized retail, especially in the food and grocery sector, on the business and profitability at small shops and street vendors. The research reveals that modern retail chains have had a significant impact on the unorganized retail trade, particularly on business outcomes such as sales and profit margins. Also, the findings of this study highlight the fact that the attractive price discount of organized retail outlets are a major concern for small retailers and a hindrance to their successfully competing with the modern retail chain. The paper also points to the fact that apart from the competition from modern retail chains, street vendors operating in and around the organized retail outlets are facing more harassment than usual from the concerned authorities on the grounds of their being 'illegal encroachers'.

V. Ramanathan (2009) studied about the new face of unorganized retailers in India. The article mentioned that the entry of organized retailers with their completely integrated marketing practices, franchising agreements contractual selling, joint ventures and co-promotions creates a profound threat to unorganized retailers and compels them to change their style of doing business from convenience to intensive. The study reveals that unorganized retailers dealing in clothing and footwear, furniture and appliances and beverages were among the most affected. Further the author observed that the traditional retailers enjoyed the advantages of proximity to the customers in neighbourhood areas long standing personal relationship with customers and providing home delivery and credit facility.

Kaliappa Kalirajan & Kanhaiya Singh (2009), the central question examined in this study is: whether corporate organized retail outlets have exerted any harmful effects on the small unorganized retail outlets in India. Primary data were collected from the managements of big shopping malls, corporate retailers, consumers and those unorganized retailers who were in the vicinity of the corporate retailers between November 2008 and March 2010 in NCR and Chennai. The survey results clearly indicate that the possibility of an adverse effect on the unorganized retailing due to the emergence of malls and organized retail outlets in the form of reduced sales of URO cannot be ruled out. The data indicates that closure is of the order 30%. A sample of about 24% of such closed shops indicated that 75% of the closed shops reopened in areas away from the operation of the ORO and earned more profits.

Suryadarma et al (2010) studied about the effect of super markets on traditional markets in a transition or developing country and is based on survey evidence from Indonesia. They selected traditional markets close to the modern retailer as the treatment group and traditional markets far from the modern retailer as the control group for a difference-in-difference analysis. They find that on average, traders in both treatment and control markets have experienced a decline in their business over the past 3 years and hence that there is no statistically significant impact of competition from modern retailers on the profit and revenue of traditional traders.

Hino (2010) shared his observation about the emergence and expansion of supermarkets that gradually decreased the market share of the traditional formats by displacing them and the factors that helped supermarkets in gaining consumers favors over the traditional stores are the 'consumers economic ability' and the 'format output'.

Shilpa Kokatnur (2010), analyzed the impact of new retail formats on traditional/traditional retailers' strategies. Service and promotion is the major strategies affecting traditional players. The impact of organized stores differs for different category stores. Service and technology up gradation are the major

strategies adopted by small players to retain customers. The researcher suggested that traditional retailers need to redesign their business models.

Smitha V.G (2011) studied about impact of organized retailing on unorganized retailing in Visakhapatnam. The results of this study indicate that there is clear distinct space for organized and unorganized retailers to operate in a city like Visakhapatnam. While a large scale transformation of retail outlet is forecasted, current study indicates that the organized and unorganized retailers targets to meet very specific needs of customer and hence there is adequate space for both to operate simultaneously.

Gagandeep Shmar et al (2011) in his study revealed that the traditional retail is not much effected by organized retail, there is only 4% traditional retailer are effected due to the opening of organized retail stores. But now with this competition the traditional retailers are also ready to inject more money to improve their operations. According to this study consumption behavior of the consumer is not much changed due to opening of organized retail but people get the day to consumption things in a better and managed way.

Sivaraman.P (2011), the author has tried to examine the future of traditional retailers in Kanyakumari district. This study concluded that the impact of organized retailers was clearly visible on the business of traditional retailers in terms of sales, profit and employment. He also observed that, due to their financial infirmity these small retailers continuously struggled to introduce changes in their existing retails practices. Some kind at intervention was required for their future existence.

Gajandeep Sharma, Mandeep Mahendru & Sanjeet Singh (2011), purpose of this study is to check the effect of opening of the organized retail stores on the traditional retails farmers and consumer. The study revealed that the Punjab retail sector is changing their retail store and running successfully. And the second thing come out of research that the traditional retail is not much effected by organized retail ,their is only 4% traditional retailers are effected due to the opening of organized retail stores. And the third thing according to the study is consumption behaviour of the consumer is not much changed due to opening or organized retail.

Alka Munjal, Anil Kumar & Pradeep Narwal (2011) studied about the sustainability of modern retail .This study is a comparative analysis of organized and traditional retail sector. They observed that in India there is no specification or any prescribed standard at calling a retail outlet organized or traditional in India. Organized retail is the one in today's scenario which is facing a lot of competition because of the high costs in this recessionary period and an economic slow down face and from the traditional retail as there biggest challenge lies in building in the footfall of the stores and generate larger share of revenue's.

Mitul Daliya, Bhavesh Parmar & K.K Patel (2012) conducted a study about the impact of organized retailers on traditional retailers in Ahammedabad City.This study observed that both modern and traditional retailers will co-exist in India, as both of them have their own competitive advantages. The traditional retail shop has a low-cost structure, convenient location and customer's intimacy. Modern retail offers product width and depth and a better shopping experience. There is room for both modern and traditional retail in India for several generations to come.

Diallo (2012) says that retail internationalization is a key element for most of the retail firms. Many factors, according to him lead to retail internationalization and are likely to influence the business strategy adopted in emerging markets. The main objective of his research was to investigate key success factors of an international retailer in the Brazilian market based on two increasingly interesting theories, i.e core competence theory and organizational cultural theory.

Jain & Sukhlecha (2012) strongly feel that the advantages of allowing unrestrained FDI in the Indian retail sector evidently outweigh the disadvantages attached to it and the same can be deduced from the examples of successful experiments in countries like Thailand and China, where too the issue of allowing FDI in the retail sector was first met with incessant protests but later turned out to be one of the most promising political and economic decisions of their governments. It led not only to the commendable rise in the level of employment but also led to the enormous development of their countries GDP.

Kusuma et al (2013) stated that modern retailing is not a problem to traditional stores as most of the consumers said that they never stopped visiting kirana stores. They strongly agreed on coexistence of both is required. The researcher suggested that Government has to take care about the existence of organized retail stores in India and they have to take measures to overcome the challenges. Then the fast growth of organized retailing can be possible in India.

Dinar Fatima (2013) in her study found that both modern and traditional retailers will co-exist in India, as both of them have their own competitive advantages like kirana has a low- cost structure, convenient location, and customer intimacy while modern retail offers product width and depth and a better shopping experience. The study concluded that, thus represents a positive sum game in which both traditional and organized retail not only coexist but also grow substantially in size.

Medha Kanetkar (2013) conducted a study about impact of organized retailing. This study focused the quality dimension and reliability of Big Bazaar. The result of this study indicate that introduction of organized retailing has not been able to replace traditional markets. Which are still popular among the pocket conscious people, but has definitely added a new adventure to the shopping experience.

Sameer Ahmad Shalla (2013) attempts to assess the impact of shopping malls on the traditional retail sector in the Srinagar city. The result of this study revealed that there has been positive impact of shopping malls on the small retailers in the catchment of these malls. The positive impact was observed on the sales turnover and operational profitability measures. A propose to findings, the study concludes that there should be a gradual and phase wise introduction at the "FDI in retail sector" in order to avoid the backlash.

Hamil et al (2014) observe that supermarkets in Tirunelveli have created several impacts on traditional retail stores. Major impacts are reduction in sales volume, reduction in profit and involving family members in the business in order to avoid the recurring cost through the salary of workers. The number of workforce has been considerably reduced in traditional retail stores. However, in the opinion of the

traditional retailers the reason for the reduction of work force not primarily due to the Supermarkets.

Ajas Ahmed and Suresh Mayya (2015) study on “The impact of shopping malls on the traditional retail sector a case study of Mangalore region” stated that the malls interestingly have no severe impact on the employment scenario. However, the study further revealed that malls have severely impacted the turnover and operating profits at the traditional shops. Besides there is also an adverse impact on the customer's of traditional shops.

Sudeeb chandramana (2016), in his work entitled “Impact of Organized Retail on Traditional Retail in India - The Changing Perspective in Rural Areas”. From the study it was found that when compared to the traditional retail format, most of the respondent had a good image about the organized retailers. Even the traditional retailers had a good share in Market, but due to factors such as space, parking etc. a gap existed between both the formats. The customers wished for more outlets being opened. The researcher observe that, in spite of the enormous potential and growth opportunities available for the organized sector, it might not create a major impact on the traditional retailers because of the mindset of the consumers will who cannot think of a life without having a local neighborhood store .

Julias Ceasar and P.Mariappan (2016) intend to know the impact of organized retailers on traditional retailers. According to this study, modern retail outlets have impact on both the traditional retail environment and consumer behaviour in India. This change has come in the consumer due to various factors such as increased income, changing lifestyle, large segment of young population, growing literacy, rapidly increasing middle class, growing urbanization and increasing media penetration.

Sunil Kakkar (2016) focused on understanding of traditional retail sector in India. This study has brought insights into importance of traditional retail sector in India and will help traditional retailers to frame strategies to face the opportunities and challenges in this sector. Also the organized retailers can take help of the study to understand the significance of the factors which still makes the traditional market

dominant and help organized market and marketers to draft strategies to win the customers.

Seema Bajaj (2017) states that, as far as India is concerned necessity of both organized and traditional retailing. Both the formats have advantages and disadvantages. The study also found that complete organization of retailing stores will create unemployment, poverty and may bad for the poor consumer also. At the same time a fully traditional retail format will adversely affect economic growth, Govt revenue and will be a hinder in the process of development of the country.

2.3 Customers Attitude towards Organized and Traditional Retail Stores

The corner grocer or the 'kirana' store is a key element in the retail in India due to the housewife's unwillingness to go long distances for purchasing daily needs. An empirical study was carried out by **Sinha et al (2002)** to identify factors that influenced consumers' choice of a store. Although convenience and merchandise were the two most important reasons for choosing a store, the choice criteria varied across product categories. Convenience was indicated by consumers as the most important reason in the choice of groceries and fruit outlets, chemists and lifestyle items while merchandise was indicated as the most important in durables, books and apparel.

Thang et al (2003), in this research tried to understand about linking consumer perception to preference of retail stores. This study supported that consumers' choice of shopping malls over traditional market stores is influenced by various factors like ambience, assortment, sales promotion schemes and in-store services. The facility of one stop-shop had a positive response from the consumers, who found it more convenient, time saving and satisfactory.

Solgaard & Hansen (2003) entitled "A Hierarchical Bayes Models of Choice between Supermarket Formats".The researcher identified several store attributes that were considered important for the consumer's evaluation of stores. These attributes were merchandise, assortment, merchandise quality, personnel, store layout, accessibility, cleanliness and atmosphere.

Sinha and Banerjee(2004) have tried to examine the store choice behaviour in an evolving market. They observed that the major drivers for choosing a grocery store in India seem to be nearness to place of residence and the comfort level that the respondents has in dealing with the store owner (measured in terms of personal relationship with the shopkeeper).

Lather et al (2006) studied about new retail formats keeping pace with the shoppers mood.This study uncovered six main indicators: price, sales personnel, quality of merchandise, assortment of merchandise, advertising services and convenience services that play key role for retailers in choosing the type of retail formats that may help them to cope up with the changing preferences of consumers.

Benito et al (2006), the author has tried to examine the geo-demographic characterization of retail format choice. According to this study the households that patronize supermarkets are more advanced in the cycle of their family life have higher educational levels and work in more professional activities; Discount stores are preferred by older households those with less education and those employed in less qualified professional activities and finally the hypermarket seems to attract the grocery spending of the youngest households with small children, lower educational levels and more basic professional activities.

Kanika Taneja (2007) attempted to analyze the mall mania in India.The dissertation aims at studying the changing shopping trends of consumers in the Indian economy. According to this study various factors on which the Indian consumers base their choice of going to the shopping mall or the traditional markets have been exceptionally important for Indians, however they do not tend to attach self image with shopping in a shopping Mall.This study also observed that the traditional market in India still has a very significant proportion, therefore all consumers have to visit the traditional markets for the fulfillment of some or the other needs. It does not affect his/her personality or status.

A.C. Nielsen (2007) undertook a survey of 1300 consumers in the capital of Jakarta and in the second tier cities at Bandung and Cirebon, focusing on consumers buying habits in super markets versus traditional markets. The survey revealed that

penetrates of grocery retailing has occurred much more rapidly in processed, dry and packaged foods and in household and personal care products. The super markets progress in gaining control of fresh food markets has been slower because of prominent challenges, price, cultural habits and perspectives regarding freshness. Moreover shoppers still purchase fresh product mainly from wet markets and small vegetable stalls, where they get low prices, credit and personal service.

Nisha Rathore (2007), takes efforts to examine the impact of organized retailing on traditional retailing. This study mainly focused on consumer behavior towards organized and traditional retailing, their source of purchasing and the factors which influence their mall purchasing in India. The result of these study indicate that, the major factors that attract traditional retailers to consumers are proximity, good will, credit sales, bargaining, loose items, convenient timing, and home delivery. Consumers have generally gained with the emergence of organized outlets through the availability of better quality products, lower prices, one-stop-shopping, choice of additional brands and products, family shopping and fresh stocks.

Mishra (2007) & (2008) studied about the consumption pattern of Indian consumers between traditional and organized retail. According to this study consumers buy essentially convenience goods with low level of risk from organized outlets and essential products of more involvement from traditional retailers. Further researcher explores that India is currently in the second phase of evaluation, i.e. consumer demand organized formats. Retailers need to customize retail models as per taste and preferences of Indian consumer.

According to **Mishra (2007) & (2008)**, consumers buy essentially convenience goods with low level of risk from organized outlets and essential products of more involvement from traditional retailers. Further researcher explores that India is currently in the second phase of evaluation, i.e., consumer demand organized formats. Retailers need to customize retail models as per taste and preferences of Indian consumer.

Awng Di (2008) compares consumer's perceptions between retail stores. This paper mainly focused on super stores and family run stores in Bangkok. The results from this study found that the people in Bangkok still argue that superstores are essential for consumers and family run stores are well allocated for consumers in Bangkok. Consumers were satisfied more with marketing factors including product quality, product variety, and stable prices at superstores.

Kuruvilla & Ganguli (2008), explained that shopping develops into an important aspect in the lives of people, as they are becoming financially sound to do purchase in malls and they begin to consider the shopping value as an important factor along with the price of the products. One can understand the interest of the people in visiting the mall through the filled parking area, crowded late, busy stores and crowded games ones. The study also explained that Malls could provide price cuts, luxurious products for couples and children. They could entertain the children via games and other activities. The shoppers could buy the food for their family and they could watch movies in Malls.

Goswami & Mishra (2009) seek to understand whether Indian consumers are likely to move from traditional retail stores to large organized retailer while shopping for groceries. The research findings reveal that customer patronage to grocery stores was found to be positively related to locates helpful, trustworthy sales people, home delivery, cleanliness and after quality and negatively related 'travel convenience'. Small stores do well on location but poorly on cleanliness, offers, quality and helpful trustworthy sales people. Study also finds that small stores have major disadvantages on all customers' perception stores except locations. These stores being less important determinants of patronage compared with location, in the short run traditional retail store may not be ousted out of customer's favor.

Sinha R.K (2009), in his study investigated the shopper's preferences for organized and traditional retail formats. Such preferences were along with perception of functional benefits offered by the two formats at retailing along with demographic and personal factors. This research revealed that perception of functional benefits, demographic factors and personal factors have no impact on the

overall patronage behaviour of shoppers, towards different formats of grocery retailing. The study says situational factors like any kind of sales promotion, availability of products, opinion of relatives or it can be verify seeking tendency and similar factors which may play a decisive role for the shoppers while shopping.

The purpose of the research by **Jain and Bagdare (2009)** is to review the concept of customer experience and to identify its major determinants in the context of new emerging retail formats by analyzing customer expectations. The study highlights that as compared to traditional stores, new format stores are pre-engineered retail outlets characterized by well designed layout, ambience, display, self service, value added services, technology based operations and many more dimensions with modern outlook and practices. They seem to attract and influence young minds by satisfying both hedonic and utilitarian needs. Customer experience is governed by a range of demographic, psychographic, behavioral socio-cultural and other environmental factors.

Dalwadi R, Rathod H.S and Patel A (2010) have tried to examine the retail store attributes determining consumers' perceptions. This study mainly focused on consumers of retail stores located in Ahmadabad. According to this study convenience, promotional schemes, product pricing, customer service, employee behavior, and store ambience significantly influence the customers. It can be said that most (approximately 80%) of the young respondents (18-34 yrs) are in favor of organized retail stores. Therefore, forming the 'Young Shoppers' Club' is a good business strategy and the members can be offered special offers, discounts, organizing contests etc. Such a strategy would help in attracting the young shoppers to visit the retail store.

Dalwadi R, Rathod H.S and Patel A (2010), the authors are trying to examine the key attributes determining consumers' perceptions. This study mainly focused on consumers of retail stores located in Ahmadabad. According to this study Convenience, promotional schemes, product pricing, customer service, employee behaviour, and store ambience significantly influence the customers. Hence, it can

be said that there is an optimistic future for organized retailers. Most (approximately 80%) of the young respondents (18-34 yrs) are in favour of organized retail stores.

Deepak Devgan & Mandeep Kaur (2010) discussed about factors affecting Indian customers' perceptions. This study observed that rising per capita income, emergence of nuclear families and entries of multinational companies offering huge variety of products have raised the demand of household products. This has been an opportunity for the ushering organized retail sector that is growing by leaps and bounds in India.

Ghosh and Tripathi (2010) attempted to analyze the purchase of customers towards organized retail outlets in terms of Merchandise categories purchased, time spent within the store, number of merchandise purchased and store attribute. The results of the study depicted that the younger generation has greater tendency to visit organized retail outlets. The shoppers which remained a store for at least two hours considered shopping to be a stress releaser and fun activity. The currently purchased items from a retail outlet one garments followed by groceries, life style products and household appliances. The study further reveals that customers in tier 2 and tier 3 cities evaluate a store on convenience, merchandise mix, store atmosphere and services.

Navadanya research foundation (2011), the modern corporate retail formats are at the exclusive brand outlets, hypermarkets, supermarkets, departmental stores and shopping malls. But still the Indian consumer depends on the self-organized retail shops for their daily need.

Ramanathan V and Hari K (2011) in their research have analyzed the customers' perceptual changes about organized vs. traditional retailers at Kanchipuram, Tamilnadu. The researchers have identified the factors influencing the customer's preference to buy from these two different set of retailers. The research revealed that product information's, quality, value added service and customer care are given due importance in case of choice of organized retail formats and good product quality, customer care, attractive prices, discounts and value added services are found to be important for the customers in case of traditional retail formats. The

study also shows that there is no significant relationship in the customer demographics like age, gender, income level.

Gurusamy M and Prabha N (2011) have tried to analyze the changing consumer perceptions and preferences towards organized retailing from traditional retailing. The research revealed that consumers had opined traditional store good on the parameters at quality and convenience only whereas organized formats like supermarkets, departmental stores etc are perceived to be good in terms at quality, variety, constituency, convenience, service and hygiene. Price is the only factor where customer perceived organized retailers are costly.

Sivaraman (2011) analyzed Customer attitude towards traditional and organized retailers which shows that there were a perceived differences between organized retailers and traditional retailers on the attributes of store image, range at products, brand choice, price, store ambience, credit availability, shop proximity and implements. However there were no perceived differences on product freshness and customer care. This study clearly points out that the traditional retailers are facing stiff competition from the organized retailers. This has reduced their sales, profit and employment considerably. The operational cost, consumer credit also increased due to the presence of organized retailers.

Haresh B. Vaishnani (2011) in their study, made an attempt to examine the effects of sales promotions on consumer Preference and brand equity perception. This study mainly focused the FMCG products in the state of Gujarat. The result of the study indicate that there is no significance difference between consumers deal proneness and Gender, Employment status, Educational Qualifications, Family income, family size and family type. But it a fevered that deal proneness differs according to marital status.

Urvashi Gupta (2012) tried to understand the changing consumer behaviour from shopping malls to traditional outlets. This study points out that store attributes like convenient operating hours and accessibility are the factors which lead to customer loyalty where as store appearance is not critical determinant at customer loyalty. Similarly, product attributes like freshness of the product and availability of

product range awarding to the pocket is a major determinant of loyalty. Various reason for which traditional retail stores are still favored by customers include, convenient locations, home delivery, personal relationship with shopkeepers giving products on credit, payment in installments as is evident from this study. This study suggested that traditional retailers should focus on quality and availability at wide assortment of products to enhance customer loyalty.

Nilesh Arora (2012) investigated the behavioral aspects of the consumer with a focus on custom, perception and preference of the organized form of retailing in Rajasthan. The research revealed that the customers at Rajasthan have a positive perception about the organized retailing and have preferring the new format considerably. People have preferred a combination of both the traditional as well as organized retailers for their shopping. It has been suggested that the retailers should focus on delivering excellent customer services, utterly products that have value for money, attractive visual displays and wide variety of merchandise to attracts and retain the customers.

Dineshkumar & Vikkraman (2012) found that most of the customers prefer purchasing from organized retail outlets than traditional outlets. Also most of them are satisfied with the quality of service, price and product range of the goods provided by organized retail outlets. Satisfaction of consumers in retail service is an important criterion for a marketer to understand for further strategic decision. This study also reveals that the customers prefer organized retailing over traditional retailing, due to which the organized retailing become a threat to the traditional outlets. The establishment of such organized retail outlets in tier-1 and tier-2 cities has proved to be successful, as it fulfills the needs of the customers. As an expansion, such outlets are being established in tier-3 cities like Erode and other places. Hence, it's significant for such outlets to cater to the needs of the customers for its long run.

Srivastava (2012) studied about customers perception regarding purchase behavior towards malls. The study showed that the overall customers perception across urban and suburban was not varied. The customers were ready to pay higher

prices for branded goods across the urban and suburban areas. They gave priority to purchase grocery from nearby shops while for purchasing of apparel they liked to travel some distance. The outcomes of the study showed that the exposure of marketing strategy through electronic and print media made the customers more choosy and knowledgeable.

Deepika et al (2012) studied about consumer preferences for emerging retail formats in Punjab. It covers the six types of emerging retail formats- Malls, specialty stores, super/hypermarkets, convenience stores, departmental stores and discount stores. The result highlights that young consumers and high tax payers prefer to shop more at malls and specialty stores. On the other hand, older consumers and no tax payers prefer to purchase from convenience store, discount stores and department stores.

Manish Jain (2012) studied about the factors affecting consumer preferences of shopping at organized retail stores. The study shows six major factors that consumers prefer to enter the retail stores. The factors are availability, variety, services, price, quality of products and promotion. The study found that the customer is very sensitive towards the policies of the retail outlets. Out of five retail outlets, which are Big Bazaar, More, Mega store, easy day, Vishal Mega Mart and Reliance Fresh, the response was found less attractive in Vishal Mega Mart and Reliance Fresh, possibly due to the absence of any entertainment facility as, remaining were present in malls having a number of entertainment facilities.

Gupta Himanshu, Dubey Neetu and Patani Pawan (2012) entitled his work "Effect of organized retail on unorganized retail in Indian retail market". This study mainly focused the consumer behavior towards organized and unorganized retail stores and consumer satisfaction level from organized retail stores as well as unorganized retail store. The result of this study indicates that the major factors that attract unorganized retailers to consumers are proximity, goodwill, credit sales, bargaining; loose items, convenient timing, and home delivery. Consumers have generally gained with the emergence of organized outlets through the availability of better quality product, lower prices, one-stop shopping, choice of additional brands

and products, family shopping and fresh stocks. The study also found that Lower income consumers have saved moves from purchases at organized outlets.

Singh and Agarwal (2012) revealed that customer's preference for grocery shopping was gradually shifting from local Kirana stores to organized convenience stores. Brand choice and credit card facilities were the main determinants which influenced preferences from Kirana to organized retail. Payment through credit cards increased purchases from organized retail stores.

Gupta (2012) studied about customer loyalty towards traditional retail stores in competitive environment. The study observed that store attributes like convenient operating hours and accessibility were the factors which lead to customer loyalty and not store appearance. Similarly, product attributes like freshness of the product and availability of products range according to pocket were major determinant of loyalty. It was also evident that even today traditional retail stores are preferred by customers because of various reasons viz.

M. Murugan and N. Rajalingam (2012), have tried to analyze the perception of customers about organized and traditional retailers at Vellore city. This study point out that, due to the competition revolve around both organized and traditional retailers, the preceptors of consumers about them also constantly changes based on the type of product being dealt, pricing methodologies, delivery system and value added services in term of customer relationship management (CRM).

Monika Talreja & Dhiraj Jain (2013) aims to identify the factors influencing the perception towards organized retailing from traditional retailer. The data analysis of customer's attitude shows that there is a difference between the consumer's perception towards both organized retailer and traditional retailers regarding their store image range at products, brand choices, price, store atmosphere, credit availability and shop proximity.

Adil Zia & Khalid Mohammed Azam (2013) attempt to develop a scale measuring shopping experience and to measure the impact of various factors of shopping experiences in the context of traditional retail in Delhi. Fifteen factors

were found to be important to determine shopping experience in traditional retail where 'Merchandise' has maximum positive impact and reliability has the last impact. This study suggests that retailers should try to maintain a large and varied range of products if they want consumers to have a good and positive shopping experience.

MS Priya Viji (2013) analyzed the customer behaviour towards organized and traditional retail stores. The result of this study shows that India's organized and traditional retail sections can co-exist and flourish. The growth in the Indian organized retail market is mainly due to the change in the consumer's behaviour. This is because of changing lifestyles and patterns of demography which are favourable to the organized retailers.

Ritika Sinha & Mohammed Naveed (2014) studied about customer perception towards unorganized grocery retailing in North Bangalore. According to this study, pricing of the product has a great impact in deriving consumer perception while shopping for grocery especially in unorganized retail market. The extent to which consumer's perception is affected and decided the nature of the particular consumer's buying behavior. The buying behavior in turn affected the way a consumer behaves towards the products that are available with retailers. The researcher also observes that socio-economic status and convenience of the consumer play very important roles while purchasing groceries. The study establishes the fact that the players in the unorganized retail segment need to do more in today's world of changing perceptions and to live up to the expectations of the customers to be on a competitive map.

2.4 Strategies Adopted by Organized and Traditional Retailers

Peterson et al. (1983) studied the life span of small business. However, very few have focused on the survival strategies of SMRs in times of rapid and significant business environment change (in this case the period of 1997-2004). Small businesses normally struggle in times of rapid economic change.

Hildebrandt (1988) studied about store image and the prediction of

performance in retailing. According to this study the major success factor in the retail industry is store image and measurement model of store image that conceptualize the perception of store image attribute such as price level is used to forecast marketing performance as a business success measure.

Brennan (1991) studied about impact of discounters on retailing in small towns and alternative responses for retailers and community leaders. The authors view on strategies adopted by the retailers opined that providing specialized services, offering better quality products and improved customer services were the most successful strategies, on the other hand increasing sales and promotions, lowering prices and increasing advertising were least successful.

Barich & Srinivasan (1993) entitled prioritizing marketing image goals under resource constraints. They selected store image studies and their image components - product variety, product quality, store attractiveness, reasonable prices, convenience, and customer service.

Taylor and Archer (1994) are among those writers and researchers who attribute the failure of traditional “Main Street” retailers to causes other than the price competition of the mega-retail discount chains. The researchers authored a proactive and interesting volume which appears well meaning in identifying ten survival strategies to enable the small retailer to compete more effectively with a giant Wal-Mart or other mega-chain retailers. These precepts are: 1. Focus completely on satisfying the customers. 2. Study the success of others. 3. Gather and analyze management information regularly. 4. Sharpen marketing skill. 5. Increase the customer’s perception of value. 6. Position the business uniquely. 7. Eliminate waste. 8. Find something to improve everyday. 9. Embrace change with a positive attitude. 10. Pull the trigger and start the battle.

Sparks (1995) has concentrated attention on a number of market factors and has focused attention on the Japanese market. The researcher has made a valuable contribution to the body of knowledge through a detailed study of the Seven-Eleven company in Japan. He states that “the common explanation for the success of Seven-Eleven company in Japan is that it is an exceptionally efficient retailer which

harnesses technology, systems and relationships with manufacturers and franchisees, constantly to reinforce its knowledge and its primary mission, managed on a store-by-store and item-by item basis. In delivering Seven-Eleven (and Ito-Yokado) have had to redefine convenience store systems and operations and also effectively transform components of the Japanese distribution system”.

Engel et al. (1995) made an attempt to examine the consumer behavior in retail shop. They observed that the physical dimensions are (facilities in stores such as elevators, lighting, air-conditioning, washrooms, store layout, aisle placement and width, carpeting and architecture) are important for customers.

Lewison (1997) gave an overview about retailing .This study describes three elements associated with retail strategies; choosing a retail format, targeting a specific group of consumers and arriving at a defensible competitive advantage.

McGee and Finney (1997) studied about importance of distinctive marketing competencies in retailing .They suggested that there are five factors in the area of distinctive competence. These are:

1. Quality image
2. Effective differentiation
3. Effectiveness of key merchandising practices
4. Civic involvement and
5. Control of retail program.

They also observed that there is a positive correlation between better performance and possession of specific distinctive capabilities or competencies, namely effective merchandising practices and a superior ability to control overall retail program activities.

Howe (1998) studied about the vertical marketing relations in the UK grocery trade. He has made a valid point by suggesting that the retailing environment is under going constant change, however when the market is relatively static and highly competitive, retailers are likely to implement a different strategy. This is understandable to senior managers in retail organizations need to formulate and implement a strategy that repositions the organization and this happens from

time to time in order that the corporate objectives set are indeed realized and the various stakeholders are satisfied

Lin (1998) investigated the success factors of small and medium-sized enterprises in Taiwan. He supported the view that technology is the most important factor for success. This study states that people-related events occur at a rate of more than triple those related to structure and technology. His four major findings are that:

1. Activities related to structure, technology and people are still important for success.
2. Managing people softly is more important than managing with strict rules.
3. The management skills and management concepts of business founders are much more important than their technical skills.
4. Employees' skills are important and can be effectively developed.

Ali et al. (2001), in their study of successful small businesses in the Western region of Melbourne during late 2000 to identify characteristics of growth businesses. These characteristic are divided in two groups, those associated with the business operator referred to as being a 'Smart Business Operator' and those associated with business activity referred to as 'Good business Practices'

Megick (2001) tried to understand the competitive strategy types in the UK independent retail sector. This study identified six retail operations clusters in his analysis:

1. Merchandise and range;
2. Service and quality lines;
3. Active marketing;
4. Low price and incentives;
5. Local involvement; and
6. Unique products.

Office of Small and Medium Enterprises Promotion (OSMEP) (2002) gave an over view about small and medium enterprises in Thailand. This study revealed that SMRs are well equipped to adapt the changes in the business

environment. There are many excellent opportunities for SMRs, such as in the recruitment of unskilled employees who can fairly easily be trained to become semi-skilled labourers, or eventually fully-skilled professionals. Other advantage for SMRs is that doing business (in particular in Thailand) tends to be relatively free from restrictions, while there is ample availability of services to promote and market product lines.

Gibson Vidamani (2003), in his book 'Retail Management' tried to identify why retailing in the new format of Marketing has become an important aspect of Modern Marketing practices. According to this study, In order to understand the phenomenon of the new changes that has been taking place in retailing so that the marketers can understand the perception, visualization and responses of consumer. The economics of retailing as the authors have noticed is definitely influenced by not only the demand/supply equation but also the psychological consideration of the buyers especially in a given competitive environment where taste, choice, fashions and cultural values have been extremely important.

Siamwalla & Poapongsakorn (2003) entitled "The retail business in Thailand: Impact of large scale multinational corporation retailers". The result of this study revealed that mom and pop shop' are located along the public road resulting in limited space for parking services and customers find it inconvenient to do their shopping at these stores. The lack of parking is an additional disadvantage for the older small retailers together with the changing purchasing patterns their provision of services.

Sinha and Banerjee (2004), in this report made an attempt to examine the store choice behaviour in an evolving market. They observed that the major drivers for choosing a grocery store in India seem to be nearness to place of residence and the comfort level that the respondents has in dealing with the store owner (measured in terms of personal relationship with the shopkeeper).

Fam and his co- authors (2006) made an attempt to examine the promotional decisions used in small businesses. It is a comparative study between successful and unsuccessful firms. Result of this study revealed that successful retailers prefer personal selling and in-store promotions, so these communication

techniques are the most popular among them and they spend the highest amount of money on those solutions.

Carpenter and Moore (2006) try to attempt a study about the factors affecting consumer preferences of shopping at US grocery market. This study mainly focused on consumer demographics, store attributes, and retail format. They found that Product selection, assortment, cleanliness and courtesy of personnel are very important in determining format choice regardless of format of grocery shops.

Anu Singh and Kaur Tripat (2006), explained the strategies adopted by retailers to keep pace with the changing moods of the shoppers. The study addressed how factors within and outside the stores affect store-level shopping decisions. The six main indicators on the basis of which retailers decide to go for a specific type of retail format are: Price, Sales Personnel, Quality of Merchandise, Assortment of Merchandise, Advertising, Services and other Convenience Services.

Alexander Chernev (2007) examined consumer reactions to two common positioning strategies, a specialized-positioning strategy in which an option is described by a single feature, and an all-in-one strategy in which an option is described by a combination of features. The empirical data reported in this article demonstrate that a product specializing on a single attribute is perceived to be superior on that attribute relative to an all-in-one option, even when this attribute is exactly the same for both options. It is further shown that the observed devaluation of the all-in-one option can be mitigated by introducing another attribute on which the all-in-one option is inferior to the specialized option.

Piyush Kumar Sinha & Sanjay Kumar Kar (2007) gave an insight into the growth of new retail formats in India. The result of the study suggests that retailers certainly need to be innovative in designing the value proposition and deciding the format to deliver that to the consumer. It is not all about deciding the format but all about serving the consumer better, faster and at less cost. Retailers can use their store as an indicator of what they stand for and what value they offer.

Sinha and Kar (2007) investigated modern retail developments and growth of modern formats in India. They also analyzed the challenges and opportunities

available to the retailers to succeed in India and concluded that retailers need to innovate in designing the value proposition, deciding the format to deliver to the consumer and also strive to serve the consumer better, faster and at less cost.

V. Ramanathan (2008) tries to understand the effective role of CRM in the Indian retail market. According to this study customer relationship management is very useful if it work effectively with reference to the retailing sector in India. It allows retailers to gather customer data swiftly, identify the most valuable customers over time, and increase customer loyalty by providing customized products and services. He also observed that it reduces the cost of serving these customers and makes it easy to acquire similar customer future. It has become customary for companies to talk about selling solutions rather than products or services.

Mittal et al (2008) tried to examine the store choice in the emerging Indian retail Market. This study mainly focused on apparel retail market. According to this study the retailers marketing strategy will have to take into account two sets of attributes: (1) loyalty drivers and (2) shopping experience enhancers. These attributes will have to be integrated into the retail format. For apparel shopping the loyalty drivers are merchandise mix, sales promotions, price, and recommendation/relationship whereas the shopping experience enhancers are store reputation/ advertisements, temperature (air conditioning), return/guarantee, and ambient conditions.

Michael Levy & Barton Weitz (2008), in their book 'Retailing Management' have tried to know the different facets of retailing strategies as they are useful for developing the retail markets especially in a growing economy. From the author's point of view there is a great change in the consumer behavior which is influencing the pattern of retailing and their strategies. The change in the formats of branding i.e. from manufacturing brand to retail branding or private labeling has proved to be of a limited impact. They observed that the retail communication has become a more important aspect of retail management in the modern world.

Mittal et al. (2008) studied about the store choice criteria in the context of apparel retailing in India. The main motivation of this study is to help retailers to

determine the most important drivers of retail store choice. The findings suggest that the retailer's marketing strategies will have to take into account two sets of attributes: (i) Loyalty Drivers and (ii) Shopping Experience Enhancers. These attributes will have to be integrated into the retail format. For apparel shopping the loyalty drivers are merchandise mix, sales promotions, price, and recommendation/relationship whereas the shopping experience enhancers are: store reputation/advertisements, temperature (air conditioning), return/guarantee, and ambient conditions.

. The empirical study by **Kocas and Bohlmann (2008)** explained about segmented switchers and retailer pricing strategies. The researcher presents theoretical and empirical analyses that address these varied pricing strategies. A retailer's strategy to discount deeply or frequently is driven by the ratio of the size of switcher segments for which the retailer competes to its loyal segment size. The relative switcher-to-loyal ratios among retailers explain situations in which a small retailer finds it optimal to price high, despite having few loyal, or to discount and go for the switchers

Kokatnur (2009) observed that malls, supermarkets and hypermarkets are growing rapidly adopting aggressive strategies to attract customers. These strategies in turn affect the existing small players. The purpose of the study is to analyze the impact of new retail formats on traditional/unorganized retailers' strategies. The results highlight the importance of service and promotional strategies including personal selling are the major strategies affecting unorganized players. Service and technology up-gradation are the major strategies adopted by small players to retain customers.

Shilpa Kokatnur (2009), analyzed the impact of new retail formats on traditional/unorganized retailers' strategies. Service & promotion are the major strategies affecting unorganized players. The impact of organized stores differs for different category stores. Service and technology up gradation are the major strategies adopted by small players to retain customers. Traditional retailers need to redesign their business models.

Gupta et al. (2009), the authors examine the factors that influence customers' intention to continue purchasing from an organized retail. It is felt that customers' perceived value is an important indicator of customer's continuance intention, as are loyalty incentives provided by the store. Moreover, convenience is more important for customers in these markets than enjoyment. Organized retailers can increase customer retention by focusing their strategies in making customer experience more valuable and convenient.

Dhruv Grewal and Michael Levey (2009) gave an overview about past, present and future of retailing. They explained that survival in today's economic climate and competitive retail environment requires more than just low prices and innovative products. To compete effectively, businesses must focus on the customer's shopping experience. To manage a customer's experience, retailers should understand what "customer experience" actually means. Customer experience includes every point of contact at which the customer interacts with the business, product or service. Customer experience management represents a business strategy designed to manage the customer experience.

U.C Mathur (2010) expressed the challenges & opportunities in retail marketing and customer relationship in retail. According to this study business strategy of a firm includes the plans, policies and their implementation in a given time frame. Plans and policies are converted into action or activities where tasks are assigned to individuals or to teams for achieving specific targets.

The study by **Shih (2010)** explores marketing strategies and consumer attitudes toward manufacturers' and retailers' store brands chosen from Taiwan retailing outlets. Low prices, promotion activities, brand endorsed strategies, and increasing store images positively support the brand equity and consumer purchase intentions of retailer store brands. Retailers should improve their store image, enhance the product's perceived quality, and establish brand equity and brand loyalty among consumers.

Ali, Kapoor and Moorthy (2010) proposed a marketing strategy for a modern food/grocery market based on the consumer preferences and

behavior. The references of the consumers clearly indicate their priority for cleanliness/ freshness of food products followed by price, quality, variety, packaging and non-seasonal availability. The consumers' preference of the market place largely depends on the convenience in purchasing at the marketplace along with the availability of services, attraction for children, basic amenities and affordability. The result of the study suggests that most of the food and grocery items are purchased in loose form from the nearby outlets. And fruits and vegetables are mostly purchased daily or twice a week due to their perishable nature, whereas grocery items are less frequently purchased.

Ghosh and Tripathi (2010) made an attempt to examine the customer expectations of store attributes. According to this study the enjoyable pleasant and attractive in store shopping environment increases the chances of impulsive buying among consumers, cross-merchandise, private-label brands, fun and entertainment, effective sales personnel and technology adoption are the various strategies recommended for retailers .

Kamaladevi B (2010), explained about customer experience management in retailing. Customer experience management is a strategy that focuses the operations and processes of a business around the needs of the individual customers. The goal of customer experience management is to move customers from satisfied to loyal and then loyal to advocate. According to this study several ways (e.g. Brand, Price, Promotion, Supply Chain Management, Location, Advertising, packaging & labelling, Service mix and Atmosphere) to deliver a superior customer experience are identified which should result in higher customer satisfaction, more frequent shopping visits, larger wallet shares and higher profits.

Arif Sheikh and Kaneez Fatima (2010), in their book 'Retail Management' explained retailing as a process that involves identifying target market i.e. interpreting the needs of target markets, developing good assortments of merchandise and presenting them in an effective manner so that consumers can find it easy and attractive to buy. This study also observed that retail management basically deals with identifying end users or final consumers promoting them, motivating them and

activating them to enter the shop and attract them to a particular set of goods or commodities or services which they will buy for their ultimate consumption.

The study by **Fam et al. (2011)** highlighted strategic aspects of in-store marketing, by focusing on two key components of in-store marketing, namely in-store promotions and price markdowns. These seem to be the two most important aspects of in-store marketing. The results indicate that a discount marketing strategy, environmental uncertainty and emphasis on price promotions are the key to explaining retailers' perceptions and use of marketing in-store activities.

MS. Vijaya jacquiline (2012) studied about retail management in organized retail outlets in Mumbai with reference to customer behaviour. She observed that the marketing strategies of retailers' are very important tool for improving the value of retail business and enhancing the sales of retail outlet. Strategies of retailers' like retention strategies (understanding the customers, customer delight, store image, better environment, attractive merchandising, loyalty programs and customized technology); promotional strategies (customer segmentation, personal selling, advertisement, etc) are directly contributing to the growth of modern retail formats in India.

Shilpa Tiwary & Rekha Jha (2016) studied about challenges and success techniques for unorganized retail sector against organized retail sector in Jharkhand. The author suggested that the unorganized retailers should make strategies to retain their customers by providing quality goods and services and they should also go for collaborations within the regional level then only they can survive in this globally competitive world and in their surrounding market competitions.

2.5 Identification of Research Gap

From the foregoing survey of literature on related area, it is found that different studies have been carried out by several researchers and institutions in the area of impact of organized retailers at a national and international level. But no studies have been conducted on the impact of food and grocery organized retailers on traditional retailers in Kerala. In this scenario, the researcher has made a novel attempt to fill the gap.

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Chapter 3

Growth and Development of Retail Sector - Global and Indian Scenario

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The present research work makes an attempt to investigate the impact of organized retailers on traditional retailers in Kerala. The current chapter aims to formulate a theoretical framework regarding an overview of retail sector, changing trends in retail sector, strategies adopted by retailers and the purchase behaviour of customers.

Therefore, this chapter is fabricated by dividing into four sections. They are an overview of retail sector, changing trends in retail sector, strategies adopted by retailers and the purchase behaviour of customers.

Section A

3.1 An Overview of Retail Sector

3.1.1 Introduction

Retailing in India contributes 22 percent of the country's GDP and therefore is one of the major pillars of the economy. The current market size of Indian retail sector is about US\$ 520 billion (IBEF, 2017). The overall retail sector is expected to grow at a compounded rate of 15% amounting to \$950 billion by 2020. Organized retail is estimated to grow at a CAGR of 24% and gain a share of 10.2% of total retail by 2016- 17 (ATKearney, 2015). India, with a large market base of 1.28 billion people, is one of the fastest growing retail markets. India's retailing industry is primarily traditional in nature. Indian retail has two sectors one is organized and the other is traditional retail sector. However, it is assumed that the traditional retail outlets, the so called mom and pop stores, or the neighbourhood stores are in the traditional sector. This sector has over 12 million retail outlets of various sizes and formats. Some are of the view that shops with less than 500 sq. ft. space can be treated as traditional retail outlets, which includes street stores, counter stores, kiosks and vendors, where the ownership and management rests mostly with one person. Normally, the traditional retail outlets do not have an association to promote their interests. The organized retailers are also called as modern retailers. They

operate in larger shop space 500 sq.ft plus. They are normally organized as departmental stores, specialty shops, shops in shopping malls, and so on that offers a large variety of products in terms of quality, value for money and makes shopping a memorable experience (Vaz Michael, 2013).

2016 rank	Country	Market size (25%)	Country risk (25%)	Market saturation (25%)	Time pressure (25%)	GRDI score	Population (million)	GDP per capita, PPP	National retail sales (\$ billion)
1	China	100.0	61.2	36.2	92.5	72.5	1,372	14,190	3,046
2	India	53.7	54.3	75.8	100.0	71.0	1,314	6,209	1,009
3	Malaysia	81.2	83.4	23.5	50.4	59.6	31	26,141	93
4	Kazakhstan	56.4	37.3	61.9	70.2	56.5	18	24,346	48
5	Indonesia	64.3	38.9	50.2	68.9	55.6	256	11,112	324
6	Turkey	85.9	46.4	31.9	53.1	54.3	78	20,277	241
7	United Arab Emirates	95.2	100.0	1.3	18.0	53.6	10	66,997	69
8	Saudi Arabia	91.2	64.9	21.3	31.5	52.2	32	53,565	109
9	Peru	47.3	52.8	50.4	57.2	51.9	31	12,077	70
10	Azerbaijan	33.9	30.8	80.9	59.3	51.2	10	18,512	17
11	Vietnam	22.7	24.5	68.7	87.4	50.8	92	6,020	87
12	Sri Lanka	25.4	38.7	76.7	62.0	50.7	21	11,120	31
13	Jordan	52.3	47.5	60.2	39.7	49.9	21	12,162	14
14	Morocco	29.8	51.2	62.9	54.3	49.5	34	8,194	39
15	Colombia	49.0	63.6	46.5	36.9	49.0	48	13,794	91
16	Philippines	36.6	42.6	41.0	70.7	47.7	103	7,318	134
17	Dominican Republic	54.4	14.8	60.7	53.3	45.8	11	14,771	30
18	Algeria	17.6	6.0	92.0	65.2	45.2	40	14,163	42
19	Nigeria	21.3	9.1	89.5	55.4	43.8	182	6,185	125
20	Brazil	85.9	65.7	20.4	0.0	43.0	205	15,690	445
21	Côte d'Ivoire	0.9	8.2	97.6	65.3	43.0	23	3,304	13
22	Russia	93.6	26.6	6.1	40.9	41.8	144	23,744	448
23	Zambia	0.0	20.1	84.4	62.0	41.6	15	4,165	11
24	Romania	45.3	54.6	0.0	61.0	40.2	20	20,698	45
25	Paraguay	16.0	17.0	87.1	38.2	39.6	7	8,671	11
26	Tunisia	28.1	34.9	73.2	18.5	38.7	11	11,450	15
27	South Africa	54.9	67.7	9.1	15.2	36.7	55	13,197	102
28	Ghana	4.6	28.5	100.0	10.9	36.0	28	4,216	15
29	Kenya	4.5	3.1	75.5	59.2	35.6	44	3,246	26
30	Egypt	24.1	3.0	67.0	44.7	34.7	89	11,262	133

0 = low attractiveness 100 = high attractiveness 0 = high risk 100 = low risk 0 = saturated 100 = not saturated 0 = no time pressure 100 = urgency to enter

Note: PPP is purchasing power parity.
Sources: Euromoney, Population Data Bureau, International Monetary Fund, World Bank, World Economic Forum, Economist Intelligence Unit, Planet Retail; A.T. Kearney analysis

Figure 3.1: The global retail development index

Note: PPP is purchasing power parity

Source: A.T.Kearney analysis,2008

3.1.2 Traditional Retail Scene in India

In the developed economies, organized retail is in the range of 75-80 per cent of total retail, whereas in developing economies, the traditional sector dominates the retail business. The share of organized retail varies widely from just one per cent in Pakistan and 8 per cent in India to 36 per cent in Brazil and 55 per cent in Malaysia. Modern retail formats, such as hypermarkets, superstores, supermarkets, discount and convenience stores are widely present in the developed world, whereas such forms of retail outlets have only just begun to spread to developing countries in recent years. In developing countries, the retailing business continues to be dominated by family-run neighbourhood shops and open markets. As a consequence, wholesalers and distributors who carry products from industrial suppliers and agricultural producers to the independent family-owned shops and open markets remain a critical part of the supply chain in these countries (ICRIER, 2008).

India is the country having the most traditional retail market. The retail business is run by Mom & Pop having shops in the house at the back with more than 99% retailers function in less than 500 sq.ft of area. India's traditional retail industry employ more than 40 million Indians approximately 3.3% of Indian population i.e., it contributes to 8% of the total employment.

There are predominantly two types of traditional retail formats, namely;

- Independent stores
- Cooperative and government owned stores.

The Independent stores and family-owned grocers, and other general stores that dot the rural and urban landscape, represent the vast majority of retail business in India. These are usually shops with a very small area, stocking a limited range of products, varying from region to region, according to the needs of the clientele or the whims of the owners. Independent stores have emerged with the spread and density of population. Historically, they can be traced to the generation of surplus in

agriculture that needed to be sold to obtain other essential commodities by the producer. This was accompanied by the emergence of a trading class in India.

Cooperative stores in India are the result of the cooperative movement that can be traced to the pre- independent period. They emerged as a reaction to the feudal system and attempted to place the fruits of labour in the hands of the producers and make them self-reliant. The cooperative movement further gained ground after independence; yet it was largely successful in western India. Government -owned and/or-operated stores emerged post independence more as a state- responsibility towards the socio- economically weaker sections of the society, ensuring fair prices and distribution of essential items, and for the preservation of traditional handicrafts and promotion of tourism, than making profit (S.K Baral and S.C. Bihari, 2010).

3.1.3 Concept of Retailing

The distribution of finished products begins with the producers and ends at the ultimate customer. Between the two of them there is middle person – the retailer. The word 'retail' is derived from the French word retailer, meaning to cut a piece of or to break bulk (Chettan Bajaj, 2005). Retailing is the set of business activities that adds value to the products and services sold to customers for their personal or family use. It is responsible for harmonizing supplies of manufacturers with the demand of customers. The retailer performs many activities like anticipating and forecasting customer requirements, developing an ideal assortment of products, acquiring and processing marketing information, bulk breaking to suit individual customer requirements and sometimes performs the financing function (Panda, 2007). According to Philip Kotler, 'Retailing includes all the activities involved in selling goods or services to the final customers for personal, non-business use'. A retailer or store is any business enterprise whose sale volume comes primarily from retailing.

As the final between customers and manufacturers, retailers are vital part of the business world. Retailers add value to products by making it easier for manufactures to sell and customers to buy. It would be very costly and time consuming for customers to locate, contact and make a purchase from the

manufacturer very time customers wanted to buy a product. Similarly, it would be very costly for the manufactures and customers together at a single point, retailers make it possible for products to be sold, and consequently, business to be done. Retailers also provide services that make it less risky and more fun to buy products. They have salespeople on hand who can answer questions, may offer credit, and display products so that customers know what is available and can see it before buying. In addition, retailers may provide many extra services, from personal shopping to gift wrapping to delivery, that increase the value of products and services to customer (S.K Baral and S.C. Bihari, 2010). In today's competitive environment, retailers have redefined their role in general, and in the value chain in particular. They act as gatekeepers who decide which new products should find their way to the shelves of their stores. As a result, they have a strong say in the success of a product or service being launched into the market. A product manager of household appliances claimed, Marketers have to sell a new product several times, first within the company, then to the retailer, and finally to the user of the product (Chettan Bajaj, 2005).

Characteristics of Retailing

Retailing can be distinguished in various ways from other business such as manufacturing in the following ways.

- There is direct end user interaction in retailing.
- It is the only point in the value chain to provide a platform for promotions.
- Sales at the retail level are generally in smaller unit sizes.
- Location is a critical factor in retail business.
- In most retail businesses, services are as important as core products.
- There are a large number of retail units compared to other members of the value chain (Bajaj, Tuli, & Srivastava, 2005).

Functions of Retailing

Retailers play a significant role as a channel between manufacturers, wholesalers, suppliers and customers. The following are the functions of retailing.

- a) **Providing Assortments:** Offering an assortment enables customers to choose from a wide selection of brand design, sizes, colours and prizes in one location. Retailers offer assortment of multiple products and brands for customer convenience.
- b) **Sorting:** Manufacturers usually make one or variety of products and would like to sell their entire inventory to a few buyers to reduce costs. Whereas, final customers prefer a large variety of goods and services to choose from and usually buy in smaller quantities.
- c) **Breaking Bulk:** Retailers offer the products in smaller quantities tailored to individual customers and household consumption patterns. This reduces transportation costs, warehouse cost and inventory cost. This is called breaking bulk.
- d) **Rendering Services:** Retailers render services that make it easier for customers to buy and use products. They provide credit facilities to customers. They display products which attract the customers. Retailers also fill orders, promptly process, deliver and install the product at customer point.
- e) **Risk Bearing:** The retailers bear a different kind of risk to the manufacturers and wholesalers. Even the customers can come back to the retail point and return the product. In that case, the risk of product ownership many times rests with the retailers.
- f) **Holding Inventory:** A major function of retailers is to keep inventory so that products will be available for customers. Thus customers can keep a much smaller inventory of products at home because they can easily access from nearby retailers.
- g) **Channels of Communication:** retailers are the bridge between the manufacturer or his representative and the end customers. They serve as a two way channel of communication. The manufacturer collects customer

choice and preference data and provides information about existing and new products through the retailers.

- h) **Transport and Advertising Functions:** Retailers also help in transport and advertising function. The larger assortments are transported from wholesalers' point to retailers point by retailers own arrangements and many times, the retailer delivers the goods at final customer's point. So retailers provide assistance in storage, transportation, advertising and pre-payment merchandise (Panda, 2007).

3.1.4 Evolution of Retail in India

Retailing is one of the biggest sectors and it is witnessing revolution in India. The new entrant in retailing in India signifies the beginning of retail revolution. India's retail market is expected to grow tremendously in next few years. The origins of retailing in India can be traced back to the emergence of mom-and-pop stores. These stores used to cater to the local people. Eventually the government supported the rural retail and many indigenous franchise stores came up with the help of Khadi & Village Industries Commission. The economy began to open up in the 1980s resulting in the change of retailing. The first few companies to come up with retail chains were in textile sector, for example, Bombay Dyeing, S Kumar's, Raymond's, etc. Later Titan launched retail showrooms in the organized retail sector. With the passage of time new entrants moved on from manufacturing to pure retailing. Retail outlets such as Food world in FMCG, Planet M and Music world in Music, Crossword in books entered the market before 1995. Shopping malls emerged in the urban areas giving a world-class experience to the customers. Eventually hypermarkets and supermarkets emerged.

The evolution of the sector includes the continuous improvement in the supply chain management, distribution channels, technology, back-end operations, etc. this would finally lead to more of consolidation, mergers and acquisitions and huge investments. India's retail market is expected to grow tremendously in next few years. India shows US\$330 billion retail market that is expected to grow 10% a year, with modern retailing just beginning. (Sunita Sikri & Dipti Wadhwa, 2012). The graphical presentation of retail evolution in India is given below.

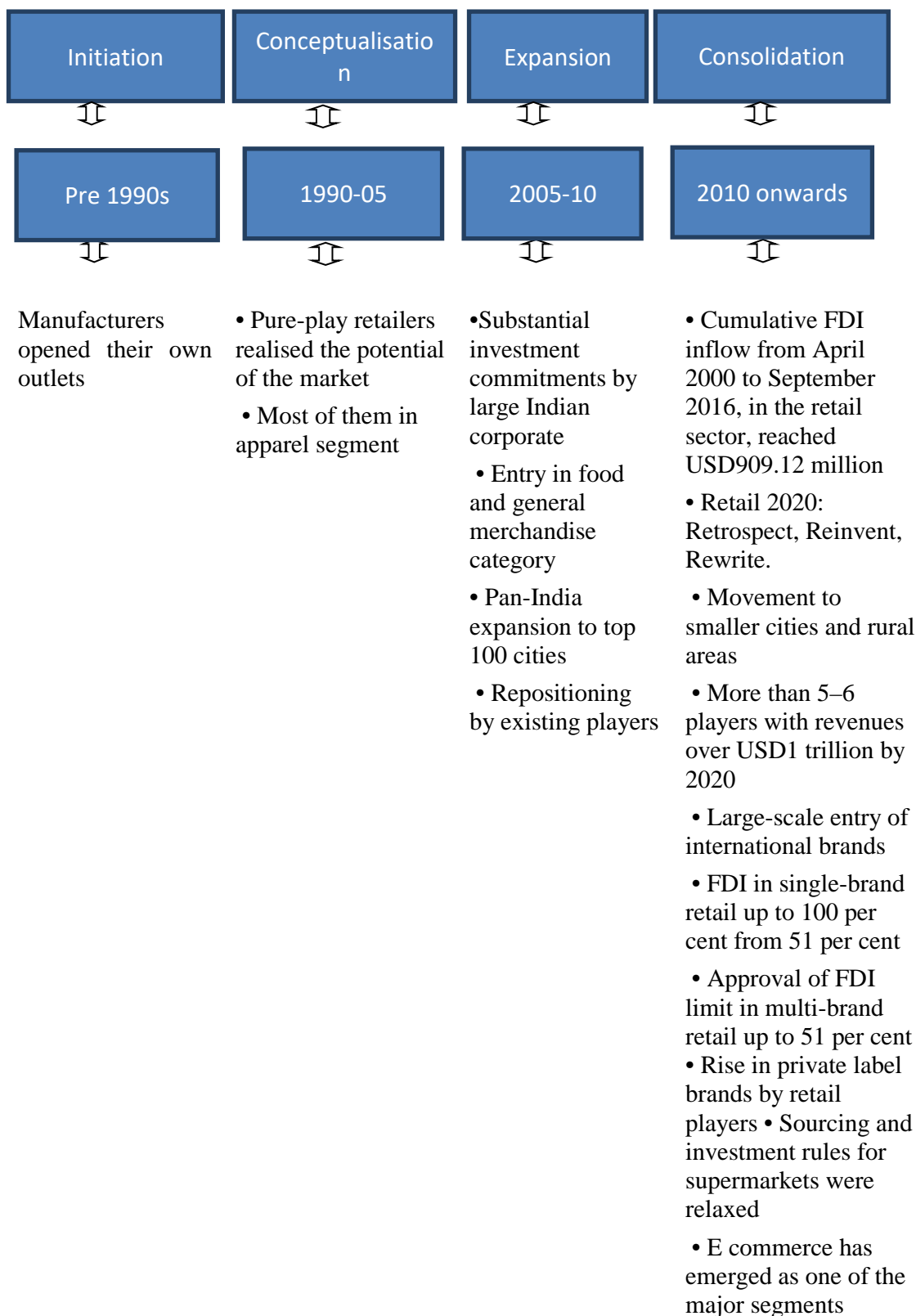


Figure 3.2: Evolution of Retail in India

(Source: Technopak Advisors Pvt Ltd, BCG, TechSci Research)

3.1.5 Retail Formats

Retailers functioning today come in a wide variety of forms. The following is one of the ways of dividing them:

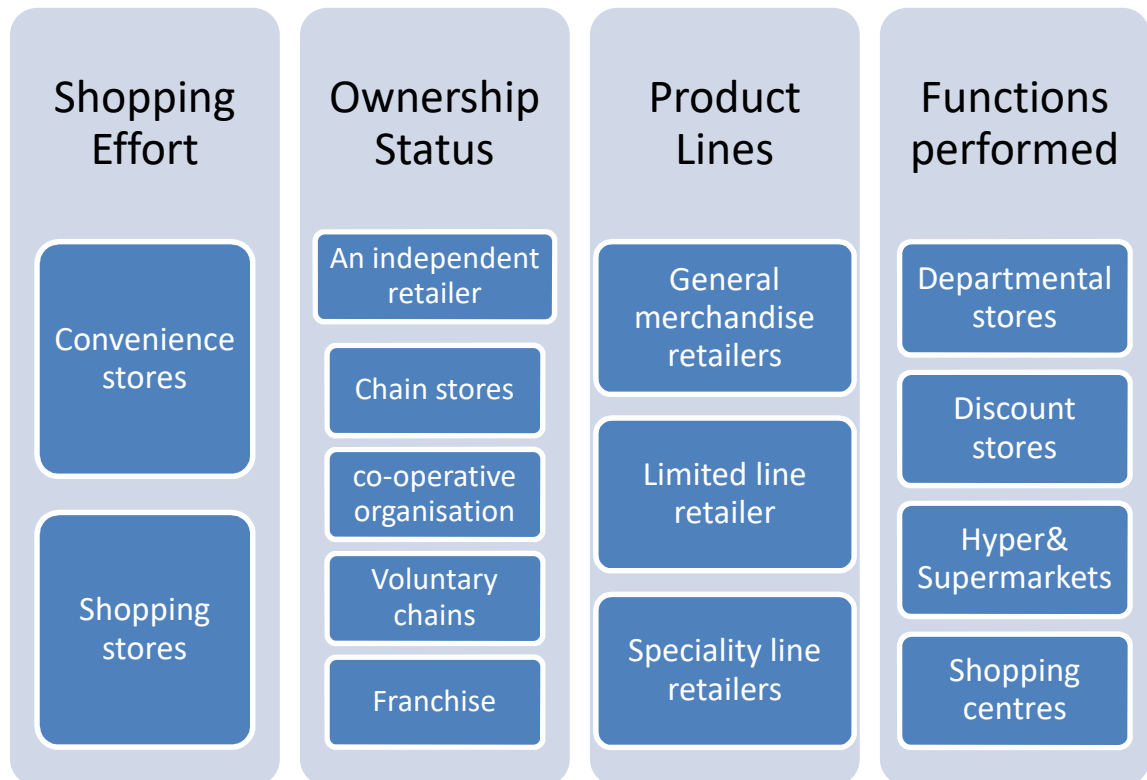


Figure 3.3: Retail Formats

I Shopping Effort

Based on the perception of the customers regarding the store, the kind of image the store conveys and the features of the store, the retailers are classified into the following two types:

- a) **Convenience Stores:** These are the fast growing part of the retailing business. They are located near the residence or the work place of the target customers. They may carry wide assortments of the product's shopping goods, convenience items, speciality products and even unsought goods.
- b) **Shopping Stores:** These are the retail outlets that seem to be favoured by customers shopping for certain types of products. Shopping stores attract

customers from greater distances because of width and depth of their assortment.

II Ownership Status

Based on the ownership status, a retailer may operate independently or may be part of a chain, a co-operative, a voluntary chain or a franchise operation. They are briefly explained below:

- a) **An Independent Retailer:** An independent retailer owns one retail unit. Indian retail is fragmented with over 12 million independent outlets operating in the country. India has the highest number of outlets per capita in the world-widely spread retail network but with the lowest per capita retail. The presence of higher number of independent retailers can be attributed to multiple macro reasons. A key macro -level factor is long history of non-industry- based economic growth, whereas an important micro -factor is the need to have low capital and licensing requirements (Chettan Bajaj, 2005).
- b) **Chain Stores:** They are retail organizations consisting of two or more units under a single owner. They enjoy the advantages of large scale operations such as quantity discounts, a strong financial position, mass media advertising, brand loyalty and lower unit cost. A chain retailer operates multiple outlets (store units) under common ownership such as Reliance, Big bazaar, it usually engages in some level of centralized (or coordinated) purchasing and decision-making. The relative strength of chains is great, and their popularity is rising, even though the number of retail chains is small. The dominance of chains varies greatly by the type of retailer.
- c) **Co-Operative Organization:** Cooperative outlets are generally owned and managed by cooperative societies. The most popular format in the Indian context is the Kendriya Bhandar, which is the largest consumer cooperative society in the country in terms of membership. It has more than 77,000 members, inclusive of associate members. The cooperative, which retails

consumer goods, groceries, stationery, office equipment and furniture (Chettan Bajaj, 2005).

- d) **Voluntary Chains:** In this type of retail business, a wholesaler initiates and runs the organization. The wholesaler may form a group of independent retailers who gain benefit from the advantage of large scale operations.
- e) **Franchise:** A franchise is a legal contractual relationship between supplier and some or many small independent retailers. Under franchise agreement, the franchiser exerts some control on how the franchisee runs the business and in return provides the franchisee with an established brand name as well as operating assistance.

III Product Lines

Based on the variety of products offered the retailers are classified into the following types.

- a) **General Administrative Retailers:** This type of retailer holds a wide range of products for customers. He is prepared to sell anything that can bring reasonable volume of sales.
- b) **Limited Line Retailer:** This retailer offers an inventory that is held to only one or several similar lines. They build patronage by offering a deep assortment and proficiency within that product line.
- c) **Speciality Line Retailers:** They go a step further and offer only one or two product lines but substantial depth within those lines and even a greater expertise. Such specialized retail operations provide expertise, economies of scale, bargain and image to the particular stores. Recently, with the advent of organized retailing, many companies and retail chains have opted for this retail format. Popular examples in this category include furniture retailers (Gautier), durables (Vivek's), watches (Titan), etc. In particular, this kind of retail format appeals to lifestyle product categories such as apparel, watches, home fashion, and jewellery, etc. the largest penetration of organized retail

would possibly happen in this format in categories such as health and beauty, home improvement, IT products, etc (Chettan Bajaj, 2005).

IV Functions Performed

On the basis of functions performed, the retailers are classified into the following types:

- a) **Departmental Store:** These are large retail stores organized into a number of departments, offering a broad variety and depth of merchandise, commonly part of a retail chain. Each department is like a separate limited line store or speciality shop. Usually, departmental stores are located within planned shopping centres or traditional up market downtown centres. The leading departmental stores in India are Ebony, Globus, Lifestyle, Pantaloon, Shoppers Stop and Westside. All of them are multi-product stores. Ebony has seven stores, Globus has four stores, Lifestyle has three stores, and there are twelve Pantaloon Family Stores (Chettan Bajaj, 2005).
- b) **Discount Stores:** A discount store or discount shop is a retail store which sells products at prices that are lower than the typical market price. They are self-service and general merchandising stores. They carry a wide assortment of products of well known brands, appliances, house wares, home furnishing, sporting goods, clothing, toy and automotive services. They complete on low price basis and operate on a relatively low mark-up and a minimum number of customer services. They range from small open showroom to catalogue type order offices to full line limited service, and promotional stores. They buy their merchandise stocks both from wholesale distributed and directly from manufactures (S.K Baral and S.C. Bihari, 2010).
- c) **Hyper Market:** A hypermarket is a very large retail unit offering merchandise at low prices. These are characterized by large store size, low operating costs and margins, low prices and a comprehensive range of merchandise. Hypermarkets have a selling area of over 50,000 sq. ft. Hypermarkets generally own spacious parking facility exclusively for their

customers and employees, popular hypermarkets in the Indian market include Pantaloon's Big Bazaar, Spencer's Food World, Vishal Mega Mart, etc (Chettan Bajaj, 2005).

- d) **Super Markets:** Super markets are large, self-service stores that carry a broad and complete line food product. They have central checkout facilities. Kotler defines supermarket as "a departmentalised retail establishment having four basic departments viz, self-service grocery, meat, produce and dairy plus other households departments, and doing a maximum business. It may be entirely owner operated or have some of the departments leased on a concession basis".The sales area of super market about 1000-2500 sqft.
- e) **Shopping Centres:** These are groups of retail stores that are planned, developed and controlled by one organization. The centre is built to handle a wide variety of stores to meet all the needs of the market it serves (Reddy,2009).

3.1.6 Activities of Retailers

Retailers are often referred to as ‘middlemen’ or “intermediaries”, who occupy a middle position, receiving and passing on products from producers and wholesalers and customers. Retailers thus undertake various business activities and perform functions such as sorting, holding stock etc that add value to the offerings they make to the target segments. Therefore the key objective of any successful channel is to ensure availability of the right product, in the right quantity, at the right time via the right channel.

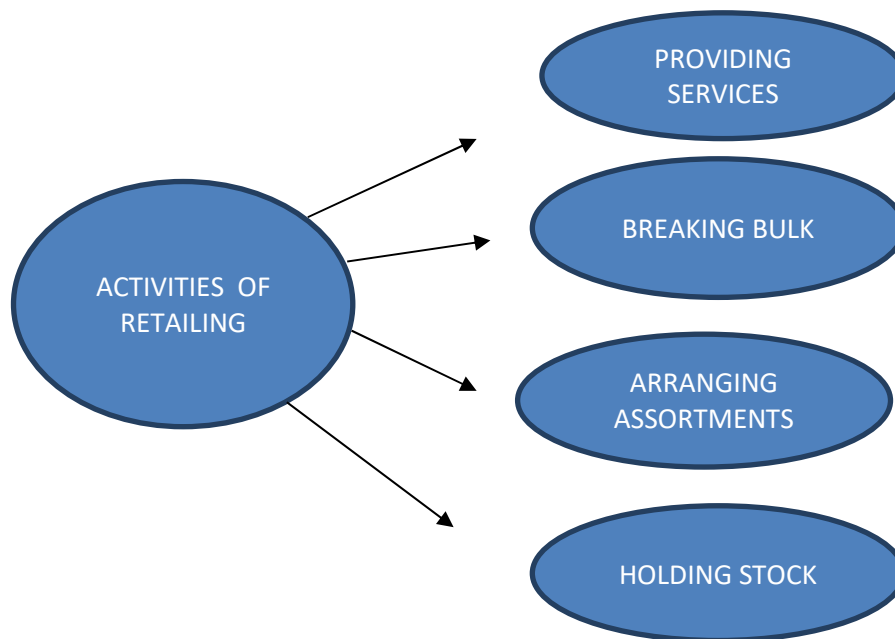


Figure 3.4: Activities of retailers

(Source:- Bajaj Chetan, Tuli Rajnish, Srivastava Nidhi, 2007)

3.1.7 Factors Responsible for the Growing Importance of Retail Sector

The retail sector is increasingly being viewed as an important economic activity that accounts for a significant proportion of the economy, it employs a large proportion of workforce, and retailers today are among the largest and most of sophisticated organizations. The various factors responsible for the growing importance of retail sector is shown below.

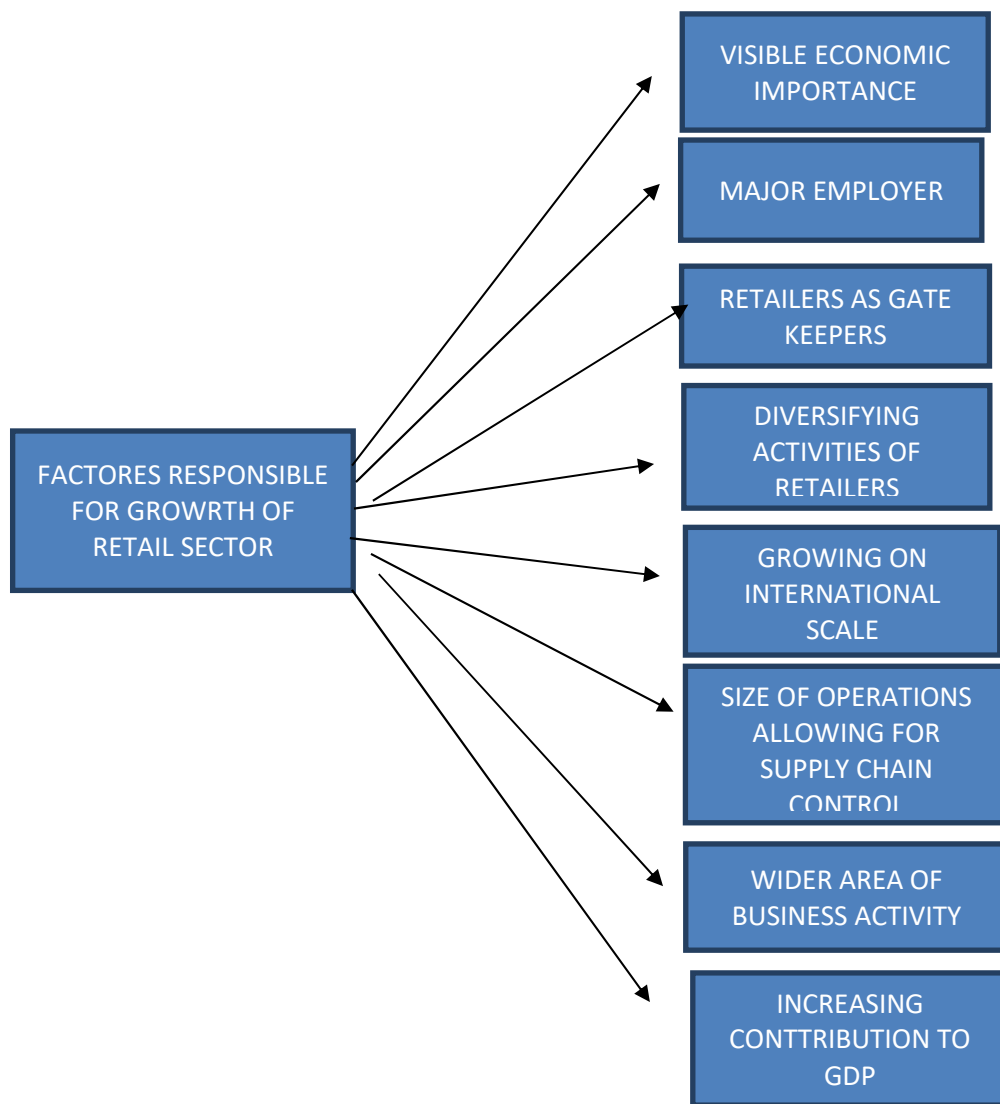


Figure 3.5: Factors responsible for the growing importance of retail sector
 (Source: Dunne & Lusch, 2008)

3.1.8 Major Issues in the Way of Retail Growth in India

1. Underdeveloped Supply Chain:

India lacks quality logistics infrastructure which hinders scaling up of retailing operations. Accordingly supply chain management systems have very low penetration especially in the rural area. Underdeveloped logistics infrastructure, absence of national cold chain networks, lack of national distribution networks and hubs create key bottleneck for retail sector growth.

2. Inadequate Utilities:

Inadequacy of basic infrastructure like power, transport and communication creates difficulty in sustaining retail operations across the large geographical spread of country. Inadequate reliable power, water, gas sources, public transport facilities, inadequate telecommunication and internet facilities prevent the fastest growth of retail business in India. Retail business management in india-challenges and strategies.

3. IT Infrastructure Hurdles:

Reliable IT infrastructure is important for managing modern supply chains which are the backbone of any retailing business and India face a clear problem in this area as the non-urban areas have limited IT infrastructure. Low automation level in supply chain and point of sales systems, no real time link between suppliers-warehouses-retail stores, lack of online presence of retailers, prevents India for large scale organized retailing development.

4. Real Estate Hurdles:

Archaic laws prevent the much needed growth in real estate development, which imperative for retail growth. High real estate costs, Archaic and user-unfriendly land laws, lack of proper city planning models are the most critical issue facing organized retailers in India. This problem is particularly severe in urban areas where a lack of transparency and correct practices increases land cost.

5. Supply base Hurdles:

The supply base for the retail sector is fragmented due to government policies and legacy issues which prevent economies of scale in retail sector. The fragmented supply base, underdeveloped supplier relationship management programs, inadequate quality assurance processes prevent the growth of retail business in India.

6. Inadequate Human Resources:

There is hardly any systematic effort to train manpower for the retail sector, which can create a bottleneck for growth. Lack of trained personnel at all levels, stringent employment and industry laws, fragmented industry approach to human resources prevent the growth of retail sectors in India.

7. Limited Customer Insights:

There is limited knowledge about the customer behaviour due to limited market research conducted on the huge population in towns and rural areas. Lack of detailed region-specific customer data, lack of adequate data on customer spending patterns, absence of a central body to aggregate industry information will prevent the growth of retail sector in India.

8. Insufficient Government Incentives:

Government is yet to create any major sector specific policies to boost the retail sector. Lack of industry specific incentives, inconsistent agriculture and fertilizer subsidies becomes major constraints for the growth of retail business in India.

9. Policy Related Hurdles:

The policy environment in India is complex, creating challenges for growth and establishment of new business. Lack of industry status for retail, numerous license, permit and registration requirements becomes the major obstacles for the growth of retail business in India. (C. Jothi Baskara Mohan, 2013)

3.1.9 Major Retail Outlets in Kerala

Major retail outlets in Kerala are :

1. Government Retail Outlets (Supplyco & PDS)

The Supplyco has 1266 retail outlets-969 Maveli stores, 9 Mobile Maveli Stores, 3 Mini Mobile Stores, 8 Super Markets, 267 Labham Markets, 3 Hyper Markets and 7 People's Bazaars.

2. Co-operative Retail Outlets (Consumer Co-operative Stores, Neethi Stores and Consumerfed Outlets)

The Consumerfed has 87 own retail outlets-85 Mega Triveni/Little Triveni Supermarkets,1 Mobile Triveni, 1Floating Triveni, 22 Triveni Godowns, 14 Neethi Ware Houses, 1 Triveni Notebook Unit, 1 Computer Stationary Unit and 1 Hurry Curry Powdering Unit. The Neethi scheme started with the assistance of government of Kerala in 1997 has been successfully implemented through 1000 selected primary agricultural credit societies in all the districts of Kerala for the distribution of consumer goods at the lowest prices in rural areas. So the co-operatives have 1087 retail outlets.

3. Private Retail Outlets-

Private sector has more number of retail outlets than government and co-operative outlets like Big Bazzars, Reliance super stores and other small/Big and Organized/Unorganized private retail outlets scattered all over Kerala (Dean Martin, 2012).

Section B

3.2 Changing Trends in Retail Sector

3.2.1 Introduction

The later half of the 20th Century, in both Europe and North America, has seen the emergence of the supermarket as the dominant grocery retail form. The reasons why supermarkets have come to dominate food retailing are not hard to find. The search for convenience in food shopping and consumption, coupled to car ownership, led to the birth of the supermarket. As incomes rose and shoppers sought both convenience and new tastes and stimulation, supermarkets were able to expand the products offered. The invention of the bar code allowed a store to manage thousands of items and their prices and led to 'just-in-time' store replenishment and the ability to carry tens of thousands of individual items. Computer-operated depots and logistical systems integrated store replenishment with customer demand in a single electronic system. The superstore was born. On the Global Retail Stage, little has remained the same over the last decade. One of the few similarities with today is that Wal-Mart was ranked the top retailer in the world then and it still holds that distinction. Other than Wal-Mart's dominance, there's little about today's environment that looks like the mid-1990s. The global economy has changed, customer demand has shifted and retailers' operating systems today are infused with far more technology than was the case six years ago. Saturated home markets, fierce competition and restrictive legislation have relentlessly pushed major food retailers into the globalization mode. Since the mid-1990s, numerous governments have opened up their economies as well, to the free markets and foreign investment that has been a plus for many a retailer (Vijay Anand & Vikram Nambiar). The table 3.1 shows the three different stages of development of organized retailers in the world.

Table 3.1
Three Waves of Organized Retail Diffusion

Period	Countries/regions	Growth in supermarkets' average share in retail sales
First wave started in early 1990s	Much of South America, East Asia (outside China), and South Africa	From about 10 percent around 1990 to about 50–60 percent by the mid-2000s
Second wave started in mid- to late 1990s	Mexico, Central America, and much of Southeast Asia	From 5–10 percent in 1990 to 30–50 percent by the mid-2000
Third wave started in late 1990s and early 2000s	China, India, and Vietnam	Reached about 2–20 percent by mid-2000s; supermarket sales growing at 30–50 percent a year

Source: Reardon T, J. A. (2008) & Reardon T, R. H. (2006).

In an era of globalization, liberalization and a highly aware customer, a retailer is required to make a conscious effort to position himself distinctively to face the competition. This is determined to a great extent by the retail mix strategy followed by a company to sell its products. A major development in the recent times has been the emergence of varied retail formats that have started operating in most product categories. For instance, there are large department stores that offer a huge assortment of goods and services. There are discounters who offer a wide array of products, and compare mainly on price. Each of these retailers have their distinct advantages, and it is interesting to see how these advantages play out. For example, during tough economic times, the discount retailers tend to outperform their rivals whereas the opposite is true when the economy is doing well. The more successful retailers attempt to combine the characteristics of more than one type of retailing to differentiate themselves from the existing competition (Chettan Bajaj, 2005). The table 3.2 shows the top ten retailers in the world.

Table.3.2
Top 10 Retailers, FY2016

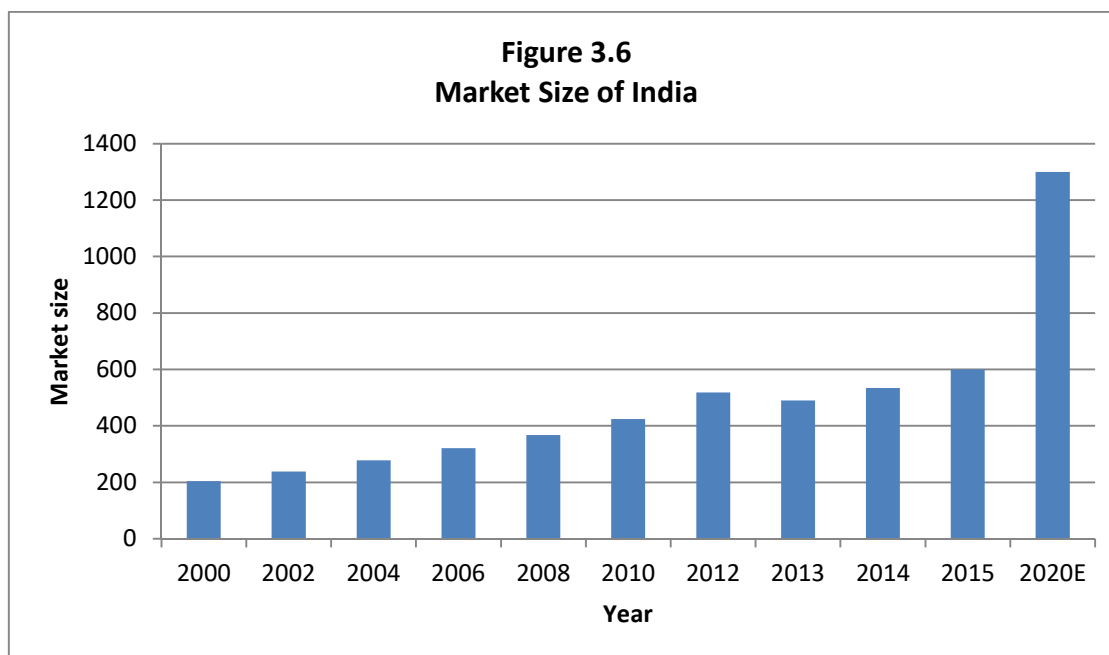
Top 250 rank	Name of Company	Country of Origin	FY2016 Retail Revenue (US\$M)
1	Wal-Mart Stores, Inc.	US	485,873
2	Costco Wholesale corporation	US	118,719
3	The Kroger Co.	US	115,337
4	Schwarz Group	Germany	99,256
5	Walgreens Boots Alliance, Inc	US	97,058
6	Amazon.com, Inc	US	94,665
7	The Home Depot, Inc.	US	94,595
8	Aldi Group	Germany	84,923 e
9	Carrefour S.A.	France	84,131
10	CVS Health Corporation	US	81,100

Source: Deloitte Touche Tohmatsu Limited, 2018.

3.2.2 Changing Trends in Retailing

By the turn of the 20th century, the face of the Indian retailing industry had changed significantly. The retailing industry, which, until the early 1990s, was dominated by the traditional sector, witnessed a rapid growth in the organized sector with the entry of corporate groups such as Tata, RPG, ITC and Bennett Coleman & Company into the retailing market.

With the liberalization and growth of the Indian economy since the early 1990s, the Indian customer witnessed an increasing exposure to new domestic and foreign products through different media, such as television and the Internet. Apart from this, social changes also had a positive impact, leading to the rapid growth in the retailing industry. Increased availability of retail space, rapid urbanization, and qualified manpower also boosted the growth of the organized retailing sector. The figure 3.6 shows the market size of India over the past few years.



(Source: BCG Retail 2016)

Food retailing was a key area that saw some action at the national level, with players like Foodworld and Subhika, establishing stores all over India. While supermarket and departmental chains replaced traditional grocery and general store formats, introduction of fast foods (McDonals), packaged foods (MTR, Namma MTR), vending machines and specialty beverage parlors (Nescafe, Tata Tea, Cafe Coffee and Barista) brought about significant changes in the eating habits of Indian customers.

However, it was the non-food sector that saw tremendous action, with the introduction of new product segments. These segments mainly lifestyle/ fashion/ accessories (e.g., Shoppers Stop, Westside, Lifestyle, Pantaloons, Reebok), books/ music (Landmark and Crosswords), drugs and pharmacy and beauty (Health and Glow, CavinKare and Shahnaz Husain) (S.K Baral and S.C. Bihari, 2010).

Factors Driving the Growth of Indian Retail Sector

Indian economy is growing at the rate of 8%, indicating a prosperous future. The consistent economic growth resulted in a decent rise in income level of the middle class. The thickening of the pocket of the customer resulted in a revolution of the retail industry. Many International brands have entered the market. With the

growth in organized retailing, traditional retailers have brought drastic changes in their business models, many factors are responsible for the growth of retail sector. These are:

1) **Increasing Disposable Income:**

Rising disposable incomes in middle class and lower middle class with increase in employment opportunities for young adults in IT & IT enabled sectors are the major cause of retail growth in India.

2) **Increasing No. of Dual Income Nuclear Families:**

In India, hefty pay packets, nuclear family along with increasing working women population and dual income in family are the factors contributing to prosperous retail sector.

3) **Changing Lifestyle and Customer Behavior:**

Due to increasing working population, comfortable life, travel and leisure are given importance. These key factors are growth drivers of retail sector in India which now boast of retailing almost all the preferences of life – apparel and accessories, Appliances, Electronics, cosmetics & Toiletries etc.

4) **Experimentation with Formats:**

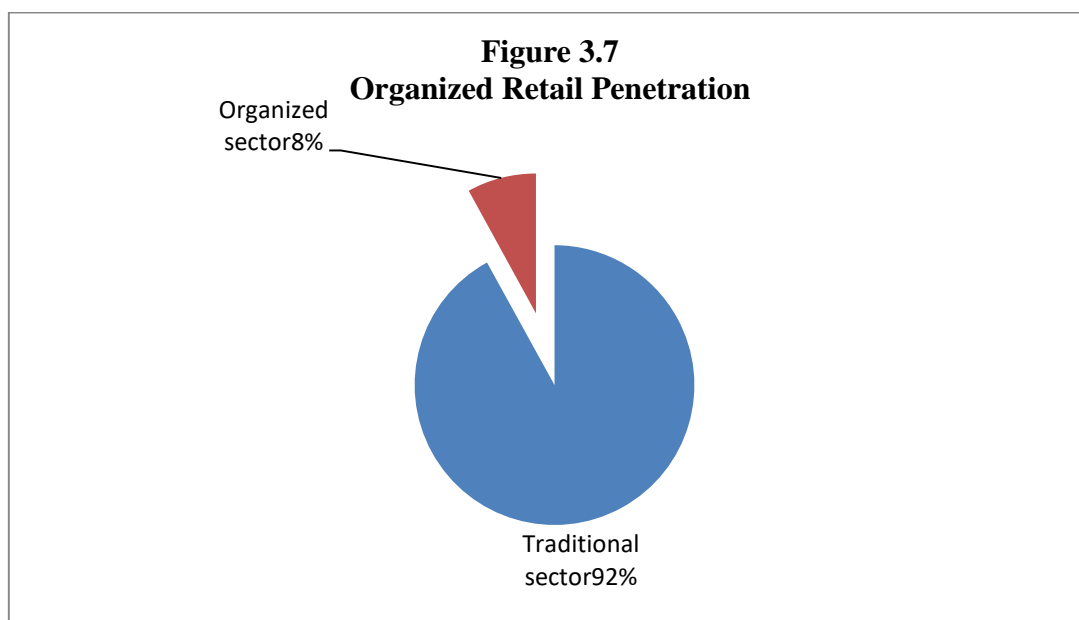
Due to competition in the market, retailing is still evolving and the sector is witnessing a series of experiments with new formats being tested out.

5) **Store Design:**

Shopping malls and super markets are growing at a very faster rate. Improvements in infrastructure and enhanced availability of retail space, store design are the factors increasing the share of organized retail and thereby contributing to growth of Indian retail sector (www.zenithresearch.org.in).

3.2.3 Organized Retail Industry in India

The organized retailing is comparatively recent development in India. The malls, chain shops, large department stores etc. are the examples of organized retailing. It refers to corporate based retail chains and hypermarkets and privately owned large retail shops. Organized retailing is becoming popular in urban areas and metros. The mall culture is spreading with fast speed. The share of organized retailing in total retail business may be 6 to 10% percent or even more. This suggests that organized retail has tremendous growth potential in the fast expanding Indian economy (N.G.Kale, M.Ahmed, 2012). The figure 3.7 shows the organized retail penetration in India.



Source: (IBEF, 2017)

Organized Retail Penetration (ORP) in India is low (8 per cent) in 2015 compared with that in other countries, such as the US (85 per cent). This indicates strong growth potential for organized retail in India. In 2019, it is estimated that organized retail penetration share would reach 13 percent and unorganized retail penetration would hold a major share of 87 percent (IBEF, 2017).

Table.3.3**Key Indian Organized Players in the Indian Retail Market**

Players	Investment Details
Pantaloon Retail Ltd (Future Group venture)	Over 2 million sq ft of retail space spread over 35 cities with 65 stores and 21 factory outlets
Shoppers Stop (K Raheja Group venture)	Over 3.21 million sq ft of retail space spread over 23 cities with 51 stores
Spencers Retail (part of RP-SG Group)	Retail footage of close to 1 million sq ft across 45 cities with 200 stores
LifestyleRetail (Landmark Group venture)	Approximately 15 lifestyle and eight Home Centre stores
Bharti Retail	74 Easy day stores with plans to invest about 2.5 billion USD over the next five years to add about 10 million sq ft of retail space in the country
Reliance Retail	700 stores with a revenue of 7,600 crore INR
Aditya Birla	'More' 575 stores with approximate revenue of 2,000 crore INR. Recently, purchased stake in Pantaloon Retail
Tata Trent	59 Westside stores, 13 Starbazaar hypermarkets and 26 Landmark bookstores

Source: Mediareports ,companywebsite

Factors Affecting Growth of Organized Retailing

Organized retailing is a recent development. It is the outcome of socio-economic factors. India is standing on the threshold of retail revolution. Retail Industry, one of the fastest changing and vibrant industries that has contributed to the economic growth of our country. Within a very Biz and Bytes (short span of time, Indian retail industry has become the most attractive, emerging retail market in the world. Healthy economic growth, changing demographic profile, increasing disposable incomes, changing customer tastes and preferences are some of the key factors that are driving growth in the organized retail market in India.

1. Growth of Middle Class Customers

In India the number of middle class customer is growing rapidly. With rising customer demand and greater disposable income has given opportunity of retail industry to grow and prosper. They expect quality products at decent prices. Modern retailers offer a wide range of products and value added services to the customers. Hence this has resulted into growth of organized retailing in India. Growing customerism would be a key driver for organized retail in India. Rising incomes and improvements in infrastructure are enlarging customer markets and accelerating the convergence (meeting) of customer tastes.

2. Increase in the Number of Working Women

Today the urban women are literate and qualified. They have to maintain a balance between home and work. The purchasing habit of the working women is different from the home maker. They do not have sufficient time for leisure and they expect everything under one roof. They prefer one-stop shopping Modern retail outlets therefore offers one store retailing.

3. Value for Money

Organized retail deals in high volume and are able to enjoy economies of large scale production and distribution. They eliminate intermediaries in distribution channel. Organized retailers offer quality products at reasonable prices. Example: Big Bazaar and Subhiksha. Opportunity for profit attracts more and more new business groups for entering in to this sector.

4. Emerging Rural Market

Today the rural market in India is facing stiff competition in retail sector also. The rural market in India is fast emerging as the rural customers are becoming quality conscious. Thus due to huge potential in rural retailing organized retailers are developing new products and strategies to satisfy and serve rural customers. In India, Retail industry is proving the country's largest source of employment after agriculture, which has the deepest penetration into rural India.

5. Entry of Corporate Sector

Large business tycoons such as Tata's, Birla's, and Reliance etc. have entered the retail sector. They are in a position to provide quality products and entertainment. As the corporate – the Piramals, the Tatas, the Rahejas, ITC, S.Kumar's, RPG Enterprises, and mega retailers Crosswords, Shopper's Stop, and Pantaloons race to revolutionize the retailing sector. Entry of foreign retailers Indian retail sector is catching the interest of foreign retailers. Due to liberalization multinationals have entered out country through joint ventures and franchising. This further is responsible for boosting organized retailing.

6. Technological Impact

Technology is one of the dynamic factors responsible for the growth of organized retailing. Introduction of computerization, electronic media and marketing information system have changed the face of retailing. Organized retailing in India has a huge scope because of the vast Biz and Bytes market and the growing consciousness of the customer about product quality and services. One of the major technological innovations in organized retailing has been the introduction of Bar Codes. With the increasing use of technology and innovation retailers are selling their products online with the help of Internet.

7. Rise in Income

Increase in the literacy level has resulted into growth of income among the population. Such growth has taken place not only in the cities but also in towns and remote areas. As a result the increase in income has led to increase in demand for better quality customer goods. Rising income levels and education have contributed to the evolution of new retail structure. Today, people are willing to try new things and look different, which has increased spending habits among customer.

8. Media Explosion

There has been an explosion in media due to satellite television and internet. Indian customers are exposed to the lifestyle of countries. Their expectations for

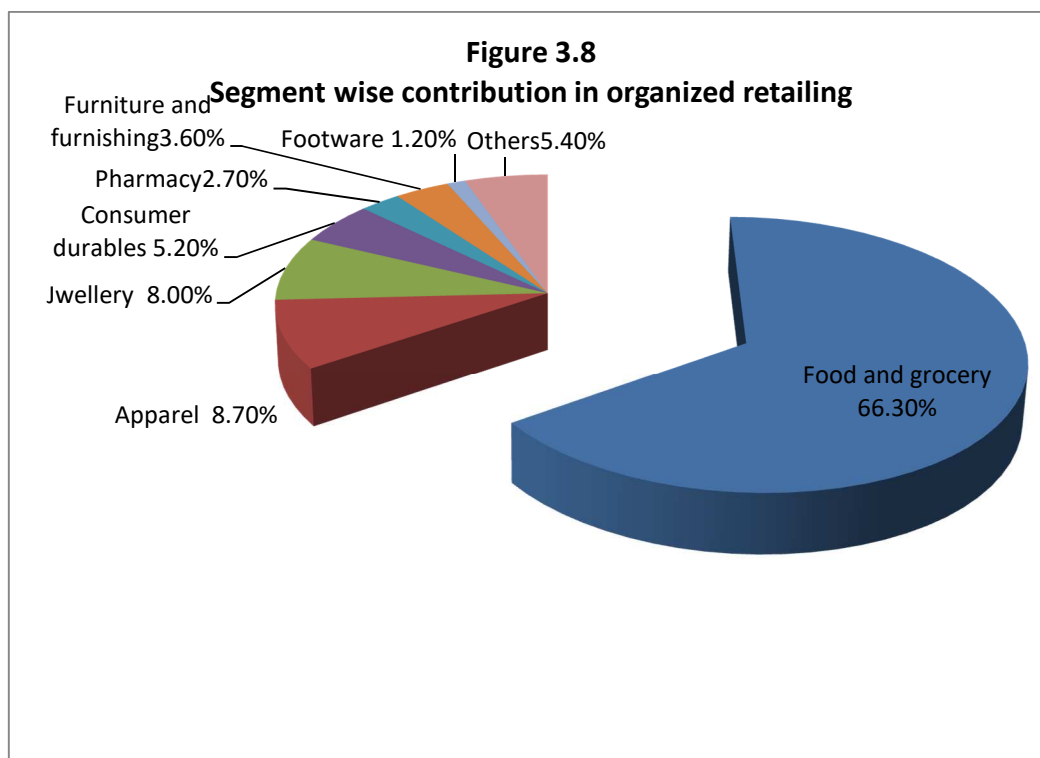
quality products have risen and they are demanding more choice and money value services and conveniences.

9. Rise of Customerism

With the emergence of customerism, the retailer faces a more knowledgeable and demanding customer. As the business exist to satisfy customer needs, the growing customer expectation as forced the retail organizations to change their format of retail trade. Customer demand, convenience, comfort, time, location etc. are the important factors for the growth of organized retailing in India (Neeru Jaswal & Shobhna Gupta, 2017).

3.2.4 Product Categories

- Food & Grocery
- Apparel
- Jewellery
- Customer durables & IT
- Pharmacy
- Furniture & Furnishing
- Footware and others



a) **Food & Grocery**

The Indian food and grocery sector is the sixth largest retail industry in the world. Though with a population of a billion and a middle class population of over 300 millions organized retailing (in the form of food retail chains) is still in its infancy in the Country. India has been rather slow in joining the Organized Retail Revolution that was rapidly transforming the economies in the other Asian Tigers. This was largely due to the excellent food retailing system that was established by the traditional stores that continue meet with all the requirements of retail requirements albeit without the convenience of the shopping as provided by the retail chains; and also due to the highly fragmented food supply chain that is cloaked with several intermediaries (from farm-processor-distributor- retailer) resulting in huge value loss and high costs. This supplemented with lack of developed food processing industry kept the organized chains out of the market place. The correction process is underway and the systems are being established for effective Business-to-Business (farmer-processor, processor-retailer) solutions thereby leveraging the core competence of each player in the supply chain.

Spread of Food and Grocery Organized Retailing in India

Organized retailing is spreading and making its presence felt in different parts of the country. The trend in food and grocery retailing, however, has been slightly different with a growth concentration in the South. Though there were traditional family owned retail chains in South India such as Nilgiri's as early as 1904, the retail revolution happened with various major business houses foraying into the starting of chains of food retail outlets in South India with focus on Chennai, Hyderabad and Bangalore markets, preliminarily. In the Indian context, a countrywide chain in food retailing is yet to be established as lots of Supply Chain issues need to be answered due to the vast expanse of the country and also diverse cultures that are present (Vijay Anand1 & Vikram Nambiar).The food and grocery segment enjoys the majority market share and will remain consistent over the forecast period, as it serves one of the major needs for every household. Improving living standards, a strong desire for a healthy lifestyle, and a rising affluent middle class population have influenced the overall market. Many rural and low income customers in India still consume loose and unpackaged food and groceries; however, as more customers turn towards packaged food and groceries, the market will grow significantly. Demand for luxury and ready-to-eat food items will result in higher spending on food and groceries.It comprises of organized and traditional sector. The organized retail segment for food & grocery is accounts for 63% of all organized retail.

Table 3.4

Associated Aspects in Food and grocery Retailing

Format Type	Likes	Dislikes
Hyper market	Store <ul style="list-style-type: none"> • Space • Choice • Value • Range • Exploration • Payment modes 	<ul style="list-style-type: none"> • Large and overwhelming • Budgets goes awry • Not for urgent needs

Format Type	Likes	Dislikes
Super market	<ul style="list-style-type: none"> • Reliable • Acceptable variety • High quality • Fixed prices • Convenience 	<ul style="list-style-type: none"> • Limited choice • Limited product Line
Discount stores	<ul style="list-style-type: none"> • Low price • Reliable • Acceptable variety • High quality • Fixed prices • Convenience 	<ul style="list-style-type: none"> • Limited choice • Limited product Line
Traditional retail stores	<ul style="list-style-type: none"> • Urgent needs • Quick & Daily dose in small Packages • Less travel time 	<ul style="list-style-type: none"> • Very limited choice • Absence of touch & feel • Lack of schemes & promotion

Food and Grocery Retail Formats in India

Food and grocery retail in India exceeds US\$294 billion . Food and grocery comprises of 97% of traditional retail and 3% of organized retailing. The Figure 3.9 shows the food and grocery retail formats in India.

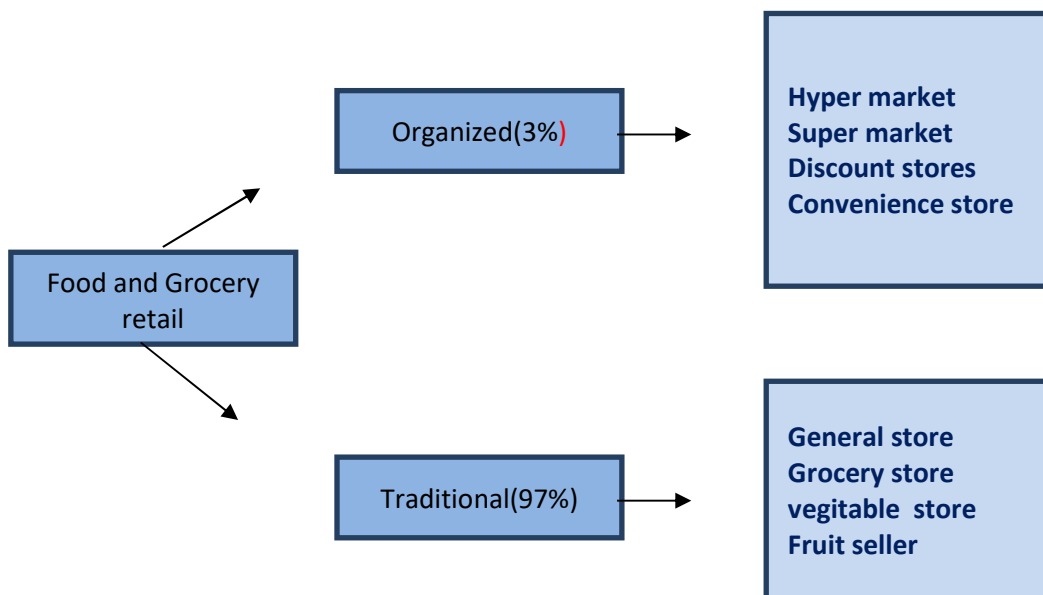


Figure 3.9: Food and Grocery retail formats in India

Key Drivers of Food and Grocery Retail Market

The following are the key drivers of food and grocery retail market,

1. Increasing working and young people
2. Urbanization
3. Increasing disposable income
4. Economic growth
5. Diversifying into multiple cuisines in tune with changing customer preferences
6. Growth of tourism industry
7. FDI in multi brand retail sector

Challenges of Food and Grocery Retail Market

The following are the challenges of food and grocery retail market,

1. Poor distribution network
2. Lack of cold chain (Food wastages accounts 20%)
3. Increasing capital cost (Real estate, electricity, port facility)
4. Price sensitive
5. Changing food habit

The Major Players in the Organized Food and Grocery Retail Industry in India

HYPERCITY

Shoppers Stop Limited has acquired a majority stake of 51 percent equity share capital in Hypercity Retail (India) Ltd, thus making it a subsidiary of Shoppers Stop Ltd. 30 Hyper City operates 12 stores one store each in Ahmedabad, Pune, Ludhiana, Amritsar, Bhopal, Jaipur, Navi Mumbai and Hyderabad and 2 stores each in Mumbai and Bengaluru. (www.hypercity.com).

BHARTI RETAIL:

Bharti Retail Ltd is a wholly owned subsidiary of Cedar Support Services Ltd which belongs to the Bharti Group of companies. It owns and operates

neighborhood stores called Easy day and compact hypermarket stores called Easy day Market. The neighborhood format stores offer more than 3,000 products at the lowest prices. The first Easy day store was launched in Ludhiana and Easy day Market in Jalandhar, in the year 2008. Currently, there are over 210 stores across Punjab, Haryana, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Rajasthan, Himachal Pradesh, Chhattisgarh, NCR Delhi, Jammu and Kashmir, Maharashtra and Karnataka (<https://www.easyday.in>).

RELIANCE FRESH:

Reliance Fresh is the convenience store format which forms a part of Reliance Retail Ltd (RRL) of its parent company, Reliance Industries Ltd (RIL). RRL was set up in the year 2006 to lead Reliance Group's foray into organized retail. Presently, it has grown into an organisation that caters to Millions of customers, thousands of farmers and vendors. Reliance Fresh now operates 1,691 stores across the country. These stores sell fresh fruits and vegetables, staples, groceries, fresh juice, bars and dairy products. (http://www.ril.com/html /business/ business_retail).

D-MART:

D-Mart is a one-stop supermarket chain that aims to offer customers a wide range of basic home and personal products under one roof. Each D-Mart store stocks home utility products - including food, toiletries, beauty products, garments, kitchenware, bed and bath linen, home appliances and more - available at competitive prices that our customers appreciate. Our core objective is to offer customers good products at great value. D-Mart was started by Mr. Radhakishan Damani and his family to address the growing needs of the Indian family. (<http://www.dmartindia.com/about-us>).

BIG-BAZAAR:

Big Bazaar is an Indian retail store that operates as a chain of hypermarkets, discount department stores, and grocery stores. The retail chain was founded by Kishore Biyani under his parent organisation Future Group, which is known for

having a significant prominence in Indian retail and fashion sectors. Big Bazaar is also the parent chain of Food Bazaar, Fashion at Big Bazaar (abbreviated as FBB) and eZone where at locations it houses all under one roof, in outlets like Brand Factory, Home Town, Central, eZone, etc. 33 Founded in the year 2001, Big Bazaar is one of the oldest and largest hypermarkets chain of India, housing about 250 plus stores in over 115 cities and towns across the country (https://en.wikipedia.org/wiki/Big_Bazaar).

SPENCER'S RETAIL:

Spencer's Retail has been part of the Indian retail landscape since the year 1863 and was originally set up by Mr. John William Spencer. It acquired Indian ownership in the 1960s, and became part of the RPG Group in the year 1989. Initially, in the year 1920, they started off as a grocery chain; in the year 1980, they became the first supermarket chain; and in the year 2001, they converted into a hypermarket chain. Presently, Spencer's operates more than 200 stores across 35 cities in India and offers customers the following retail formats: · Convenience stores, called Spencer's, which cater to the daily and weekly top-up shopping needs of consumers. · Hypermarkets, called Spencer's Hyper, which combine a supermarket with a department store and store on an average, 70,000 items, giving shoppers fantastic deals across food, fashion, home and entertainment (<http://www.spencersretail.com>)

ADITYA BIRLA RETAIL:

Aditya Birla Retail Ltd is the retail arm of Aditya Birla Group, a US\$ 41 Billion corporation. The company ventured into food and grocery retail sectors in 2007 with the acquisition of a south-based supermarket chain. Subsequently, Aditya Birla Retail Ltd expanded its presence across the country under the brand 'more.' With two formats — Supermarket and Hypermarket. More caters to the daily, weekly and monthly shopping needs of consumers. More Megastore is a one-stop shopping destination for the entire family. More Megastore also has a strong emphasis on general merchandise, apparels and CDIT. Currently, 16 hypermarkets

operate under the brand more Megastore (<http://www.adityabirla.com/businesses/Profile/aditya-birla-retail-limited>)

FUTURE RETAIL:

Future Retail Ltd serves customers in 95 cities across the country through around 10 Million square feet of retail space. Future Retail is the flagship company of Future Group, India's retail pioneer catering to the entire Indian consumption space. Through multiple retail formats, it connects a diverse and passionate community of Indian buyers, sellers and businesses. 35 The collective impact on business is staggering: Around 300 Million customers walk into the stores each year and choose products and services supplied by over 30,000 small, medium and large entrepreneurs and manufacturers from across India (<http://www.futureretail.co.in>).

b) Apparel Industry

Fashion & apparel market in India will grow at a strong pace through 2011-2015. Growth is being driven by demand from young and middle class customers, with fashion that is fresh, stylish and aggressively priced to suit the value-conscious market expected to sell well. In India demand is expected to grow at 9.5% in 2011. Despite slowing economic growth & high inflation this segment will expand. Demand will stay strong, growing at between 8.2% to 8.7% for the rest of the forecast period and will almost double from US\$ 6.99 billion in 2010 to US\$ 13.32 billion in 2015.⁵⁰ However, the retailers of ready to wear garments will find the environment highly competitive, while the custom (for traditional clothes) of buying cloth and having clothes tailored will remain prevalent.

c) Footwear Retailing

India is the second largest footwear manufacturer in the world, next only to China. Nearly 58 percent of the industry, which is by and large labour intensive and concentrated in the small and cottage industry sectors, remains unbranded. However, as part of its effort to play a lead role in the global trade, the Indian leather industry is now focusing on key deliverables of innovative design, state-of-the-art production technology and unfailing delivery schedules.

d) Pharma Retailing

The Indian pharmaceutical market is one of the fastest growing markets in the world. With a current valuation of approximately USD 11 billion, it is likely to be valued at USD 20 billion by the mid of this decade. In India, retail pharmaceutical sector is highly fragmented, and the traditional sector dominates this space commanding over 97% of the total market share. Over the last few years, the total retail pharmacy market has been growing at an average of 18% per annum, and is anticipated to grow by even higher numbers in the future. Organized retail pharmacy however, as a subset, has been growing at an average of 25%, and is expected to grow between 35-40% in this next decade.

e) Jewellery Retailing

India was one of the first countries to start making fine jewellery from minerals and metals and even today, most of the jewellery made in India is hand made. The industry is dominated by family jewellers, who constitute nearly 96 per cent of the market. The country at present has a small but growing organized sector. Organized players such as Tata with its Tanishq brand, have, however, been growing steadily to carve a 4 per cent market share. India was the first country to introduce diamonds to the world, the first to mine, cut and polish them as well as trade them.

f) Furniture Retail

The global furniture market can be broadly categorized into four categories - domestic furniture, office/corporate furniture, hotel furniture and furniture parts. Globally, domestic furniture accounts for 65 per cent of the production value, whilst corporate/office furniture represents 15 per cent, hotel furniture 15 per cent and furniture parts 5 per cent. According to a World Bank study, the organized furniture industry is expected to grow by 20 per cent every year. A large part of this growth is expected to come from the rapidly growing customer markets of Asia, implying significant potential for growth in the Indian furniture sector.

g) Customer Durables Market

Driven by young population access to disposable incomes and easy finance options, the customer market has been throwing up staggering figures, as a result India's customer market is riding the apex of the country's economic boom with 65% market share. The growing class of middle India is the major target of MNCs that offer superior technology to the customers whereas Indian companies compete on the basis of firm grasp of the local market, their well acknowledged brands and hold over the wide distribution market. It has become easy for Indian customers to afford more expensive customer goods, with the emergence of concepts such as quick and easy loans, zero equated monthly installment (EMI) charges, loan through credit cards, loan over phone (Dinar Fathima, 2013).

3.2.5 Foreign Direct Investment

Until 2011, Indian central government denied foreign direct investment (FDI) in multi-brand retail, forbidding foreign groups from any ownership in supermarkets, convenience stores or any retail outlets. Even single-brand retail was limited to 51% ownership and a bureaucratic process. In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, Indian government placed the retail reforms on hold till it reaches a consensus. In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership, but imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues the hold on retail reforms for multi-brand stores. In June 2012, IKEA announced it has applied for permission to invest \$1.9 billion in India and set up 25 retail stores. Fitch believes that the 30 percent requirement is likely to significantly delay if not prevent most single brand majors from Europe, USA and Japan from

opening stores and creating associated jobs in India. On 14 September 2012, the government of India announced the opening of FDI in multi-brand retail, subject to approvals by individual states. This decision has been welcomed by economists and the markets, however has caused protests and an upheaval in India's central government's political coalition structure. On 20 September 2012, the Government of India formally notified the FDI reforms for single and multi brand retail, thereby making it effective under Indian law. On 7 December 2012, the Federal Government of India allowed 51% FDI in multi-brand retail in India. The Feds managed to get the approval of multi-brand retail in the parliament despite heavy uproar from the opposition. Some states will allow foreign supermarkets like Walmart, Tesco and Carrefour to open while other states will not (Monoj Kr. Chowdhury, 2016).

Table .3.5

Key Foreign Players in the Indian Retail Market

Players	Investment details
IKEA	IKEA, the global retailer in home furnishing space, has bagged the approval of Indian government for investing INR 105 billion for setting up home furnishing stores in india in May 2013. IKEA plans to open 10 stores in Indian in the first 10 years.
Decathlon	French sports goods retailer planning to enter the Indian retail space through single brand stores. It is already present in india through the cash and carry format.
Richemont	Luxury player Compagnie Fianciere Richemont SA is also planning to enter India and has applied for approval in January, 2014. Planto invest INR 30.54 cores in first phase of entry in India
Pavers England	Pavers England, the UK Based footwear retailer was one of the first player to enter India with plans to invest INR 982.6 million in India.
Fossil Inc.	US based accessories retailer plans to invest around INR 20 cores in India.
Le Cresset	The French cookware retailer, plan to open shop in shops in hypermarkets and department stores, and franchisee operations across India.
Forever 21	The US apparel retailer plans to invest INR 305.42 crores over the next few years.

Source: News articles, KPMG website

Regulatory Framework for FDI

Indian companies can receive FDI under two routes-

1. Automatic Route – It does not require prior approval either of Reserve Bank of India (RBI) or government. It is allowed in all activities / sectors except where the provisions of consolidated FDI policy paragraph as —Entry route for investment issued by government of India from time to time is attracted.
2. Government Route –Government route means that investment in the capital of resident entities by non-resident entities can be made only with the prior approval from FIPB, Ministry of Finance or SIA, DIPP as the case may be. FDI in sectors, not covered under automatic route requires prior approval of the government which is considered by Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, and Ministry of Finance.

Following Sectors Require Prior Approval of Government of India.

- a. Sectors prohibited for FDI - retail trading, lottery business, atomic energy, gambling and betting, business of chit fund, agriculture and plantation, nidhi companies, housing and real estate business.
- b. Activities that require industrial license
- c. Proposals in which the foreign collaborator has existing financial / technical collaboration in India in the same field.
- d. Proposals for acquisition of shares in an existing Indian company in financial services and where Securities Exchange Board of India (SEBI) regulation, 1977 is attracted.
- e. All proposal falling outside notified sectoral policy in which FDI is not permitted.

(Source: Ministry of Commerce & Industry, GOI).

Section C

3.3. Retail Strategies

3.3.1 Introduction

Retailing today is at a fascinating crossroads. On the one hand, retail sales are at their highest point in history. Wal-Mart is now the leading company in the world in terms of sales-ahead of Exxon Mobil, General Motors, and other manufacturing giants. New technologies are improving retail productivity. There are lots of opportunities to start a new retail business-or work for an existing one-and to become a franchisee. Global retailing possibilities abound. On the other hand, retailers face numerous challenges. Many customers are bored with shopping or do not have much time for it. Some locales have too many stores, and retailers often spur one another into frequent price cutting (and low profit margins). Customer service expectations are high at a time when more retailers offer self-service and automated systems. At the same time, some retailers remain unsure what to do with the Web; they are still grappling with the emphasis to place on image enhancement, customer information and feedback, and sales transactions. These are the key issues that retailers must resolve: "How can we best serve our customers while earning a fair profit?" "How can we stand out in a highly competitive environment where customers have so many choices?" "How can we grow our business while retaining a core of loyal customers?"

Retail strategy indicates how a retailer plans to focus their resources to accomplish their objectives. It influences the retailers business activities and response to market forces such as competition and the economy. The following are the six steps involved in the development of a retail strategy:

1. Defining the business of the firm in terms of orientation a particular sector
2. Setting short-term and long term objectives with regard to image and profitability.
3. Identifying the target market towards which to direct organizational efforts on the basis of the customer's profile and needs

4. Deciding the broad direction the company must take in the future.
5. Implementing an integrated plan that encompasses all the aspects of retailing like pricing, location, and channel decisions.
6. Evaluating and revising the plan depending on the nature of the internal and external environment (Chettan Bajaj, 2005)

Based on product categories the retail sector represents a variation in the level of development and preference for the formats. Categories of product differ in terms of level of risk, percentage share of markets, and relevance for the customer, and the expectations of customer service. Besides this, they also vary in terms of cost of operations and investments required by the retailer, the margins available to him, the nature of competitive environment, and the complexity of supply chain (Dinar Fathima, 2013).

3.3.2 Retail Mix

Retail mix describes how major factors like price and merchandise are trade off against other retail factors like service, location, marketing communication, quality and store's ambience to form an overall store image, create value for customers and produce profit for the retailer.

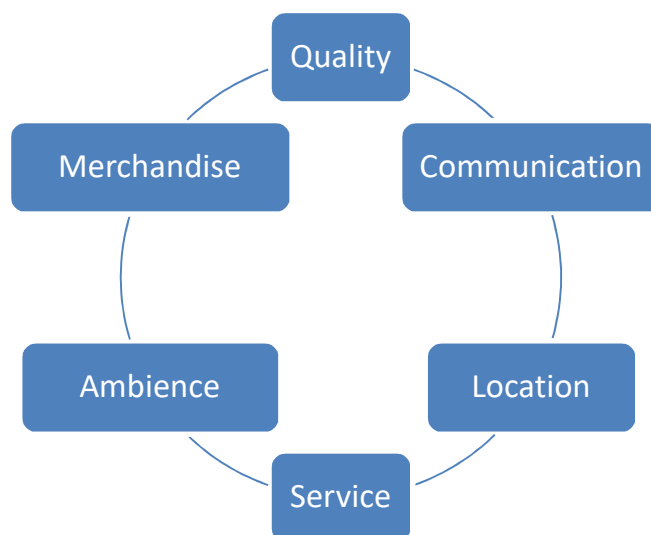


Figure 3.10: Retail mix

While developing a retail marketing strategy, the marketing manager can use these elements to design final retail management program They are briefly explained below:

❖ Service

In retailing, the word service describes the personal attention and amenities a store provides to its customers. Most stores offer at least some services. The help of a trained sales staff, for example adds value for customers. Other types of services provided by retailers include credit facilities, extended financing, gift – wrapping, installation, maintenance and customising to suit individual customer requirements.

❖ Location

This is the most important factor in a retailing decision. People will always look for location choice before going to a store. Even though today's customer is highly mobile, the convenience of the location is still one of the top criteria people use in choosing where to shop. This is especially true for fast moving customer goods and durables business.

❖ Ambience

Most successful stores have good ambience which reflect the environment both outside and inside the store, such as window display, signage, décor, furniture, store layout, lighting, sounds, etc.

❖ Marketing Communication

A store's image as well as other information about the merchandise for sale is communicated largely through advertising and in store promotional materials. The store front and display windows, store layouts and merchandise display help gain customer enthusiasm, present a fresh look, introduce new product categories and reflect changing seasons and themes.

❖ Pricing

Pricing refers to a retailer's comparative strategy with respect to competitors. Various pricing methods like prestige pricing, competitive pricing and penetration pricing, etc are there to attract target customers.

❖ Perceived Quality

Service, location, marketing communication, merchandise selection and price all come together when customers make a decision about quality and what to buy. The overall impact of these factors is reflected in the perceived quality of the product. Customers generally try to get the best quality they can afford (panda, 2009).

3.3.3 Strategies Adopted by Indian Retailers

The Figure 3.11 shows the strategies adopted by Indian retailers.

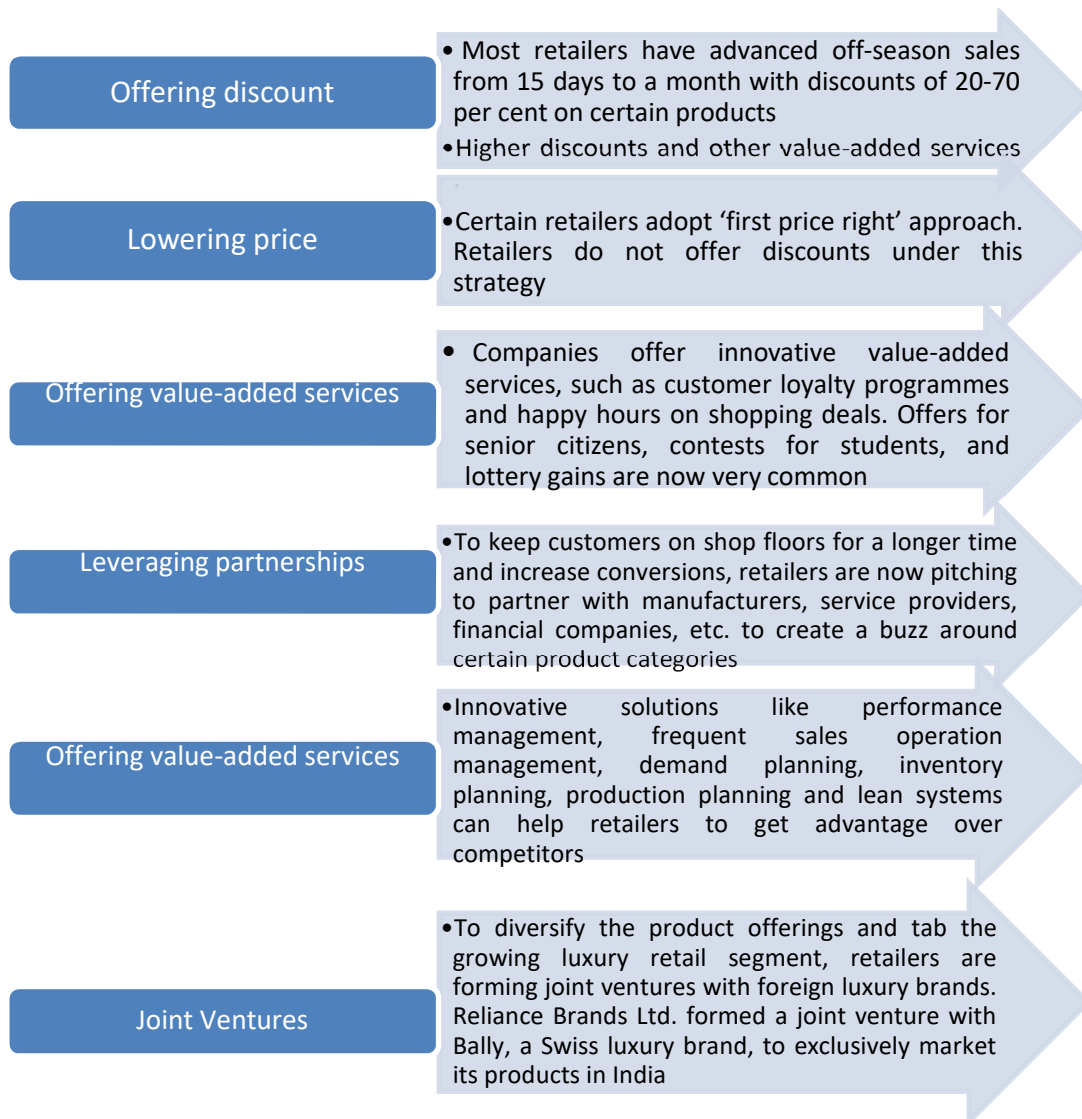


Figure 3.11: Retail strategies adopted by Indian retailers Source: IBEF, 2017

3.3.4 Competitive Positions of Large and Small Retailers

The table 3.7 shows the Competitive Positions of organized and traditional retailers.

Table 3.6
Competitive Positions of Large and Small Retailers

Selected bases for Evaluation	Who has the advantage
Division of labour and specialisation of management	Large-scale retailers-their biggest advantage
Flexibility of operations - Product selection, store design, services offered	Small retailers - their biggest advantage.
Buying power	Large retailers buy in bigger quantities and thus get lower wholesale prices.
Access to desirable merchandise	Large retailers promise suppliers access to large number of customers.
Development and promotion of retailer's own brand	Large retailers.
Efficient use of advertising, especially in city-wide area	Large retailers' markets match better with media circulation
Ability to provide top quality personal service	Small retailers, if owners pay personal attention to customers.
Opportunity to experiment with new products and selling methods	Large retailers can better afford the risk
Financial strength	Large retailers have resources to gain some of the merits noted above
Public image	Small retailers enjoy public support and sympathy

Source: S.K Baral and S.C. Bihari, 2010

Small retailers face a variety of difficulties and many fail. The strong economy during the second half of the 1990s helped small merchants hold their own, however. In fact the number of failures was lower than last decade and just below the level at the start of the decade (S.K Baral and S.C. Bihari, 2010).

Section D

3.4 Customers Purchase Behaviour

3.4.1 Introduction

Customer buying behaviour or purchase behavior means more than just how an individual buys products. Marketing efforts therefore also focus on customer's consumption of services, his activities and ideas. It explains the set of decisions that a customer makes while buying (Hoyer, 2004). It is important to know customer reaction towards different products, their features, price, and advertisement pattern, in order to ensure strong competitive advantage. Customer Behaviour is also explained as the process and activities people carry on while selecting, searching for, buying, using, evaluating and disposing of products or services which results in satisfying their needs and desires. Customer behaviour allows a number of things-

- It opens up opportunities for estimating demand,
 - Measures behaviour in society, brings a clear understanding about how brands behave,
 - Forecasts how the company can serve their expected customers in the most efficient manner,
 - It is the base for the individual to come into terms of one's own expenditure.
- In fact, the study of customer behaviour is relatively a rich science that includes elements from psychology, marketing, economic, customer politics and many other fields of scientific research (Antonides and Raaij, 1998).

To understand the customer behaviour in a broad context as much as possible, is best to build a systematic and representative illustration on the matter as shown in Figure: 12 below.

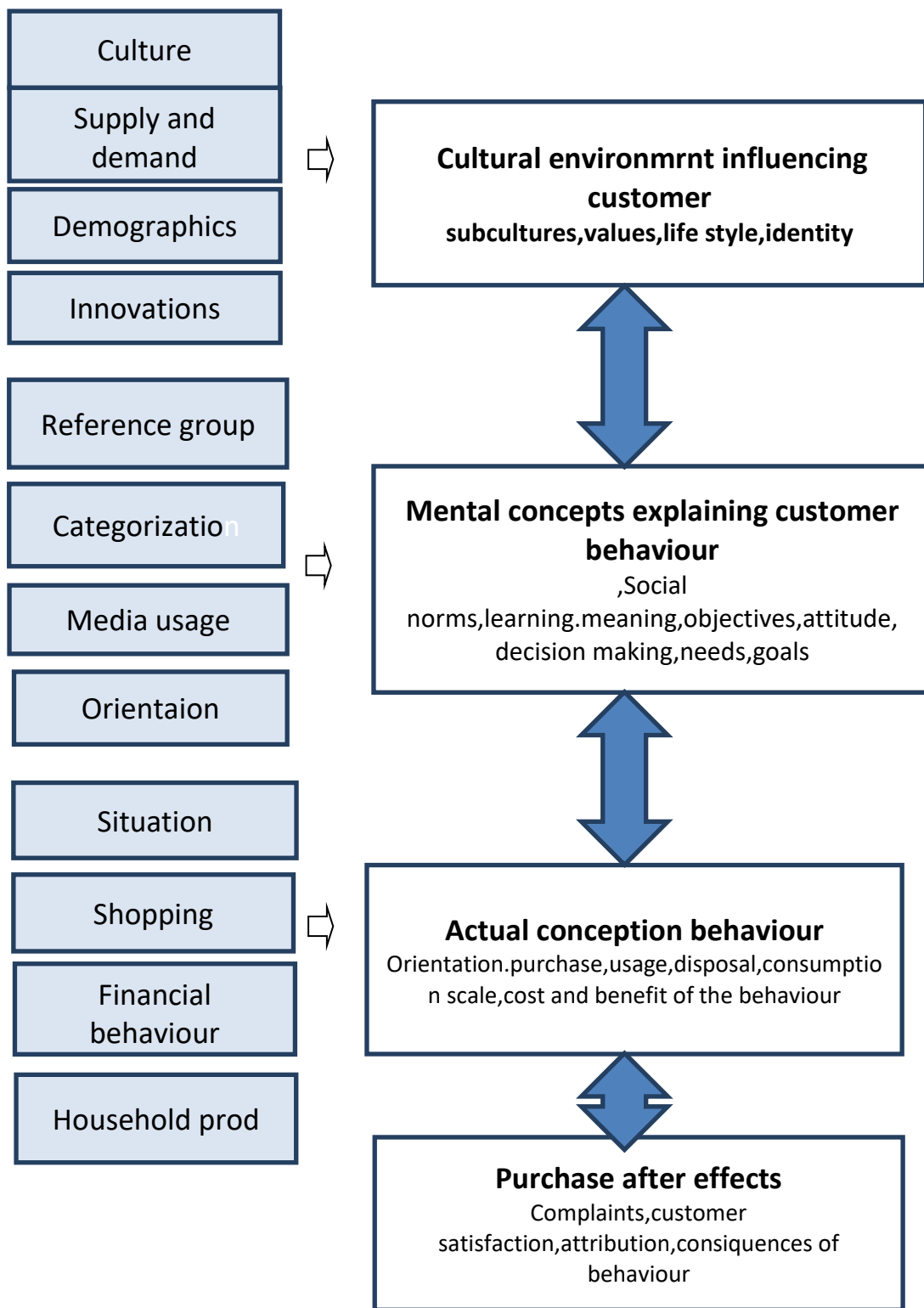


Fig.3.12: Elements of Consumer Behaviour

3.4.2 Factors Influencing Consumer's Behaviour

• Cultural Factors

Culture is developed out of values, ideas, attitudes and other meaningful symbols that allow any human being to communicate, interpret and evaluate as a member of society (Blackwell et al, 2001). It is the main reason behind a person's wants, desires and behaviour. Although, different social groups have their own culture that usually affects consumers buying behaviour, but the extent to which this factor influences the behaviour varies from country to country, region to region. Each cultural group can be divided into small groups consisting of people with common life experiences and similar situations, also known as subcultures (Kotler et al., 2005), such as nationality, racial groups, religion, and exact geographic regions. The cultural factor is social class, it contains the variables like education, occupation, income, and wealth (Blackwell et al., 2001)⁷. Every culture has smaller groups who share the same values and beliefs due to common life experience and situations. These groups play a vital role for marketers since many of these subcultures make up an important segment of the market (Kotler, 2001).

• Social Factors

The second important factor affecting consumer behaviour is social groups, which are made up of small groups, social roles and same social status. Some of these groups have a direct influence on an individual buyer, i.e. membership of an individual in particular groups, groups that a person can belong to (Kotler, 2005), and reference groups which serve as direct or indirect points of comparison or reference in forming a person's attitudes or beliefs (Armstrong, 2005).

• Personal Factors

Various personal characteristics such as buyers age, occupation, financial situation, lifestyle, personality and self concept also influences a lot on the buyer's decision (Kotler 2001). Shifting in person's demand for products mainly depends on the occupation and financial situation, as well as the particular stage in the life. An individual's lifestyle affects his or her activities, interests, and opinions and also

affects the choice of products (Armstrong et al. 2005)⁹. Moreover, all people are individuals; hence have a unique personality of different characteristics, which is often depicted with traits, such as sociability, self-confidence, autonomy, defensiveness, adaptability, dominance and aggressiveness etc. (Blackwell, 2001). Values are believed that describe preference and suggest a choice between appropriate and inappropriate behaviour has developed a List of Values (LOV) which consists of total nine internal and external values usually possessed by consumers (Gutman et al., 1982).

- External values: It includes a sense of belonging, being well respected and security.
- Internal values: It deals with self fulfilment, excitement, sense of accomplishment, self respect, fun and enjoyment and warm relationships.

• **Psychological Factors:**

This group is constituted of four major factors, perception, specifically motivation, attitudes, learning and beliefs. When a person is motivated, he or she acts accordingly and the actions taken over are affected by the person's perception of the particular situation. Perception is an individual ability of selection, interpretation of the information and organization which flows through the person's senses, and consequently a meaningful picture of the world is formed. The experience of new things, brings changes to a person's behaviour. As a result, new beliefs and attitudes are acquired and hence affects the normal buying behaviour (Armstrong, 2005).

- Consumer Motivation, Ability and Opportunity Consumer behaviour is largely influenced by the amount of effort consumers put into their own consumption behaviour and decisions. Efforts which a consumer generally puts in search of any information is greatly affected by following three important factors:

(a) **Motivation:**

The first step in consumer purchasing process is to find and recognition of need or motivation, where consumer realizes that he or she has need for something or else It reflects an inner psychological state of awakening that directs the motive of the consumer to engage in goal relevant behaviour and detailed decision making, for example If one likes a jacket in a shop then one would look at the product attributes as well as relate with the information or style which they have in their own mind.

Motivation is enhanced, when consumers regard something as-

- Personally suitable
- Consistent with their values, goals and needs,
- Risky and
- Moderately inconsistent with their prior attitude (Hoyer 2004).

Higher motivation usually makes consumers to do things willingly which are closely related to their set goals, e.g. if one has a vision or aim to buy clothes which are fashionable as well as gives confidence at work place as soon as such a style comes in front of their eyes, they immediately go for that type of clothes. Motivated people pay more attention and think about their goals, they examine the information critically relevant to the same and they try to remember the information for further use. Personally relevant information or things also motivate consumers. Health product or ladies cosmetics are the best example of product to get a broad view on motivation in relevance to personally relevant products. Consumers have different various specific kinds of needs behind the purchase. Maslow grouped these different consumers' needs into five broad categories; (Hoyer, 2004)

- Physiological (Such as the need for water,food and sleep),
- Safety (This includes the need for protection, shelter and security),
- Social (It has the need for friendship, acceptance and affection),
- Egoistic (These are the need for self esteem, prestige, success and accomplishment) and

- Self actualization (This mainly deals with the need for enriching experiences and self fulfilment).

(b) Consumer Ability

Ability refers to consumers' skills or proficiencies in interpreting brand information in an ad. The availability and accessibility of brand-relevant knowledge structures provide the foundation for processing ability. Hence, high ability implies that prior knowledge necessary to interpret brand information is present and is accessed (Alba and Hutchinson 1987).

(c) Consumer Opportunity

Opportunity is defined here as the extent to which distractions or limited exposure time affect consumers' attention to brand information in an ad. High opportunity implies that the amount of attention allocated to brand information is not impeded. The focus on distraction and limited exposure time is consistent with other discussions of opportunity (Batra and Ray 1986)

(d) Perception

Perception is defined as “How a person sees the world around him”. Two individuals may subject to the similar situation under the same conditions, but the way they recognize, organize and interpret stimuli is entirely different. Perception is an individual’s own process based on their cognition, needs and requirements, values, expectations and likes/dislikes (Schiffman, 1987)¹². A motivated person is ready to act in one or other way. The action of a person is influenced by his or her perception towards the situation. Perception occurs when information is processed by one of our five major senses: vision, hearing, taste, smell and touch. Intensity and music are other important aspects of aural stimuli. Taste perceptions are critical for some products and can vary across various cultures. (Hoyer, 2004)¹¹. In Iran, people prefer to use maximum black colour or at least a small piece of black fabric on their body while in Saudi Arabia, people prefer to use maximum time white clothing. Individuals try to act and react mostly on the basis of their perceptions and less on the basis of the objective reality. Thus, for marketers, the perceptions of

consumers are more important than their knowledge of objective reality. Individual's decisions and actions are based on what they perceive to be a reality. Thus, marketers should understand the whole concept of perception and its related motions so that they can readily determine various factors which influence consumers to buy goods or services (Kelley, 1950)¹³. Consumer's selection of stimuli from the environment is based on the interaction of their expectations and motives. People usually perceive things they need or want, and block the perception of unwanted or unfavourable stimuli (Hornik, 1980)¹⁴. The interpretation of stimuli is mostly subjective and is depended on what the consumer expects to see in light of its earlier experience, its motives and interests at the time of perception. The clarity and originality of the stimuli itself plays an important role in that interpretation. The distortion of an objective interpretation is mainly due to the physical appearance, the first impression and stereotypes (Kelley, 1950).

3.4.3 Planned Behavioural Theory

The Theory of Planned Behavior (TPB) predicts an individual's intention to engage in a behavior at a specific time and place. It posits that individual behavior is driven by behavior intentions, where behavior intentions are a function of three determinants: an individual's attitude toward behavior, subjective norms, and perceived behavioral control (Ajzen, 1991).

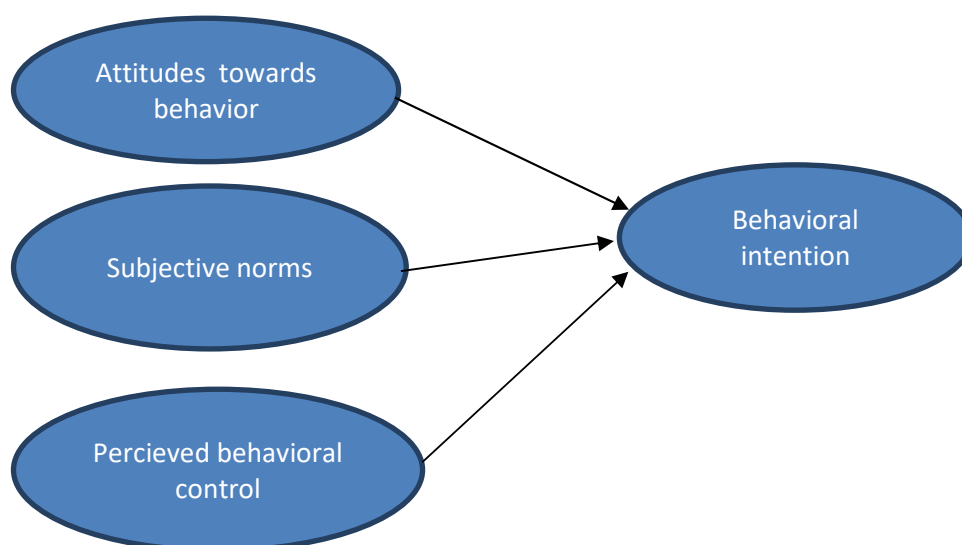


Fig.3.13: Key Concepts and Dimensions Source: Ajzen, 1991

A. Behavioral Intention

This is a proxy measure for behavior. It represents a person's motivation in the sense of her or his conscious plan or decision to perform certain behavior (Conner & Armitage, 1998). Generally, the stronger the intention is, the more likely the behavior will be performed.

B. Attitude toward Behavior

This refers to the degree to which a person has positive or negative feelings of the behavior of interest. It entails a consideration of the outcomes of performing the behavior.

C. Subjective Norm

This refers to the belief about whether significant others think he or she will perform the behavior. It relates to a person's perception of the social environment surrounding the behavior.

Perceived Behavioral Control This refers to the individual's perception of the extent to which performance of the behavior is easy or difficult (Ajzen, 1991). It increases when individuals perceive they have more resources and confidence (Ajzen, 1985; Hartwick & Barki, 1994; Lee & Kozar, 2005)

The theoretical background relating to Indian retail sector discussed in the present chapter. The next section starts with the analysis of the work, which was presented in objective wise. The next chapter attempted to find out impact of organized retailers on traditional retailers in Kerala.

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Panda, Tapan KMarketing Management; Text and CasesNew DelhiExcel Books

Chapter 4

Impact of Food and Grocery Organized Retailers on Traditional Retailers in Kerala

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4.1 Introduction

Analysis and interpretation are central steps in the research process. The aim of the analysis is to organize, classify and summarize the collected data, so that they can be better comprehended and interpreted to give answers to the questions that triggered the research. Interpretation is the search for the broader meaning of findings. Analysis is not fulfilled without interpretation; and interpretation cannot proceed without analysis. So, both are inter dependent.

In the previous chapter, a theoretical review of the concepts of changes in retail market, impact of organized retailers, strategies adopted by retailers and customer attitude towards organized and traditional retailers have been narrated. In addition to this, an overview of the retail market, especially the retail sector in India has done. It also covers the government policies related to retail sector in India including FDI. The first specific objective of the present investigation is to analyse the impact of organized retailers on traditional retailers with special reference to food and grocery sector. In order to fulfil this objective, distant wise comparison has been attempted. Three distance criteria are used in this study, Nearest, Around and Far away. For this purpose data have been collected from 475 retailers from largest three cities in Kerala (Kozhikode, Trivandrum and Kochi). Samples are selected by using Stratified Random Sampling Method with the help of a pretested structured questionnaire. The data have been analysed with the help of mathematical and statistical tools like Percentages, Averages, One sample t test, Chi square test of Independence, Correlation, Regression and One way ANOVA.

For the purpose of discussion, the chapter is divided into three sections. Section A deals with the profile of the sample retailers and section B is concerned with the impact of organized retailers on profit, customers and employment and section C deals with the facilities and services provided by traditional retailers and survival strategies adopted.

Section A

4.2 Profile of Respondents

Before entering into the analysis based on objectives, it is quite relevant to examine a profile of the selected sample respondents. The sample size of this study is 475 traditional retailers from largest three cities in Kerala. The profiles of sample respondents are given below.

4.2.1 Distance -wise Classification of Sample Respondents

In order to ensure that the sample of traditional retailers drawn extends over the entire catchment area of organized retailers, a distance criterion was used to select traditional stores which are “The nearest” and “Around” from cluster and “Far away” from out of cluster. Using the standard industry norms, the catchment area for organized retailers in cities in India is five kilometres. The table 4.1 shows the distance wise classification of the selected sample respondents.

Table 4.1

Distance-wise Classification of Sample Respondents

Distance	Number	Percent
Nearest	219	46.1
Around	181	38.1
Far away	75	15.8
Total	475	100.0

Source: Survey Data

From the table 4.1, it is clear that, out of 475 sample respondents taken for the analysis, 219 (46.1%) respondents are from the nearest area, 181(38.1%) respondents are from around and 75 (15.8%) are from far away. They symbolize the traditional retail sector in the study. Thus a total of 475 respondents are selected for the study.

4.2.2 Demographic Profile of the Respondents

The section 4.2.2 represents the demographic profile of the sample respondents, which comprises the age and educational qualification wise classification of traditional retailers.

Table 4.2
Age of Owner

Age of owner (Years)	Number	Percent
20-35	92	19.4
36-45	188	39.6
46-65	130	27.4
more than 65	65	13.7
Total	475	100.0

Source: Survey Data

It is seen that 39.6 percent of the respondents are in the age group of 36-45 years, 27.4 percent of respondents are in the age group of 46-65 years, 19.4 percent of the respondents are in the age group of 20-35 and 13.7 percent of respondent are in the age group of more than 65.

Table 4.3
Educational Qualification

Educational qualification	Number	Percent
No formal schooling	108	22.7
Up to 5 th standard	75	15.8
Up to 10th standard	185	38.9
Up to 12th standard	87	18.3
Graduate	20	4.2
Total	475	100.0

Source: Survey Data

The table 4.3 shows that, about 38.9 percent of respondents have up to 10th standard qualification followed by no formal schooling (22.7%), up to 12th standard (18.3%) and up to 5th standard (15.8%). Only 4.2 percent of the respondents are graduate.

Section B

4.3 Stores Profile

The section B represents the profile of the sample traditional stores, which comprises the type of stores, year of starting, type of business and size of store from the nearest, around and far away separately.

a) Type of Stores

Traditional food and grocery retail stores include grocery stores, general stores and vegetable stores. The table shows the type of traditional retail stores on the basis of distance criteria.

Table 4.4
Type of Stores

Type of stores	Distance from organized retail store			Total
	Nearest	Around	Far away	
Grocery store	79 (36.1%)	41 (22.7%)	19 (25.3%)	139 (29.3%)
General store	77 (35.2%)	65 (35.9%)	30 (40.0%)	172 (36.2%)
Fruit/vegetable stores	63 (28.8%)	75 (41.4%)	26 (34.7%)	164 (34.5%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi-Square value =11.546, df= 4, p value =.021				

Source: Survey Data

The table 4.4 shows that, 36.1 percent of the traditional retail stores within the nearest area are grocery stores (36.1%) followed by general stores (35.2%) and fruit and vegetable stores (28.8%). In the case of around stores on the basis of number of type of retailers are fruit and vegetable stores (41.4%), general stores (35.9%) and grocery stores (22.7%) respectively. The table shows that 40 percent of retail stores are general stores in far away followed by fruit and vegetable stores (34.7%) and grocery stores (25.3%). The table 4.4 shows the Chi square value as 11.546 with the

p value .021. Since the p value is less than 0.05 the null hypothesis is rejected at the 5% level of significance. Hence it is concluded that there is significant association between type of stores and their distance from organized retail store. Majority of the nearest stores are grocery stores, around stores are fruit/vegetable stores and far away retail stores are general stores.

b) Type of Business

There are two types of business forms, retail and retail cum wholesale. A stores in which merchandise is sold primarily to ultimate customers called retail store and retail cum whole sale is the sale of goods to industrial, commercial or institutional purpose including ultimate customers. The table 4.5 shows the type of business of traditional stores on the basis of distance criteria.

Table 4.5
Type of Business

Type of business	Distance from organized retail store			Total
	Nearest	Around	Far away	
Retail	209 (95.4%)	126 (69.6%)	62 (82.7%)	397 (83.6%)
Retail cum wholesale	10 (4.6%)	55 (30.4%)	13 (17.3%)	78 (16.4%)
	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi-Square value =48.193, df= 2, p value = .000				

Source: Survey Data

It is seen that the majority of the traditional stores within the nearest area are retail stores (95.4%) and only 4.6 percent are retail cum whole sale. In the case of around stores on the basis of number of type of business are, retail 69.6% and retail cum wholesale 30.4% respectively. In the case of far away stores 82.7 percent of stores are retail and 17.3percent are retail cum wholesale. The result of analysis shows the Chi square value as 48.193 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between type of business of traditional

stores and their distance from organized retail store. The density of retail stores is high in the nearest area than around and far away area.

c) Floor Area of Traditional Retail Store

The table 4.6 shows the floor area of traditional retail stores on the basis of distance criteria.

Table 4.6
Floor Area of Traditional Retail Store

Floor area (Square feet)	Distance from organized retail store			Total
	Nearest	Around	Far away	
Less than 100 sq	50 (22.8%)	29 (16.0%)	8 (10.7%)	87 (18.3%)
100- 200 sq	154 (70.3%)	82 (45.3%)	46 (61.3%)	282 (59.4%)
200-400 sq	15 (6.8%)	61 (33.7%)	21 (28.0%)	97 (20.4%)
400-600 sq	0 (0.0%)	9 (5.0%)	0 (0.0%)	9 (1.9%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi-Square value =67.971, df =6, p value = .000				

Source: Survey Data

The survey result shows that the floor area of the majority of the nearest retail stores 100-200 sq.ft (70.3%) followed by less than 100 sq.ft (22.8%) and 200-400 sq.ft (6.8%). In the case of around retail stores, the floor area of the store is 100-200 sq.ft (45.3%), 200-400 sq.ft (33.7%), less than 100 sq.ft (16.0%) and 400-600 sq.ft (5%) respectively. Majority of the far away retail stores have 100-200 sq.ft (61.3%) followed by 200-400 sq.ft (28%) and less than 100 sq.ft (10.7%). The result shows the Chi square value as 67.971 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is an association between floor area of traditional retail store

and their distance from organized retail store. The floor area of the nearest stores is less than around and far away stores.

Section C

4.4 Impact of Organized Retailers on Traditional Retailers

Indian retail is dominated by a large number of small retailers consisting of the local kirana shops, owner-manned general stores, chemists, footwear shops, apparel shops, paan and beedi shops, hand-cart hawkers, pavement vendors, etc. which together make up the so-called “traditional retail”. The last 3-4 years have witnessed the entry of a number of organized retailers opening stores in various modern formats in metros and other important cities (ICRIER, 2008). In this section, the respondents are asked about the effects of organized retailers on traditional retailers. This section also discussed about attitude of traditional retailers on organized retailers.

4.4.1 Impact on Employees

There is a significant relationship between the employment on traditional retail and the period of existence of organized stores; the adverse effect, if at all there is any, wears off with time. Interestingly, in the South and East, where the sampled organized retailers have been in operation for some time, there has been an increase in employment (Mathew Joseph, 2008). Retailing is one of the largest employers in India. All the direct and indirect activities related to retailing need the help of a skilled work force. The corporate functions in a retail chain require candidates with skilled and management ability. This section deals with impact of organized retailers on employment in traditional retail sector. For this purpose, the researcher compares the number of employees before and after five years. The differences observed between the two samples together help to establish the impact of organized retail on employment.

a) Number of Employees

The table 4.7 shows the total number of employees (Now) working in the traditional retail stores on the basis of distance criteria.

Table 4.7
Number of Employees (Now)

Number	Distance			Total
	Nearest	Around	Far away	
No employees	79 (36.1%)	55 (30.4%)	32 (42.7%)	166 (34.9%)
One	138 (63.0%)	56 (30.9%)	26 (34.7%)	220 (46.3%)
Two	2 (0.9%)	69 (38.1%)	17 (22.7%)	88 (18.5%)
Three	0 (0.0%)	1 (0.6%)	0 (0.0%)	1 (0.2%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi-Square value =103.560, df =6, p value = .000				

Source: Survey Data

The table 4.7 shows the association between number of employees of traditional retailers and their distance from organized retailers. In the case of the nearest retail stores, 63 percent of them have one employees, 36.1 percent have no employee and .9 percent have two employees. The table shows that 38.1 percent of the around stores have two employees followed by one employee (30.9%) and no employees (30.4%). In the case of far away stores the numbers of employees are in the order of no employees (42.7%), one (34.7%) and two (22.7%) employees respectively. The table 4.7 shows the Chi square value as 103.560 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between number of employees working in traditional retail store and their distance

from organized retail store. The number of employees working in the nearest stores is less than around and far away stores.

b) Number of Employees (Before Five Years)

The table 4.8 shows the number of employees working in the traditional retail store before five years on the basis of distance criteria.

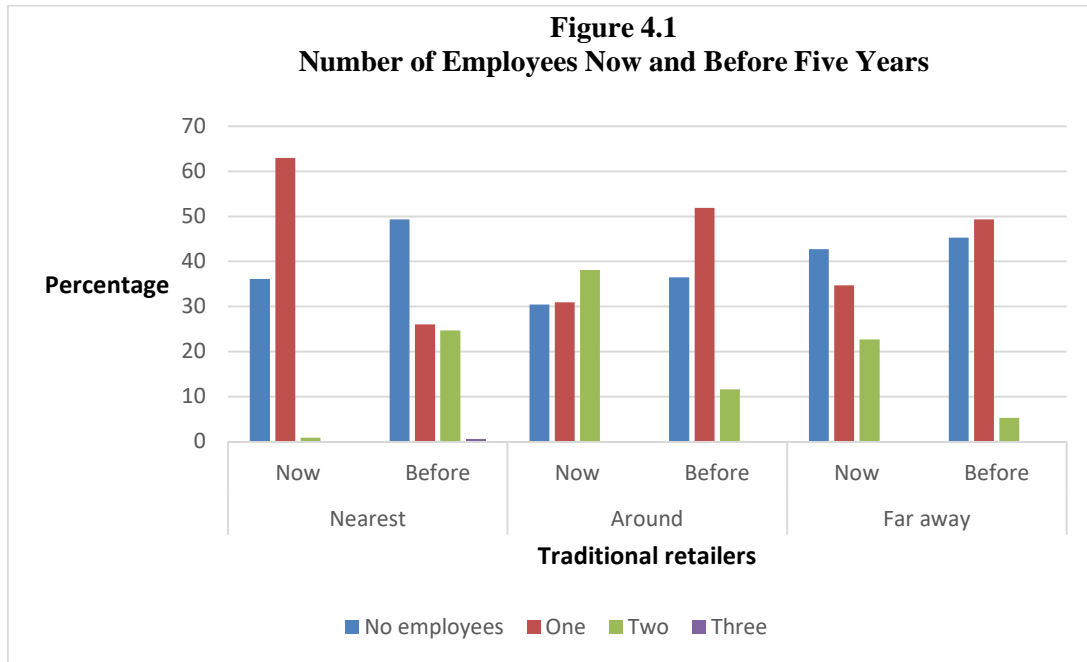
Table 4.8
Number of Employees (Before Five Years)

Number	Distance			Total
	Nearest	Around	Far away	
No employees	108 (49.3%)	66 (36.5%)	34 (45.3%)	208 (43.8%)
One	57 (26.0%)	94 (51.9%)	37 (49.3%)	188 (39.6%)
Two	54 (24.7%)	21 (11.6%)	4 (5.3%)	79 (16.6%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value =39.722, df=4, p value= .000				

Source: Survey Data

The table 4.8 shows that 49.3 percent of the nearest retail stores had no employees before five years followed by one employee (26%) and two employees (24.7%). In the case of around stores, the numbers of employees are in the order of one employee (51.9 %), no employees (36.5%) and two employees (11.6%) respectively. In far away stores, 49.3 percent of the stores had one employee followed by no employees (45.3%) and two employees (5.3%). The Chi square value as 39.722 with the p value .000. Hence it is concluded that there is significant association between number of employees working in traditional retail stores before five years and their distance from organized retail store. From the comparison of number of employees before and after five years, it is clear that number of employees reduced for the nearest stores followed by far away and around retail stores.

The comparison of number of employees of retailers before and after five years is diagrammatically presented in Figure 4.1.



c) Number of Hired Employees (Now)

Traditional retailers have two types of employees, family employees and hired employees. Retailers appoint employees from family called family employees and employees from outside called hired employees. The table 4.9 shows the number of hired employees working in traditional retail stores on the basis of distance criteria.

Table 4.9
Number of Hired Employees (Now)

Number	Distance from organized retail store			Total
	Nearest	Around	Far away	
No employees	119 (54.3%)	69 (38.1%)	36 (48.0%)	224 (47.2%)
One	99 (45.2%)	97 (53.6%)	35 (46.7%)	231 (48.6%)
Two	1 (0.5%)	15 (8.3%)	4 (5.3%)	20 (4.2%)
Total	219 (100%)	181 (100%)	75 (100%)	475 (100%)
Chi-Square value =21.742, df=4, p value= .000				

Source: Survey Data

Table 4.9 reveals the number of hired employees working in traditional retail stores now. The result shows that majority of the nearest retail stores (54.3%) have no employees followed by one employee (45.2%) and two employees (0.5%). In the case of around stores, the number of hired employees is in the order of one employee (53.6%), no employees (38.1%) and two employees (8.3%) respectively. The table shows that 48 percent of the far away stores have no employees followed by 46.7 percent have one employee. The Chi square result (Chi square value =21.742, df=4, p value =.000) shows that there is significant association between number of hired employees working in traditional retail stores (now) and their distance from organized retail store. It is seen that the number of hired employees in traditional retail stores are less in the nearest retail stores than around and far away retail stores.

d) Number of Hired employees (Before Five Years)

The table 4.10 shows the hired employees working in traditional retail stores before five years on the basis of distance criteria.

Table 4.10
Hired Employees (Before Five Years)

Number	Distance			Total
	Nearest	Around	Far away	
No hired employees	165 (75.3%)	133 (73.5%)	70 (93.3%)	368 (77.5%)
One	38 (17.4%)	44 (24.3%)	5 (6.7%)	87 (18.3%)
Two	16 (7.3%)	4 (2.2%)	0 (0.0%)	20 (4.2%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value = 22. 016, df =4, p value = .000				

Source: Survey Data

From the table 4.10, it is clear that majority of the nearest retail stores (75.3%) had no hired employees before five years followed by one employee (17.4%) and two employees (7.3%). In the case of around stores, most of them had no employees (73.5%). In far away stores, majority of the retail stores had no hired employees (93.3%) followed by one employee (6.7%). The table 4.10 shows the Chi square value as 22.016 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance, there is an association between number of hired employees working in traditional retail stores before five years and their distance from organized retail store. From the comparison of number of employees before and after five years, it is clear that number of hired employees increased in the nearest, around and far away retail store.

e) Number of Family Employees (Now)

The table 4.11 shows the number of family employees working in the traditional retail stores on the basis of distance criteria.

Table 4.11
Number of Family Employees (Now)

Number	Distance from organized retail store			Total
	Nearest	Around	Far away	
No family employees	172 (80.0%)	112 (61.9%)	58 (77.3%)	342 (72.6%)
One	43 (20.0%)	68 (37.6%)	17 (22.7%)	128 (27.2%)
Two	0 (0.0%)	1 (0.6%)	0 (0.0%)	1 (0.2%)
Total	215 (100.0%)	181 (100.0%)	75 (100.0%)	471 (100.0%)
Chi-Square value =18.150, df=4, p value =.001				

Source: Survey Data

The table 4.11 shows that majority of the nearest retail stores (80%) have no family employees followed by one employee (20%). In the case of around stores the numbers of family employees are in the order of, no family employees (61.9 %), one employee (37.6%) and two employees (.6%) respectively. Majority of the far away stores have no family employees (77.3%). The result shows the Chi square value as 18.150 with the p value .000. Since the p value is less than 0.01, the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between the number of family employees working in traditional retail stores (now) and their distance from organized retail stores. From the above analysis it is clear that traditional retailer's dont prefer more employees from family.

f) Number of Family Employees (Before Five Years)

The table 4.12 shows the family employees working in traditional retail stores before five years on the basis of distant criteria.

Table 4.12
Number of Family Employees (Before Five Years)

Number	Distance			
	Nearest	Around	Far away	Total
No employees	147 (67.1%)	106 (58.9%)	23 (30.7%)	276 (58.2%)
One	48 (21.9%)	65 (36.1%)	48 (64.0%)	161 (34.0%)
Two	24 (11.0%)	9 (5.0%)	4 (5.3%)	37 (7.8%)
Total	219 (100%)	180 (100.0%)	75 (100.0%)	474 (100.0%)
Chi square value = 47.487, df=4, p value = .000				

Source: Survey Data

The table 4.12 reveals that the majority of the nearest retail stores (67.1%) had no employees before five years followed by one employee (21.9%) and two employees (11%). In the case of around stores the number of employees is in the order of , no employees (58.9 %), one employee (36.1%) and two employees (5%) respectively. In far away stores majority of the stores had one employee (64.0%) followed by no employees (30.7%) and two employees (5.3%). The Chi square value as 47.487 with the p value .000, since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between the number of employees working in traditional retail stores before five years on the basis of distant criteria. From the comparison of number of employees before and after five years, it is clear that number of family employees reduced for the nearest, around and far away retail

stores. From the above analysis it is also found that traditional retailers prefer more hired employees than family employees unlike before five years.

g) Reason for Decreasing Employees

Supermarkets have created several impacts on traditional retail stores. Major impacts are reduction in sales volume, reduction in profit and involving family members in the business in order to avoid the recurring cost through the salary of workers. The number of workforce has been considerably reduced in traditional retail stores. However, in the opinion of the traditional retailers the reason for the reduction of work force not primarily due to the Super markets (A. Hamil & Ed. Priyadharshini, 2014). From the above analysis, it is clear that the number of employees in the traditional retail store reduced for last five years. The table 4.13 shows the reasons for decreasing employment in traditional retail stores.

Table 4.13
Reason for Decreasing Employees

Reasons	Distance			Total
	Nearest	Around	Far away	
Less profit	63 (64.3%)	3 (6.5%)	3 (18.8%)	69 (43.1%)
Change to organized retail store	19 (19.4%)	13 (28.3%)	4 (25.0%)	36 (22.5%)
Change to traditional retail store	10 (10.2%)	29 (63.0%)	6 (37.5%)	45 (28.1%)
Demand more remuneration	6 (6.1%)	1 (2.2%)	3 (18.8%)	10 (6.2%)
Total	98 (100.0%)	46 (100.0%)	16 (100.0%)	160 (100.0%)
Chi square value = 64.674, df = 6, p value = .000				

Source: Survey Data

For 64.3 percent of the nearest stores, the reason for decreasing employees is less profit followed by change to organized retail shop (19.4%), change to traditional

shop (10.2%) and demand more remuneration (6.1%) respectively. In the case of around (63%) and far away (37.5%) stores, employees are decreased because employees are changed to other traditional retail shops. The table 4.13 shows the Chi square value as 64.674 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance, there is significant association between reason for decreasing employees in traditional retail stores and their distance from organized retail store. Hence it is concluded that there is no direct relationship between decreasing employees of traditional retailers and the emergence of organized retail stores.

4.4.2. Impact on Customers

“There is increased sophistication in the shopping patterns of consumers, which has resulted in big retail chains coming up in most metros; mini metros and towns being the next target” (Sinha and Kar, 2007). In this section, the researcher intends to know the impact of organized retailers on customers of traditional retailers.

4.4.2.1 Impact on Customers per Day

This section discussed about impact of organized retailers on customers per day of traditional retailers. For this purpose, the researcher compares the number of customers before and after five years. The differences observe between the two samples together help establish the impact of organized retailers on customers per day of traditional retailers.

a) Number of Customers (Now)

The table 4.14 shows the number of customers per day of traditional retail stores on the basis of distance criteria.

Table 4.14
Number of Customers (Now)

Number	Distance			Total
	Nearest	Around	Far away	
Less than 15	11 (5.0%)	28 (15.5%)	0 (0.0%)	39 (8.2%)
16-30	194 (88.6%)	55 (30.4%)	19 (25.3%)	268 (56.4%)
31-50	14 (6.4%)	84 (46.4%)	56 (74.7%)	154 (32.4%)
51-75	0 (0.0%)	13 (7.2%)	0 (0.0%)	13 (2.7%)
More than 75	0 (0.0%)	1 (0.6%)	0 (0.0%)	1 (0.2%)
Total	219 (100%)	181 (100%)	75 (100%)	475 (100%)
Chi square value = 215.941, df = 8, p value = .000				

Source: Survey Data

The table 4.14 concerned, for the nearest stores, the number of customers per day is in the order of 16-30 (88.60%), 31-50 (6.4%) and less than 15 (5%) respectively. The number of customers of around stores are 31-50 (46.4%), 16-30 (30.4%), less than 15 (15.5%), 51-75 (7.2%) and more than 75(0.6%) respectively. The majority of the far away retailers have customers in between 31-50(74.7%). The result shows that the Chi square value as 215.941 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between customers per day of traditional retail stores and their distance from organized retail store. It is clear from the above analysis is that the number of customers is low for the nearest stores than around and far away stores.

b) Number of Customers (Before Five Years)

The table 4.15 shows the number of customers per day of traditional retailers before five years on the basis of distance criteria.

Table 4.15
Number of Customers (Before Five Years)

Number	Distance			Total
	Nearest	Around	Far away	
Less than 15	8 (3.7%)	8 (4.4%)	4 (5.3%)	20 (4.2%)
16-30	28 (12.8%)	94 (51.9%)	54 (72.0%)	176 (37.1%)
31-50	181 (82.6%)	78 (43.1%)	17 (22.7%)	276 (58.1%)
51-75	2 (0.9%)	0 (0.0%)	0 (0.0%)	2 (0.4%)
More than 75	0 (0.0%)	1 (0.6%)	0 (0.0%)	1 (0.2%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value = 120.646, df =8, p value= .000				

Source: Survey Data

The table 4.15 reveals that, for the nearest stores, customers per day before five years are in the order of, 31-50 (82.60%), 16-30 (12.8%), less than 15 (3.7%) and 51-75 (0.9%) respectively. The customers per day in around stores are in the order of, 16-30 (51.9%), 30-50 (43.1%), less than 15(4.4%) and more than 75 (.6%) respectively. The majority of the far away retailers had customers per day in between 16-30 (72%). The table 4.15 shows the Chi square value as 120.646 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. There is an association between customer per day of traditional retailers before five years and their distance from organized retail store. Hence it is concluded that before five years, the number of customers of nearest stores were high followed by around and far away stores. From the table 4.14 and 4.15, it is clear that there is significant decrease in the number of customers of nearest retail stores.

In order to find out the exact difference among the groups, the ANOVA tests were done.

Table 4.16

**Average Percentage of Customers Visit in the Store per Day
(Before Five Years)**

Distance	N	Mean	SD	F-value
Nearest	219	38.94	7.35	8.055 (0.000**)
Around	181	30.35	8.63	
Far away	75	25.68	7.76	
Total	475	33.57	9.47	

Source: Survey Data

***Significant at 1% level*

The table 4.16 shows that the mean score of the average percentage of customers before five years. In the nearest stores, mean score of the customers is 38.94 followed by around stores 30.35 and far away stores 25.68. The result found that p value is less than .01, so there is significant difference between the average number of customers per day of traditional retailers before five years and their distance from organized retail store.

Table 4.17

Average Percentage of Customers Visit in the Store (Now)

Distance	N	Mean	SD	F-value
Nearest	219	28.25	27.38	102.467 (0.000**)
Around	181	34.37	13.20	
Far away	75	37.99	7.27	
Total	475	32.12	20.89	

Source: Survey Data

***Significant at 1% level*

The table 4.17 shows the average percentage of customers visit in the store per day. In the far away stores the mean score of customers is 37.99 followed by around stores 34.37 and the nearest store 28.25. The result found that p value is less than .01, there is significant difference between the average number of customers per day of traditional retailers and their distance from organized retail store. The average percentage of customers visit in the store per day is less in the nearest stores.

Table 4.18**Percentage Change in the Number of Customers for the Last Five Years**

Distance	N	Mean (%)	SD	F-value
Nearest	219	-25.91	69.052	66.728 (0.000**)
Around	181	19.71	51.08	
Far away	75	60.26	49.28	
Total	475	5.08	67.60	

Source: Survey Data

**Significant at 1% level

The table 4.18 shows the percentage change in the number of customers for the last five years. In the case of the nearest stores, 25.91 percent decrease in the number of customers, for around stores 19.71 percent and far away stores 60.26 percent increase. The p value is less than .01, so it is concluded that there is significant difference between the change in the number of customers of traditional retailers for the last five years and their distance from organized retail store.

Table 4.19**Change in the Number of Customers for the Last Five Years**

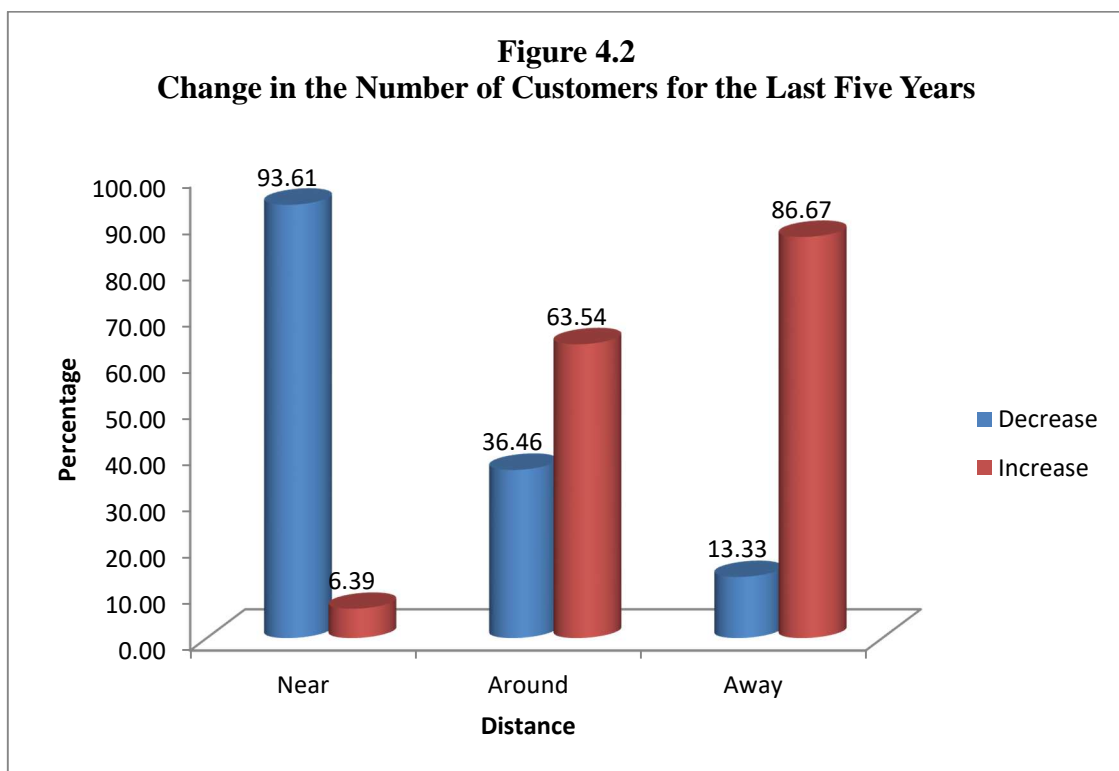
Distance	Decrease		Increase		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Nearest	205	93.61	14	6.39	219	100
Around	66	36.46	115	63.54	181	100
Far away	10	13.33	65	86.67	75	100
Total	281	59.16	194	40.84	475	100
Chi-Square value = 211.33, df = 2, p = 0.000						

Source: Survey Data

The table 4.19 found that, in the case of majority of the nearest retail store 205(93.61%), the number of customers decreased and increased for 14 (6.39%) stores. The number of customers increased for 115 (63.54%) around stores and decreased for 66 (36.46%) stores. For far away stores, the number of customers increased in 65 (86.67%) store and decreased in 10 (13.33%) stores. The Chi-Square result shows that p value is less than .01. Hence it is concluded that there is

significant difference between the change in the number of customers for the last five years in traditional retail store and their distance from organized retail store. The result found that high percentage decrease in the number of customers for the last five years is in the nearest stores. Hence it is concluded that organized retailers effected on number of customers of traditional retailers in the nearest area.

The Figure 4.2 shows the change in the number of customers of traditional retailers for the last five years on the basis of distance criteria.



c) Reason for Decreasing Customers

From the above analysis, it is clear that the number of customers decreased for the last five years for the nearest stores. The table 4.20 shows the reasons for decreasing customers for the nearest, around and far away retail stores.

Table 4.20
Reason for Decreasing Customers

Reason	Distance			Total
	Nearest	Around	Far away	
Change to organized retail stores	205 (100.0%)	30 (45.45%)	0 (0.0%)	235 (83.62%)
Change to other traditional retail stores	0 (0.0%)	36 (54.55%)	10 (100.0%)	46 (16.38%)
Total	205 (100.0%)	66 (100.0%)	10 (100.0%)	281 (100.0%)
Chi square value =120.599, df=2, p value .000				

Source: Survey Data

The reason for decreasing customers of the nearest stores is change to organized retailers. In the case of around retail stores, the reason for decreasing customers is change to other traditional retailers (54.55%) followed by change to organized retailers (45.45%). The reason for decreasing customers in far away stores is change to other traditional retailers. The table 4.20 shows the Chi square value as 120.599 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between decreasing customers of traditional retailers and their distance from organized retail store. Hence it is concluded that organized retailers negatively effected on the number of customers of the nearest stores followed by around stores.

4.4.2.2 Impact on Regular Customers

This section discussed about impact of organized retailers on regular customers of traditional retailers. For this purpose, the researcher compares the

number of regular customers before and after five years. The differences observe between the two samples together help establish the impact of organized retailers on regular customers of traditional retailers.

a) Number of Regular Customers

The table 4.21 shows the number of regular customers of traditional retail store based on their distance from organized retail store.

Table 4.21
Number of Regular Customers (Now)

Number	Distance			Total
	Nearest	Around	Far away	
Less than 10	159 (72.6%)	72 (39.8%)	16 (21.3%)	247 (52.0%)
11-25	60 (27.4%)	90 (49.7%)	59 (78.7%)	209 (44.0%)
26-40	0 (0.0%)	17 (9.4%)	0 (0.0%)	17 (3.6%)
41-70	0 (0.0%)	2 (1.1%)	0 (0.0%)	2 (0.4%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value = 103.054, df=6, p value= .000				

Source: Survey Data

The table 4.21 shows that, for the nearest stores the number of regular customer is less than 10 (72.60%) followed by 11-25(27.4%). The number of regular customers of around stores is 11-25 (49.7%), less than 10 (39.8%), 26-40 (9.4%) and 41-70 (1.1%) respectively. The majority of the far away retailers have regular customers in between 11-25(78.7%) followed by less than 10(21.3%).The Chi square value as 103.054 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between number of regular customers of traditional

retailers and their distance from organized retail store. The far away retailers have more regular customers than nearest and around retail stores.

b) Number of Regular Customers before Five Years

The table 4.22 shows the number of regular customers of traditional retailers before five years on the basis of distance criteria.

Table 4.22
Number of Regular Customers before Five Years

Number	Distance			Total
	Nearest	Around	Far away	
Less than 10	33 (15.1%)	63 (34.8%)	52 (69.3%)	148 (31.2%)
11-25	146 (66.7%)	112 (61.9%)	23 (30.7%)	281 (59.2%)
26-40	40 (18.3%)	4 (2.2%)	0 (0.0%)	44 (9.3%)
41-70	0 (0.0%)	2 (1.1%)	0 (0.0%)	2 (0.4%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value = 105.727, df=6, p value =.000				

Source: Survey Data

In the case of majority of the nearest stores, they had regular customers in between 11-25 (66.7%) followed by 26-40 (18.3%) and less than 10(15.1%). The number of regular customers in around stores is 11-25 (61.9%), less than 10 (34.8%), 26-40 (2.2%) and 41-70 (1.1%) respectively. The majority of the regular customers of the far away retail stores are less than 10 (69.3%) followed by 11-25 (30.7%).The table 4.22 shows the Chi square value as 105.727 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between regular customers of traditional retailers before five years and their distance from organized retail store. The number of regular customers is high in the case of nearest

retail store than around and far away retail stores. From the above two analysis, it is clear that the number of regular customers decreased for the nearest stores. For more clear result about the change in the regular customers of traditional retailers for the last five years, the ANOVA tests were done.

Table 4.23

Average Percentage of Regular Customers per Day

Distance	N	Mean	SD	F-value
Nearest	219	10.94	4.86	46.904 (0.000**)
Around	181	17.48	7.97	
Far away	75	17.69	4.84	
Total	475	14.50	7.03	

Source: Survey Data

*** Significant at 1% level*

The table 4.23 shows the average percentage of regular customers per day. The mean score of the number of regular customers in the far away stores is 17.69 followed by around stores 17.48 and the nearest store 10.94. The result found that the p value is less than .01, so there is significant difference between the average percentage of regular customers per day and their distance from organized retail store. The average percentage of regular customers per day is less in nearest stores.

Table 4.24

Average Percentage of Regular Customers per Day before Five Years

Distance	N	Mean	SD	F-value
Nearest	219	21.22	8.50	66.180 (0.000**)
Around	181	16.93	7.11	
Far away	75	11.62	6.29	
Total	475	18.07	8.38	

Source: Survey Data

*** Significant at 1% level*

The table 4.24 shows the average percentage of regular customers before five years. The mean score of the nearest store is 21.22, around stores 16.93 and far away stores 11.62. The p value is less than .01, so it is concluded that there is significant difference between the change in the number of regular customers of traditional retailers before five years and their distance from organized retail store. The average percentage of regular customers before five years is high in the nearest stores followed by around and far away stores.

Table 4.25

Percentage Increase in Regular Customers for the Last Five Years

Distance	N	Mean	SD	F-value
Nearest	219	-39.68	37.65	126.32 (0.000**)
Around	181	23.13	77.34	
Far away	75	94.85	95.38	
Total	475	5.49	81.66	

Source: Survey Data

**** Significant at 1% level**

The table 4.25 shows that the average percentage of the nearest stores is -39.68, so the number of regular customers of the nearest stores decreased for the last five years. The mean score of around stores is 23.13 and far away store is 94.85, there is increment in the regular customers of far away stores followed by around stores.

Table 4.26

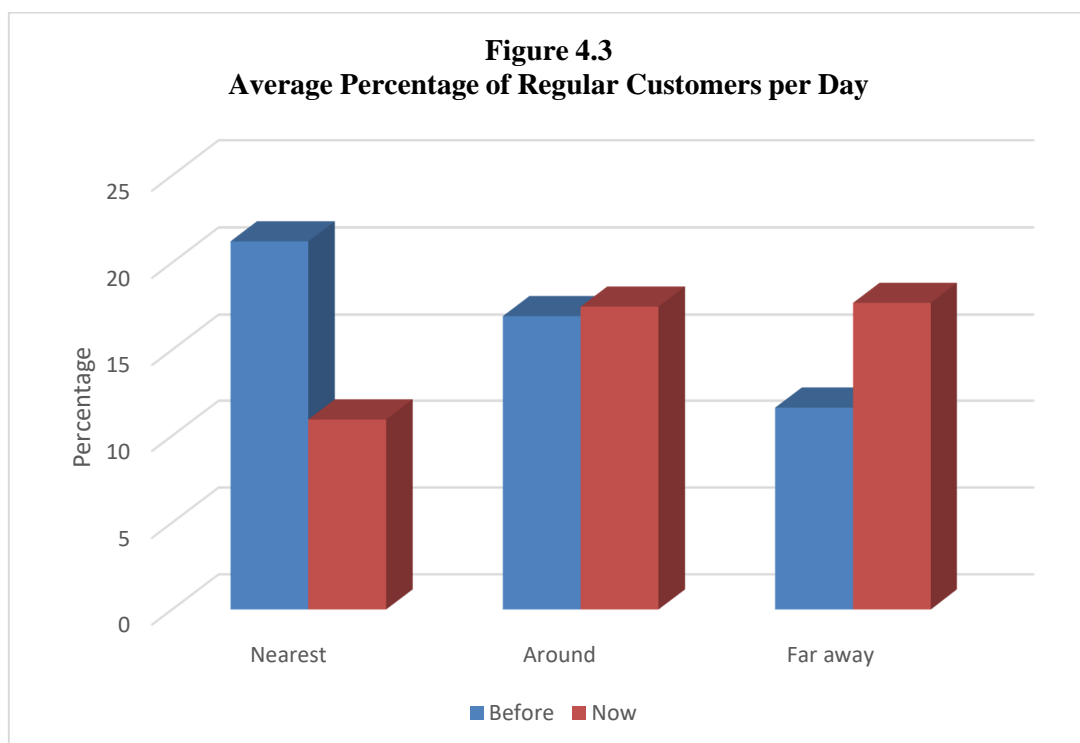
Distance Based Changes in Regular Customers

Distance	Decrease		Increase		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Nearest	193	88.13	26	11.87	219	100
Around	96	53.04	85	46.96	181	100
Far away	22	29.33	53	70.67	75	100
Total	311	65.47	164	34.53	475	100
Chi-Square = 105.434, df = 2, p = 0.000						

Source: Survey Data

As per the table 4.26, regular customers of the 193 (88.13%) nearest stores decreased and 26 (11.87%) nearest stores increased. For 96 (53.04%) around stores, regular customers decreased and for 85 (46.96%) stores regular customers increased. In the case of far away stores, regular customers of 22 (29.33%) stores decreased and for 53 (70.67%) stores regular customers decreased. The Chi square value as 105.434 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between number of regular customers of traditional retailers and their distance from organized retail store. It is clear from the analysis is that the regular customers of the nearest stores decreased but for around and far away stores , regular customers increased for the last five years .It is clear from this analysis that organized retailers affected on regular customers of the traditional retailers in the nearest area.

The diagrammatic presentation of average number of regular customers per day is shown in Figure 4.3.



4.4.2.3 Socioeconomic Profile of Customers

The social class of the individual influences the lifestyle, attitudes and the preferences in almost every aspects of life. The purchase decision is one of the most commonly described aspects that are influenced significantly by the socioeconomic status of the individuals involved in these decisions for their families or for themselves. What product or service they should buy when the need arise depends increasingly on the status of the individuals and how they perceive it, most importantly (<http://www.scribd.com/document>). In this section researcher study about the socioeconomic profile of customers. For this purpose, the researcher compares the socioeconomic profile of customers before and after five years. The differences observe between the two samples together help establish the impact of organized retail on customers.

a) Socioeconomic Profile of Customers

The table 4.27 shows the socio economic profile of customers of traditional retailers and their distance from organized retailers.

Table 4.27

Socioeconomic Profile of Customers

Socioeconomic profile	Distance			Total
	Nearest	Around	Far away	
Middle level	10 (4.6%)	84 (46.4%)	44 (58.7%)	138 (29.1%)
Lower level	209 (95.4%)	97 (53.6%)	31 (41.3%)	337 (70.9%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value =122.068, df=2, p value =.000				

Source: Survey Data

The table 4.27 shows that, the socioeconomic profile of the majority of the nearest (95.4%) and around (53.6%) stores are lower level. In the case of far away

stores most of the customers are middle level (58.7%). The table 4.27 shows the Chi square value as 122.068 with the p value .000. There is significant association between socioeconomic profile of customers of traditional retail store and their distance from organized retail store. Hence it is concluded that the socio economic profile of majority of the customers of nearest and around stores are low but for far away retail stores, it is medium.

b) Socioeconomic Profile of Customers (Before Five Years)

The table 4.28 shows the socio economic profile of customers of traditional retail store before five years and their distance from organized retailers.

Table 4.28

Socioeconomic Profile of Customers (Before Five Years)

Socioeconomic profile	Distance			Total
	Nearest	Around	Far away	
High level	8 (3.7%)	1 (0.6%)	0 (0.0%)	9 (1.9%)
Middle level	209 (95.4%)	177 (97.8%)	44 (58.7%)	430 (90.5%)
Lower level	2 (0.9%)	3 (1.7%)	31 (41.3%)	36 (7.6%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value =150.724, df=4, p value= .000				

Source: Survey Data

The socioeconomic profile of majority of nearest (95.4%), around (97.8 %) and far away (58.7%) retail store customers are middle level. The table 4.28 shows the Chi square value as 150.724 with the p value .000. Hence it is concluded that there is an association between socioeconomic profile of customers of traditional retail store before five years and their distance from organized retailers. Before five years, the socio economic profiles of majority customers of traditional retail stores

were middle level. It is clear from the analysis of socioeconomic profile of customers is, the socioeconomic profile of customers of nearest and around stores are changed from middle to lower level.

4.4.3 Impact on Profit

Traditional retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit in the initial years after the entry of large organized retailers (ICRIER, 2008). This section deals with effect of organized retailers on profit of traditional retailers.

a) Average Daily Profit

Table 4.29 analyzes the average daily profit of traditional retail store and their distance from organized retail store. To find out the impact of organized retailers on average daily profit of traditional retailers, the researcher compared the present profit with five years back profit. The difference indicates the impact on profit.

Table 4.29
Average Daily Profit (Now)

Daily profit	Distance			Total
	Nearest	Around	Far away	
less than 250	5 (2.3%)	14 (7.7%)	0 (0.0%)	19 (4.0%)
251-500	146 (66.7%)	38 (21.0%)	4 (5.3%)	188 (39.6%)
501-1000	68 (31.1%)	50 (27.6%)	55 (73.3%)	173 (36.4%)
1001-2000	0 (0.0%)	41 (22.7%)	16 (21.3%)	57 (12.0%)
2001-4000	0 (0.0%)	38 (21.0%)	0 (0.0%)	38 (8.0%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value = 233.744, df=8, p value =.000				

Source: Survey Data

In the case of nearest retail stores, average daily profit of most of the retailers have 251-500 (66.7%) followed by 501-1000 (31.1%) and less than 250 (2.3%) and none of them have more than 1000. Most of the around retail stores have average daily profit is in the order of, 501-1000 (27.6%), 1001-2000 (22.7%), 251-500(21%), 2001-4000 (21%) and less than 250 (7.7%) respectively. Majority of the far away retail store have profit in between 501-1000 (73.3%) followed by 1001-2000 (21.3%) and 251-500 (5.3%). The table 4.29 shows the Chi square value as 233.744 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. There is significant association between average daily profit of traditional retail stores and their distance from organized retail store. It is concluded that the average daily profit of the nearest store is low compared to around and far away store.

b) Average Daily Profit before Five Years

The table 4.30 shows the average daily profit of traditional retailers before five years on the basis of distance criteria.

Table 4.30

Average Daily Profit before Five Years

Daily profit	Distance			Total
	Nearest	Around	Far away	
Less than 250	2 (0.9%)	0 (0.0%)	0 (0.0%)	2 (0.4%)
251-500	20 (9.1%)	28 (15.5%)	48 (64.0%)	96 (20.2%)
501-1000	159 (72.6%)	111 (61.3%)	14 (18.7%)	284 (59.8%)
1001-2000	38 (17.4%)	37 (20.4%)	4 (5.3%)	79 (16.6%)
2001-4000	0 (0.0%)	5 (2.8%)	9 (12.0%)	14 (2.9%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value = 150.839, df=8, p value= .000				

Source: Survey Data

For the nearest retail stores, average daily profit of the most of the retailers 501-1000 (72.6%) followed by 1001-2000 (17.4%), 251-500 (9.1%) and less than 250 (.9%) and none of them had more than 2000. Majority of the around retail stores had average daily profit of 501-1000 (61.3%), 1001-2000 (20.4%), 251-500 (15.5%) and 2001-4000 (2.8%) respectively. Majority of the far away retail store had profit in between 251-500 (64%). In the case of around and far away retail store, none of them had less than 250. The above table shows the Chi square value as 150.839 with the p value .000. There is significant association between average daily profit of traditional retailers before five years on the basis of distance criteria. It is concluded that before five years, profit of the nearest store is high when compared to around and far away stores. For more clear result about the change in the profit of traditional retailers for last five years, the ANOVA tests were done.

Table 4.31

Present Average Profit per Day in the Shop

Distance	N	Mean	SD	F-value
Nearest	219	444.20	156.05	83.239 (0.000**)
Around	181	1230.66	943.98	
Far away	75	864.00	344.99	
Total	475	810.168	705.71	

Source: Survey Data

*** Significant at 1% level*

The table 4.31 shows the present average profit per day in the shop. The mean score of the average profit of the around stores is 1230.66 with SD 943.98 followed by far away stores 864.00 with SD 344.99 and the nearest stores 444.20 with SD 156.05. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. It is concluded that there is significant difference in average profit per day of traditional retail stores based on their distance from organized retail store. The present average profit per day of the nearest stores is less than around and far away stores.

Table 4.32**Average Profit per Day in the Shop before Five Years**

Distance	N	Mean	SD	F-value
Nearest	219	880.14	369.82	0.266 (p=0.767)
Around	181	842.93	461.85	
Far away	75	876.00	920.32	
Total	475	865.30	525.78	

Source: Survey Data

As per the table 4.32 the average profit before five years of the nearest stores 880.14 with SD 369.82, far away stores 876.00 with SD 920.32, around stores 824.93 with SD 461.85 respectively. The result found that there is no significant difference between average profit per day of traditional stores before five years and their distance from organized retail store.

Table 4.33**Percentage Changes in the Profit per Day for the Last Five Years**

Distance	N	Mean	SD	F-value
Nearest	219	-44.7258	24.26	33.383 (0.000**)
Around	181	69.5227	228.21	
Far away	75	42.5173	52.72	
Total	475	12.5841	152.90	

Source: Survey Data

**** Significant at 1% level**

The table 4.33 found the percentage changes in the profit per day for the last five years. In the case of the nearest stores mean score is -44.72 with SD 24.26, that means 44.7258 percentage decrease in the nearest stores for the last five years. In the case of around stores 69.5227 percentage and for far away stores 42.5173 percentage increase happen. Since the p value is less than 0.01, the null hypothesis is rejected at the 1% level of significance. There is significant difference between the changes in average profit per day of traditional stores for the last five years and their distance from organized retail store.

Table 4.34

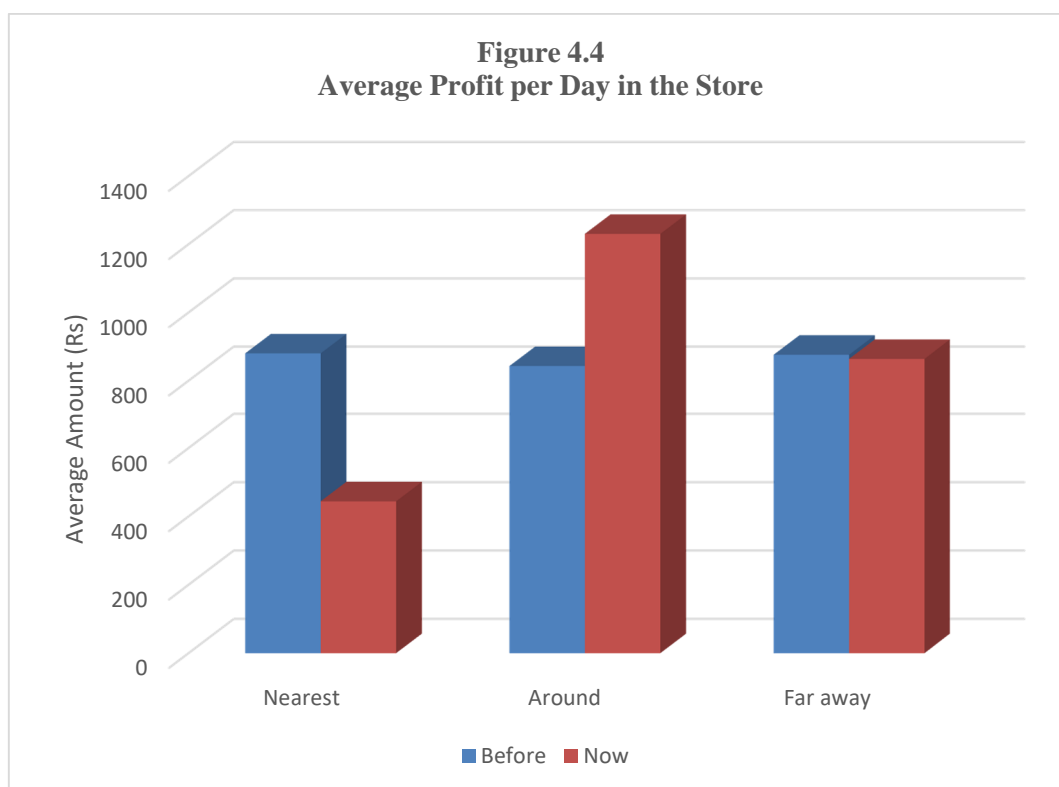
Store based Changes in the Average Profit per Day for the Last Five Years

Distance	Decrease		Increase		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Nearest	212	96.80	7	3.20	219	100
Around	86	47.51	95	52.49	181	100
Far away	15	20.00	60	80.00	75	100
Total	313	65.89	162	34.11	475	100
Chi-Square value = 190.60, df = 2, p = 0.000						

Source: Survey Data

As per the table 4.34, In the case of the nearest stores the average profit per day decreased in 212 (96.80%) stores, increased in 7(3.20%) stores. In the case of around stores profit decreased for 86 (47.51%) stores and increased in 95 (52.49%) stores. For far away stores profit decreased in 15 (20%) stores and increased in 60(80%) stores. The Chi square value as 190.60 with the p value .000. Since the p value is less than 0.01, the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between the changes in the average profit per day for the last five years and their distance from organized retail store. It is clear from the analysis is that the profit per day of the nearest stores decreased but for around and far away stores, profit increased for the last five years .It is clear from this analysis that organized retailers affected on profit of the traditional retailers in the nearest area.

Average profit per day in the store are shown in Figure 4.4.



c) Reasons for Decreasing Average Daily Profit

From the comparison of present profit and profit before five years, it is clear that, the profit of nearest store decreased, but in the case of around and far away store, there is significant increase in profit. This section discussed about reasons for decreasing average daily profit.

Table 4.35

Reasons for Decreasing Average Daily Profit

Reasons	Distance			Total
	Nearest	Around	Far away	
Competition from organized retailers	209 (96.8%)	33 (53.2%)	0 (0.0%)	242 (83.2%)
Competition from traditional retailer	7 (3.2%)	26 (41.9%)	13 (100.0%)	46 (15.8%)
Reduce value of money	0 (0.0%)	3 (4.8%)	0 (0.0%)	3 (1.0%)
Total	216 (100.0%)	62 (100.0%)	13 (100.0%)	291 (100.0%)
Chi square value = 140.024, df=4, p value .000				

Source: Survey Data

The table 4.35 shows that, daily profit of the 96.8 percent of the nearest stores decreased because of competition from organized retailers and only 3.2 percent face competition from other traditional retailers. In the case of majority of around stores, daily profit decreased because of competition from organized retailers. For far away stores, they face competition from traditional retailers. The Chi square result shows that the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between reasons for decreasing daily profit of traditional retailers and their distance from organized retail stores.

d) Profit per Month

The unorganized retailers operating in the vicinity of modern retail stores have indeed felt an impact in terms of decline in sales and profit margins (Chetan Choithani, 2009). The table 4.36 shows the monthly profit of traditional retailers on the basis of distance criteria.

Table 4.36
Profit per Month

Profit	Distance			Total
	Nearest	Around	Far away	
Less than 3000	2 (0.9%)	24 (13.3%)	0 (0.0%)	26 (5.5%)
3001-5000	121 (55.3%)	13 (7.2%)	4 (5.3%)	138 (29.1%)
5001-7000	79 (36.1%)	18 (9.9%)	27 (36.0%)	124 (26.1%)
7001-15000	17 (7.8%)	18 (9.9%)	31 (41.3%)	66 (13.9%)
15001-25000	0 (0.0%)	55 (30.4%)	13 (17.3%)	68 (14.3%)
More than 25000	0 (0.0%)	53 (29.3%)	0 (0.0%)	53 (11.2%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value 356.958, df=10, p value .000				

Source: Survey Data

In the case of nearest retail stores average profit per month is 3001-5000 (55.3%) followed by 5001-7000 (36.1%), 7001-15000 (7.8%), less than 3000 (0.9%) and none of them have more than 15000. Most of the around retail stores have average profit per month is in the order of, 15001-25000 (30.4%), more than 25000 (229.3%), less than 3000 (13.3%), 5001-7000 (9.9%), 7001-15000 (9.9%) and 3001-5000 (7.2%) respectively. For far away retail stores have the profit in between 7001-15000 (41.3%) followed by 5001-7000 (36%), 15001-25000 (17.3%). The result shows the Chi square value as 356.958 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant association between percent of average profit per month of traditional stores and their distance from organized retail stores. The monthly profit of nearest traditional stores is less than around and far away stores.

e) Profit per Month before Five Years

To find out the effect of organized retailers on profit of traditional retailers, researcher compare the present profit with five years back profit .The difference considered as the effect of organized retailers on profit. The table 4.37 shows the profit per month of traditional retailers before five years.

Table 4.37
Profit per Month before Five Years

Average Profit	Distance			Total
	Nearest	Around	Far away	
Less than 3000	0 (0.0%)	0 (0.0%)	4 (5.3%)	4 (0.8%)
3001-5000	18 (8.2%)	32 (17.7%)	26 (34.7%)	76 (16.0%)
5001-7000	93 (42.5%)	17 (9.4%)	25 (33.3%)	135 (28.4%)
7001-15000	87 (39.7%)	88 (48.6%)	0 (0.0%)	175 (36.8%)
15001-25000	21 (9.6%)	39 (21.5%)	10 (13.3%)	70 (14.7%)
More than 25000	0 (0.0%)	5 (2.8%)	10 (13.3%)	15 (3.2%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value = 161.439, df=10, p value =.000				

Source: Survey Data

In the case of nearest retail stores, average profit per month is 5001-7000 (42.5%) followed by 7001-15000 (39.7%), 15001-25000 (9.6%) and 3001-5000 (8.2%). In the case of around retail stores, average profit per month is 7001-15000 (48.6%) followed by 15001-25000 (21.5%) and 3001-5000 (17.7%). For far away retail store, the monthly profit in between 3001-5000 (34.7%) followed by 5001-7000 (33.35%). The table 4.37 shows the Chi square value as 161.439 with the p value .000. Since the p value is less than 0.01, the null hypothesis is rejected at the 1% level of significance. There is significant association between average profit per month before five years and distance from organized retail store. From the comparison of above two tables, it is clear that average profit of nearest stores decreased after the arrival of organized retailers.

f) Reasons for Decreasing Average Monthly Income

The table 4.38 shows the reasons for decreasing average monthly income

Table 4.38
Reasons for Decreasing Average Monthly Income

Reason	Distance			Total
	Nearest	Around	Far away	
Competition from organized retailers	215 (100.0%)	39 (62.9%)	0 (0.0%)	254 (87.6%)
Competition from traditional retailer	0 (0.0%)	23 (37.1%)	13 (100.0%)	36 (12.4%)
Total	215 (100.0%)	62 (100.0%)	13 (100.0%)	290 (100.0%)
Chi square value=156.936, df=2, p=.000				

Source: Survey Data

The table 4.38 reveals the reasons for decreasing monthly profit. The reason for decreasing monthly profit of the nearest retail stores is competition from organized retailers and for far away shops is competition from traditional retail shops. At the same time around stores face competition from organized (62.9%) and traditional (37.1%) retail stores. The chi square result shows that there is significant

association between the average monthly income of traditional retailers and their distance from organized retailers.

4.4.4 Attitude of Traditional Retailers

The section 4.4.4 shows the attitude of traditional retailers towards market trends, dealing with competition and children taking up business of traditional retailers and their distance from organized retailers.

H0: There is no significant association between attitude of traditional retailers and their distance from organized retailers.

a) Attitude towards Market Trends

The table 4.39 shows the attitude of traditional retailers towards market trends. The table contains five statements, A1, A2, A3, A4, and A5. A1: “A supermarket/large self-service store is the way to be in the future”, A2: “Organized store are temporary phenomena, they will not last over a period of time”, A3: “Supermarkets/large self-service stores are good, but I am fine in my own business format. I do not need to change ”, A4: “My set of customers are different from those of modern/large self-service stores so there will not be any effect on my business”, A5: “I have a set of loyal/regular customers that will not change even if new, more modern stores come in”

Table 4.39

Attitude towards Market Trends

Attitude	Nearest				Around				Far away				Chi-square value	P
	SD	DA	SWA	A	SD	DA	SWA	A	SD	DA	SWA	A		
A1	13(5.9%)	113(51.6%)	-	93(42.5%)	4(2.2%)	62(34.3%)	26(14.4%)	89(49.2%)	-	30(40%)	6(8%)	39(52%)	46.240	.000**
A2	18(8.2%)	71(32.4%)	2(.9%)	128(58.4%)	27(14.9%)	92(50.8%)	-	62(34.3%)	6(8%)	39(52%)	-	30(40%)	30.167	.000**
A3	11(5%)	1(.5%)	1(.5%)	206(94.1%)	26(14.4%)	-	-	155(85.6%)	7(9.3%)	-	-	68(90.7%)	12.455	.053
A4	3(1.4%)	28(12.8%)	-	188(85.8%)	3(1.7%)	1(1.6%)	2(1.1%)	175(96.7%)	-	-	-	75(100%)	36.014	.000**
A5	1(.5%)	211(96.3%)	2(9%)	5(2.3%)	-	33(18.2)	-	148(81.8%)	-	49(65.3%)	-	26(34.7%)	268.083	.000**

Source: Survey Data

** Significant at 1% level

From the table 4.39, it is clear that most of the nearest retail stores (51.6%) are disagree with the statement “A supermarket/large self-service store is the way to be in the future”, but most of the around (49.2%) and far away (52%) retail stores are agree with this statement. The Chi square result shows that the p value is less than .01, the null hypothesis is rejected. Majority of the nearest retail stores (58.4%) are agree with the statement “Organized store are temporary phenomena, they will not

last over a period of time”, but majority of the around (50.8%) and far away (52%) stores are disagree with this statement. The Chi square result shows that the p value is less than .01, the null hypothesis is rejected. The majority traditional retailers from the nearest (94.1%), around (85.6%) and far away (90.7%) are agree with the statement, “Supermarkets/large self-service stores are good, but I am fine in my own business format. I do not need to change” and the Chi square value shows that the p value is greater than .05, the null hypothesis is accepted. In the case of the statement “My sets of customers are different from those of modern/large self-service stores so there will not be any effect on my business”, majority of the traditional retailers, nearest store (85.8%), around store (96.7%) and far away stores (100%) are agree with this statement. The Chi square result shows that the p value is less than .01, the null hypothesis is rejected. Majority of the nearest(96.3%) and far away (65.3%) retail stores are agree with the statement “I have a set of loyal/regular customers that will not change even if new, more modern stores come in” but around stores (81.8%) are disagree with this statements. The Chi square result shows that the p value is less than .01, the null hypothesis is rejected.

Hence it is concluded that, in the case market Trend, most of the nearest retailers does not believe that organized retailers are the way to be in the future. They expect that organized retail stores are temporary phenomena – they will not last over a period of time. Most of the nearest retailers are fine with their own business format and they believe that their customers are different but there is a chance to change to organized retail stores. In the case of around and far away stores they believe in the high future of organized retailers. They are fine with their business format. Around retailers believe that their customers are different that will not change even if new, more modern stores come in. But the far away stores believed that their customers are different but there is a chance to change to organized retail stores.

b) Attitude towards Dealing with Competition

The table 4.40 shows the attitude of traditional retailers towards dealing with competition. This section includes three statements B1, B2 and B3. B1: “I would like to change my business in keeping with modern times”, B2: “I don’t have the resources to change my business in keeping with modern times”, and B3: “We have always been doing this business in a certain way. I do not see any reason to change that”.

Table 4.40

Attitude towards Dealing with Competition

Attitude	Nearest				Around				Far away				Chi-square value	P
	SD	DA	SWA	A	SD	DA	SWA	A	SD	DA	SWA	A		
B1	3(1.4%)	7(3.2%)	-	209(95.4%)	6(3.3%)	128(70.7%)	2(1.1%)	45(24.9%)	-	26(34.7%)	-	49(65.3%)	217.63	.000***
B2	7(3.2%)	1(.5%)	3(1.4%)	208(95%)	-	121(66.9%)	-	60(33.1%)	-	26(34.7%)	-	49(65.3%)	209.033	.000***
B3	1(.5%)	216(98.6%)	-	2(9%)	3(1.7%)	53(29.3%)	125(69.1%)	-	-	49(65.3%)	26(34.7%)	-	224.915	.000***

Source: Survey Data

** Significant at 1% level

The table 4.40 shows the attitude of traditional retailers towards dealing with competition. Majority of the nearest (95.4%) and far away (65.3%) retailers are agree with the statements “I would like to change my business in keeping with modern times”, but majority of the around retailers (70.7%) are disagree with this statement. The nearest (95%) and far away (65.3%) retailers are agree with the statement “I don’t have the resources to change my business in keeping with modern

times”but around retailers (66.9%) are disagree with these statements. In the case of “We have always been doing this business in a certain way. I do not see any reason to change that” nearest (98.6%) and far away (65.3%) retailers are disagree. The p value of above three statements is less than .01, so the null hypothesis is rejected at 1% of significance. There is significance difference between attitude of traditional retailers towards dealing with the competition and their distance from organized retailers. In the case of dealing with the competition, for the nearest and far away retailers wants to change their business in keeping with modern times but they don’t have resources to change, but majority of the around retailers don’t want to change their business in keeping with modern times.

c) Attitude towards Children Taking Up Business

The table 4.41 shows the attitude of traditional retailers towards children taking up business. The table contains three statements C1, C2 and C3. C1: “I would definitely like my children to continue with the same business”, C2: “I would like my children to get into my business but will leave the choice to them” and C3: “I would insist that my children take up anything other than this business”.

Table 4.41

Attitude towards Children Taking Up Business

Attitude	Nearest				Around				Far away				Chi-square value	P
	SD	DA	SWA	A	SD	DA	SWA	A	SD	DA	SWA	A		
C1	-	212(96.8%)	2(.9%)	5(2.3%)	-	118(65.2%)	6(3.3%)	57(31.5%)	-	68(90.7%)	-	7(9.3%)	77.068	.000**
C2	1(.5%)	168(76.7%)	1(.5%)	49(22.4%)	-	69(38.1%)	3(1.7%)	109(60.2%)	-	18(24%)	-	57(76%)	95.674	.000**
C3	9(4.1%)	4(1.8%)	2(.9%)	204(93.2%)	-	91(50.3%)	7(3.9%)	83(45.9%)	-	53(70.7%)	-	22(29.3%)	187.590	.000**

Source: Survey Data

** Significant at 1% level

The table 4.41 shows that, In the case of attitude towards children taking up business, majority of the nearest (96.8%) around (65.2%) and far away (90.7%) retailers disagree with the statement “I would definitely like my children to continue with the same business”. The majority of the nearest (93.2%) retailers agree with the statement “I would insist that my children take up anything other than this business” but around (60.2%) and far away (76%) retailers agree with the statement “I would like my children to get into my business but will leave the choice to them” The analysis shows that the p value of statements of attitude towards children taking up business is less than .01, so the null hypothesis rejected at 1% level of significance. In the case of attitude towards children taking up business, the nearest retailers are strongly against children taking up business but around and far away retailers would like to children get into their business but will leave the choice to them.

Table 4.42**Attitude of Traditional Retailers towards Market Trend**

SI No	Variables	test value = 3			
		Mean	SD	t value	p value
1.	The way to be in the future	2.96	1.02	-.810	.419
2.	Temporary phenomena	2.82	1.13	-3.394	.001**
3.	I am fine in my own business format.	3.71	.87	17.836	.000**
4.	My set of customers are different.	3.83	.58	31.432	.000**
5.	I have a set of loyal/regular customers.	2.75	.97	-5.477	.001**

Source: Survey Data

*** Significant at 1% level*

The table 4.42 shows the attitude of traditional retailers towards market trend. It is clear from the analysis that the mean scores of the statements, “Supermarkets/large self-service stores are good, but I am fine in my own business format. I do not need to change” (Mean score=3.71) and “My set of customers are different from those of modern/large self-service stores so there will not be any effect on my business” (Mean score=3.83) are above the test value (3) and these statements are significant. In the case of the statements, “A supermarket/large self-service store is the way to be in the future” (Mean score=2.96), “Supermarkets/large self-service stores are temporary phenomena – they will not last over a period of time” (Mean score=2.82) and “I have a set of loyal/regular customers that will not change even if new, more modern stores come in” (Mean score=2.75), the mean values are significantly less than test value and most of the retailers disagree with these statements.

Table 4.43**Attitude of Traditional Retailers on Dealing with Competition**

SI No	Variables	test value = 3			
		Mean	SD	t value	p value
1.	I would like to change	3.26	0.99	5.73	.000**
2.	I do not have the resources	3.33	0.97	7.36	.000**
3.	I do not see any reason	2.64	0.95	-8.22	.000**

Source: Survey Data

** Significant at 1% level

The attitude of traditional retailers towards dealing with competition is shown in the table 4.43, which make it clear that the mean score of first two statements, “I would like to change my business in keeping with modern times” (Mean score =3.26) and “I do not have the resources to change my business” (Mean score=3.3263) are more than test value (3) and these statements are significant and most of the respondents agree with these statements. The statement, “I do not see any reason to change that” is concerned the mean score (2.64) is significantly less than test value (3). There for most of the respondents disagree with this statement.

Table 4.44**Attitude of Traditional Retailers towards Children Taking up Business**

SI No	Variables	test value = 3			
		Mean	SD	t value	p value
1.	I would definitely like	2.31	0.71	-21.25	.000**
2.	I will leave the choice to them	2.91	1.00	-1.94	.054
3.	I would insist	3.30	0.97	6.73	.000**

Source: Survey Data

** Significant at 1% level

The attitude of traditional retailers towards children taking up business is shown in the table 4.44, which make it clear that, the statement “I would insist that

my children take up anything other than this business” is concerned the mean score (3.30) is greater than test value and it is significant, most of the respondents agree with these statement. The mean scores of the statements, “I would definitely like my children to continue with the same business” (Mean score =2.31), “I would like my children to get into my business but will leave the choice to them” (Mean score =2.91) is less than test value (3) and these statements are not significant. Most of the respondents disagree with these statements.

Table 4.45

Attitude of Traditional Retailers towards Organized Retailers

Sl No	Variables	Mean	SD	Test value	t value	p value
1.	Market Trend	16.09	1.80	15	13.229	.000**
2.	Dealing with Competition	9.23	1.29	9	3.840	.000**
3.	Children taking up business	8.52	1.01	9	-10.368	.000**

Source: Survey Data

*** Significant at 1% level*

The table 4.45 shows that, the mean score of market trend (16.09) and dealing with competition (9.23) are greater than test value (15 and 9 respectively) and the p value is .000, less than .01. It is clear from this analysis that there is highly significant difference between attitude of traditional retailers towards market trend and dealing with competition and most of the respondents agree with these two variables. The mean score of children taking up business (8.52) is less than test value (9), there is less significant difference between attitude of traditional retailers towards children taking up business.

The diagrammatical representation of the attitude of traditional retailers towards market trend, dealing with Competition and children taking up business is presented in Figure 4.5.

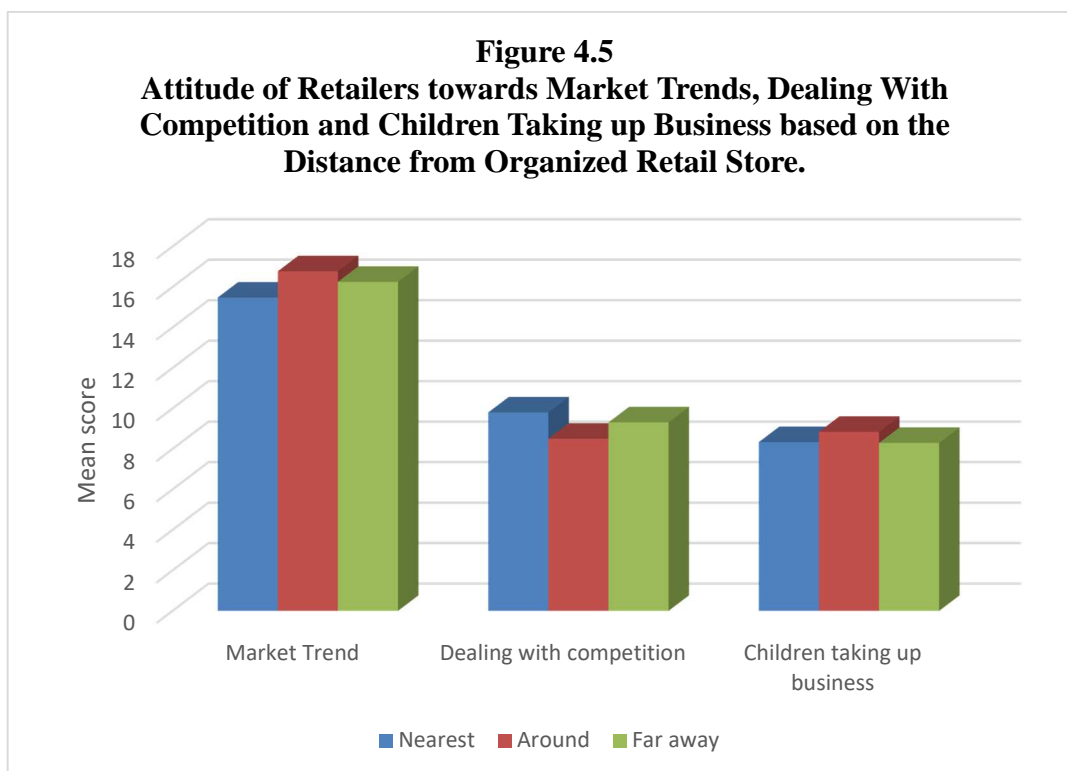


Table 4.46

Overall Attitude of Traditional Retailers towards Organized Retailers

Test Value = 33					
Sl No	Variable	Mean	SD	t value	p value
1.	Attitude of traditional retailers to organized retailers	33.8400	2.55	7.175	.000**

Source: Survey Data

*** Significant at 1% level*

The table 4.46 makes it clear that, The mean score of the attitude of traditional retailers to organized retailers (mean score=33.84) is greater than test value (33) and it is significant with the p value .000 less than .01, so it is clear that there is a highly significant difference between overall attitude of traditional retailers towards organized retailers .

Attitude of Traditional Retailers towards Organized Retailers Based on Distance

One way Analysis of Variance was used for comparing the attitude of traditional retailers towards organized retailers based on distance category and testing the stated hypothesis and the result was presented in table 4.47

H0: There is no significant difference between the attitude of traditional retailers towards organized retailers.

Table 4.47
Attitude of Traditional Retailers

Distance	N	Mean	SD	F value	p vslue
Nearest	219	33.61	3.29	1.979	0.139
Around	181	34.12	1.85		
Far away	75	33.85	1.02		
Total	475	33.84	2.55		

Source: Survey Data

The table 4.47 shows the attitude of traditional retailers to organized retailers based on distance. The result of One way ANOVA shows that the mean score of around stores (34.12) is high followed by far away stores (33.85) and the nearest stores (33.61). The p value (.139) is greater than .05, the null hypothesis is accepted at 5% level of significance. Hence it is concluded that there is no significant difference between the attitude of traditional retailers based on distance.

Attitude of Traditional Retailers towards Market Trend, Dealing with Competition and Children Taking up Business based on the Distance

The table 4.48 shows the distance wise comparison of attitude of traditional retailers towards market trend, dealing with competition and children taking up business.

Table 4.48**Attitude of Traditional Retailers towards Market Trends, Dealing with Competition and Children Taking up Business based on the Distance**

Attitude	Distance	N	Mean	SD	F value	p value
Market Trend	Nearest	219	15.47	1.82	29.258	.000**
	Around	181	16.77	1.74		
	Far away	75	16.25	1.18		
	Total	475	16.09	1.80		
Dealing with competition	Nearest	219	9.80	1.08	63.361	.000**
	Around	181	8.50	1.15		
	Far away	75	9.31	1.34		
	Total	475	9.23	1.29		
Children taking up business	Nearest	219	8.33	1.05	15.640	.000**
	Around	181	8.84	0.99		
	Far away	75	8.29	0.71		
	Total	475	8.52	1.01		
Total	Nearest	475	16.09	1.80		
	Around	475	9.23	1.29		
	Far away	475	8.52	1.01		

Source: Survey Data

*** Significant at 1% level*

The result of One way ANOVA shows that in case of market trend, the mean score of the nearest, around and far away stores are 15.47, 16.77 and 16.25, with SD 1.82, 1.74 and 1.18 respectively and the null hypothesis is rejected at 1% level of significance. There is a significant difference among the nearest, around and far away stores with regard to the attitude of traditional retailers towards market trend.

Where as in the case of dealing with competition, the mean scores of the nearest 9.80, around 8.50 and far away 9.31 stores with SD 1.08, 1.15, 1.34 respectively. The p value (.000) less than .01. Hence, it is concluded that there is a

significant difference among the nearest, around and far away stores with regard to attitude of traditional retailers towards dealing with competition.

In the case of children taking up business, the mean scores of the nearest 8.33, around 8.84 and far away 8.29 stores with SD 1.05, 0.99, 0.71 respectively. The p value of .000, less than .01. Hence, it is concluded that there is a significant difference among the nearest, around and far away stores with regard to attitude of traditional retailers towards children taking up business, In order to find out the exact difference among the groups, post hoc test was done and it is presented in table 4.49.

Table 4.49

**Post Hoc Tests (Multiple comparison):
Attitude of Retailers based on the Distance**

Attitude	Distance (I)	Distance (J)	Mean Difference (I-J)	Std. Error	Sig.
Market trend	Nearest	Around	-1.30	0.17	.000**
		Far away	-0.78	0.23	.003**
	Around	Nearest	1.30	0.17	.000**
		Far away	0.52	0.23	.085
	Far away	Nearest	0.78	0.23	.003**
		Around	-0.52	0.23	.085
Dealing with competition	Nearest	Around	1.30	0.12	.000**
		Far away	0.49	0.15	.006**
	Around	Nearest	-1.30	0.12	.000**
		Far away	-0.80	0.16	.000**
	Far away	Nearest	-0.49	0.15	.006**
		Around	0.80	0.16	.000**
Children taking up business	Nearest	Around	-0.51	0.10	.000**
		Far away	0.04	0.13	.954
	Around	Nearest	0.51	0.10	.000**
		Far away	0.55	0.13	.000**
	Far away	Nearest	-0.04	0.13	.954
		Around	-0.55	0.13	.000**

Source: Survey Data

** Significant at 1% level

The table 4.49 shows the result of post hoc test for conducting the inter group comparison. From the Scheffe post hoc test, in the case of market trends the p values of Nearest-Around (.000), Nearest- Far away(.003) are less than .01, it is clear that there is significant differences between attitude of traditional retailers related to market trends for Nearest-Around and Nearest- Far away retailers but for Around-Far away (p =.085), p value is greater than .05, there is no significant difference between attitude of traditional retailers related to market trends for Around-Far away retailers.

In the case dealing with competition, the p values of Nearest-Around (.000), Nearest- Far away (.006), Around-Far away (.000) are less than .01, it is clear that there is significant differences between the attitude of traditional retailers related to dealing with competition for Nearest-Around, Nearest-Far away retailers and Around-Far away retailers.

For children taking up business, the p values of Nearest-Around (.000), Around-Far away (.000) are less than .01, it is clear that there is significant differences between attitude of traditional retailers related to children taking up business for Nearest-Around and Around-Far away retailers but in the case of Nearest-Far away (.954), p value is greater than .05, there is no significant difference in attitude of traditional retailers related to children taking up business for Nearest-Far away retailers.

Section C

4.5 Facilities, Services and Survival Strategies

The section C deals with facilities, services and survival strategies provided by traditional retailers on the basis of distance criteria.

4.5.1. Facilities and Services

Indian consumers are likely to move from traditional kirana stores to large organized retailers while shopping for groceries, which indicate that it is inevitable that there should be a modernization of commerce in terms of facilities and services

(Paromita Goswami, Mridula S. Mishra, 2009). The table 4.50 shows the facilities and services provided by traditional retailers and their distance from organized retailers.

H0: There is no significant association between facilities and services provided by traditional retail stores and their distance from organized retail stores.

Table 4.50
Facilities and Services

Facilities and Services	Nearest			Around			Far away			Chi square value	p value
	Y	N	P	Y	N	P	Y	N	P		
Pos	1 .5%	202 92.2%	16 7.5%	37 20.4%	91 50.3%	53 29.3%	4 5.3%	54 72%	17 22.7%	97.36	.000**
Credit Card	-	218 99.5%	1 .5%	-	181 100%	-	-	75 100%	-	1.17	.557
Scanning	-	218 99.5%	1 .5%	-	181 100%	-	-	75 100%	-	1.17	.557
Computerized Accounting	1 .5%	202 92.2%	16 7.5%	37 20.4%	91 50.3%	53 29.3%	4 5.3%	54 72%	17 22.7%	97.36	.000**
Electrical Equipments	39 17.8%	84 38.4%)	96 43.8%	74 40.9%	94 51.9%	13 7.2%	17 22.1%	32 42.7%	26 34.7%	72.24	.000**
A/C	-	219 100%	-	-	181 100%	-	-	75 100%	-	-	-
Electronic Weighing Machine	178 81.3%	33 15.1%	8 3.7%	138 76.2%	18 9.9%	25 13.8%	50 66.7%	25 33.3%	-	40.83	.000**
Credit Cards	-	218 99.5%	1 .5%	-	181 100%	-	-	75 100%	-	1.17	.557
Cash Credit	173 79%	46 21%	-	157 86.7%	24 13.3%	-	75 100%	-	-	20.12	.000**
Home Delivery	12 5.5%	177 80.8%	30 13.7%	3 1.7%	166 91.7%	12 6.6%	-	64 85.3%	11 14.7%	14.19	.007**
After Sales Service	160 72.9%	48 22.1%	11 5%	109 60%	62 34.7%	10 5.3 %	20 26.9%	51 68%	4 5.1%	109.05	.000**

Source: Survey Data ** Significant at 1% level

The table 4.50 shows the facilities and services provided by traditional retailers with regard to the distance from organized retailers. The majority of the nearest (92.2%), around (50.3%) and far away (50.3%) stores don't use POS / Computerized billing. The nearest, around and far away retailers don't provide Credit card machine, Scanning/bar coding and Air conditioning. The table shows that 37 percent of around stores, 4 percent of far away stores and one percent of the nearest stores use Computerized Accounting, Inventory Control etc., 40.9 percent of around stores, 22.1 percent of far away stores and 17.8 percent of the nearest stores use Electrical Equipments. Majority of the nearest (81.3%), around (76.2%) and far away (66.7%) stores use electronic weighing machine. Majority of the traditional retail stores from nearest (79%), around (86.7%) and far away (100%) provide cash credit to their customers. In the case of home delivery, 5.5 percent of the nearest stores 1.7% percent of around stores provide and far away stores don't provide this facility. Majority of the nearest (72.9%) and far away stores (60%) provide after sales service but 68% of far away stores don't provide this facility.

Hence it is concluded that majority of the traditional retail stores provide Electronic Weighing Machine, Cash Credit but majority of the retailers don't provide POS / Computerized billing, Computerized Accounting, Inventory Control, Electrical Equipments, Home Delivery and none of them Provide Credit Card Machine, Air Conditioning and Scanning / Bar Coding. Majority of the nearest and around stores provide After Sales Service but most of the far away stores don't provide this facility.

4.5.2 Change in Retail Business

The table 4.51 shows the significant relationship between changes in traditional retail business after organized retail store opening nearby on the basis of distant criteria.

Table 4.51
Change in Retail Business

Change in retail business	Distance			Total
	Nearest	Around	Far away	
Yes	218 (99.5%)	173 (95.6%)	19 (25.3%)	410 (86.3%)
No	1 (0.5%)	8 (4.4%)	56 (74.7%)	65 (13.7%)
Total	219 (100.0%)	181 (100.0%)	75 (100.0%)	475 (100.0%)
Chi square value= 281.729, df=2, p value = .000				

Source: Survey Data

The table 4.51 shows that majority of nearest (99.5%) and around (95.6%) retailers change their business after organized retailers opening nearby but only 25.3 percent far away retailers change their business. The table 4.51 shows the Chi square value as 281.729 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. There is an association between any change in traditional retail business after organized retail store opening nearby and distance from organized retailers. Hence it is concluded that the opening of organized retailers highly affected the nearest and around stores than far away stores.

4.5.3 Survival Strategies Adopted by Traditional Retailers

Some kind of intervention is required for traditional retailer's future existence. So the initiatives should be taken to protect the interest of the traditional sector as this sector having the employment opportunity to the majority of the society and this is the one of the areas of entrepreneurship development in the country as the most of the retails respondents are having less than one lakh rupee investment and belonging to the low income families. The traditional retailers should make strategies to retain their customers by providing quality goods and services and they should also go for collaborations within the regional level then only they can survive in this globally competitive world (Shikha Bhatnagar, 2015).

a) Product Related Survival Strategies

The table 4.52 shows the product related survival strategies adopted by traditional retailers based on distance criteria.

Table 4.52
Product Related Survival Strategies

Survival strategies	Distance from organized retailers						Chi-square value	p value
	Nearest		Around		Far away			
	Yes	No	Yes	No	Yes	No		
Packet items	150 (68.5%)	69 (31.5%)	128 (70.7%)	53 (29.3%)	51 (68%)	24 (32%)	.297	.862
Added new product lines	212 (96.8%)	7 (3.2%)	161 (89%)	20 (11%)	69 (92%)	6 (8%)	9.607	.008**
Discontinued some product lines	176 (80.4%)	43 (19.6%)	115 (63.5%)	66 (36.5%)	59 (78.7%)	16 (21.3%)	15.615	.000**
Increased number of brands	161 (73.5%)	58 (26.5%)	122 (67.4%)	59 (32.6%)	45 (60%)	30 (40%)	5.148	.076

Source: Survey Data

***Significant at 1% level*

The table 4.52 shows the product related survival strategies adopted by traditional retailers with regard to distance from organized retailers. It is clear from the analysis that majority of the around stores (70.7%) increased packet items followed by nearest stores (68.5%) and far away stores (68%). Majority of the nearest stores (96.8%), far away stores (92%) and around stores (89%) added new product lines. Majority of the nearest stores (80.4%) discontinued some product lines followed by far away stores (78.7%) and around stores (63.5%). Majority of the nearest stores (73.5%) around stores (67.4%) and far away stores (60%) increased number of brands. The Chi square value shows that, the p value of added new product lines, discontinued some product lines is less than .01, the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is significant difference among traditional retailers of various distance from organized retailers with regard to added new product lines and discontinued some product

lines. The p values of increased packet items and increased number of brands is greater than .05, so, there is no significant difference among traditional retailers of various distance from organized retailers with regard to increased packet items and increased number of brands.

b) Price Related Survival Strategies

The table 4.53 shows the price related survival strategies adopted by traditional retailers based on distance criteria.

Table 4.53
Price Related Survival Strategies

Survival strategies	Distance from organized retailers						Chi-square value	p value
	Nearest		Around		Far away			
	Yes	No	Yes	No	Yes	No		
Reduced Price	71 (32.4%)	148 (67.6%)	18 (9.9%)	163 (90.1%)	16 (21.3%)	59 (78.7%)	29.103	.000**
Reduced expenses	115 (52.5%)	104 (47.5%)	55 (30.14%)	126 (69.6%)	16 (21.3%)	59 (78.7%)	32.238	.000**
Reduced Staff	111 (50.7%)	108 (49.3%)	44 (24.3%)	137 (75.7%)	16 (21.3%)	59 (78.7%)	38.237	.000**
Discount	2 (.9%)	217 (99.1%)	16 (8.8%)	165 (91.2%)	-	75 (100%)	20.586	.000**

Source: Survey Data

***Significant at 1% level*

The table 4.53 shows the price related survival strategies adopted by traditional retailers with regard to distance from organized retailers. It is clear from the above analysis that, majority of the around (90.1%) far away (78.7) and the nearest (67.6%) retail stores did not reduce price, but majority of the nearest stores reduced expenses and reduced staffs. Only 16 percent of the around and two percent of the nearest stores provide discount to their customers and far away stores did not provide discount and offers. Since the p values of reduced price, reduced expenses, reduced staff and discount, offers are .000, the null hypothesis is rejected at 1% level

of significance. Hence it is concluded that there is significant difference among the nearest, around and far away retailers with regard to price related survival strategies.

c) Distribution Related Survival Strategies

The table 4.54 shows the distribution related survival strategies adopted by traditional retailers based on distance criteria.

Table 4.54

Distribution Related Survival Strategies

Survival strategies	Distance from organized retailers						Chi-square value	p value
	Nearest		Around		Far away			
	Yes	No	Yes	No	Yes	No		
Home delivery	8 (3.7%)	211 (96.3%)	22 (12.2%)	159 (87.8%)	3 (4%)	72 (96%)	12.28	.002**
Convenient timing	167 (76.3%)	52 (23.7%)	107 (59.1%)	74 (40.9%)	62 (82.7%)	13 (17.3%)	20.19	.000**
Self service	167 (76.3%)	52 (23.7%)	74 (40.9%)	107 (59.1%)	33(44%)	42 (56%)	57.63	.000**
Credit facility	192 (87.7%)	27 (12.3%)	115 (63.5%)	66 (36.5%)	16 (21.3%)	59 (78.7%)	115.66	.000**
Training staffs	9 (4.1%)	210 (95.9%)	1 (.6%)	180 (99.4%)	-	75 (100%)	7.99	.018*

Source: Survey Data

**Significant at 1% level

* Significant at 5% level

In the case of distribution related survival strategies adopted by traditional retailers with regard to distance from organized retailers, only 12.2 percent of around, 4 percent of far away and 3.7 percent of nearest stores are improved home delivery; 76.3 percent of nearest stores, 44 percent far away stores and 40.9 percent around stores are introduced self service. Majority of the nearest (87.7%) and around (63.5%) stores extent their credit facility but only 21.3 percent of far away stores are extent their credit facility. Only 4.1 percent of nearest and 6.5 percent of around stores are training staffs for politely service. As per the Chi square result, p values of the Improved home delivery (p =.002), Convenient timing of operation (p =.000),

Introduced self service ($p = .000$), Extension of credit facility ($p = .000$) and Training staffs for Politely service ($p = .018$), are less than .05, the null hypothesis is rejected at 5% level of significance. There is significant difference among traditional retailers with regard to distribution related survival strategies based on distance from organized retailers. Hence it is concluded that majority of the traditional retailers introduced self service, convenient timing of operation and extend their credit facility. But very few retailers improved their home delivery and provided training to their employees.

d) Promotion Related Survival Strategies

The table 4.55 shows the promotion related survival strategies adopted by traditional retailers based on distance criteria.

Table 4.55
Promotion Related Survival Strategies

Survival strategies	Distance from organized retailers						Chi-square value	p value
	Nearest		Around		Far away			
	Yes	No	Yes	No	Yes	No		
After sales service	129 (58.9%)	90 (41.1%)	116 (64.1%)	65 (35.9%)	37 (49.3%)	38 (50.7%)	4.822	.090
Varieties of products	207 (94.5%)	12 (5.5%)	133 (73.5%)	48 (26.5%)	66 (88%)	9 (12%)	35.789	.000**
Attractive appearance of retail shops	69 (31.5%)	150 (68.5%)	73 (40.3%)	108 (59.7%)	22 (29.3%)	53 (70.7%)	4.476	.107
Advertisement	10 (4.6%)	209 (95.4%)	2 (1.1%)	179 (98.9%)	-	75 (100%)	7.129	.028*

Source: Survey Data

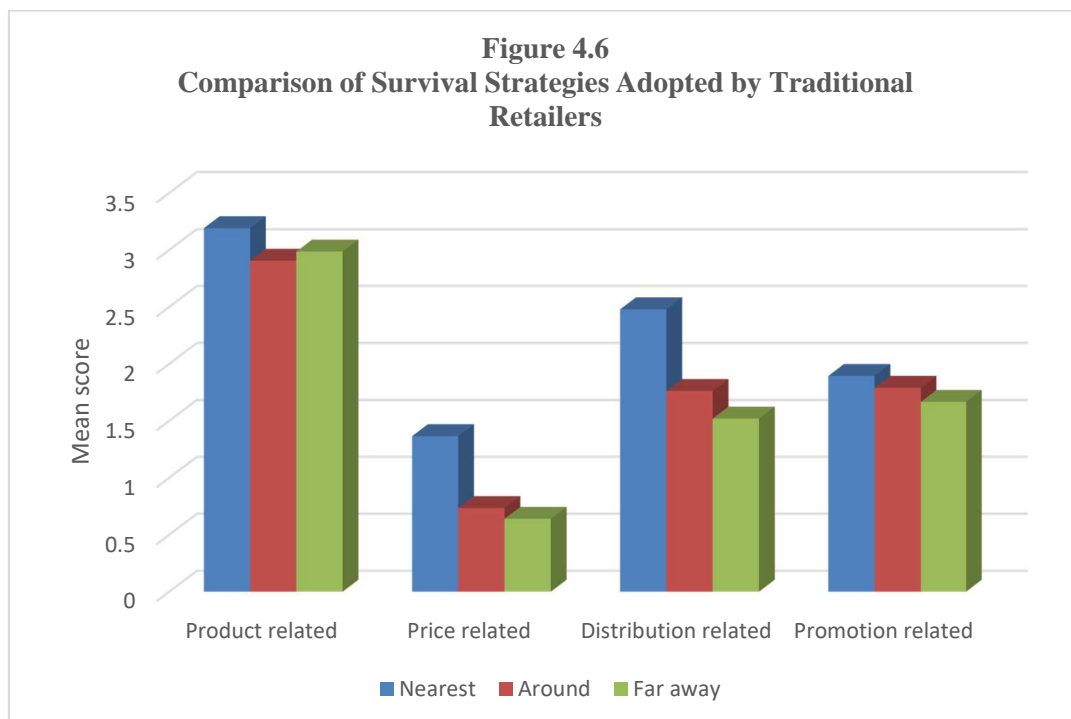
***Significant at 1% level*

** Significant at 5% level*

From the table 4.55 concerned, in the case of promotion related strategies, majority of the nearest (58.9%) retail store offered after sales service followed by around (64.1%) and far away (49.3%) stores. Majority of nearest stores (94.5%), far away stores (88%) and around stores (73.5%) provide varieties of products. Only 29.3 percent far away stores give attractive appearance to their shops followed by

31.5 percent nearest stores and 40.3 percent around stores. Only 4.6 percent nearest stores provide advertisement followed by 1.1 percent around stores. For promotion related survival strategies, the p value of varieties of products ($p=.000$) and advertisement ($p=.028$) are less than .05, the null hypothesis is rejected. In the case of after sales service and attractive appearance of retail shops, the p values are (.090 and .107 respectively) greater than .05. The null hypothesis is accepted. Hence it is concluded that there is significant difference between the nearest, around and far away retailers towards varieties of products and advertisement but there is no significant difference between the nearest, around and far away retailers towards after sales service and attractive appearance of retail shops.

The survival strategies adopted by the nearest, around and far away retailers are diagrammatically presented in Figure 4.6



Survival Strategies Adopted by Traditional Retailers

One way Analysis of Variance was used for comparing the survival strategies adopted by traditional retailer's based on the distance criteria and testing the stated hypothesis and the result is presented in table 4.56.

H0: There is no significant difference in the survival strategies adopted by traditional retailers among the nearest, around and far away retailers.

Table 4.56

Survival Strategies Adopted by Traditional Retailers

Survival strategies	Distance	N	Mean	SD	F value	p value
Product related	Nearest	219	3.1918	1.22651	2.414	.091
	Around	181	2.9061	1.47461		
	Far away	75	2.9867	1.20240		
	Total	475	3.0505	1.32709		
Price related	Nearest	219	1.3653	1.24292	18.937	.000**
	Around	181	.7348	1.03621		
	Far away	75	.6400	1.23726		
	Total	475	1.0105	1.21084		
Distribution related	Nearest	219	2.4795	.66587	61.726	.000**
	Around	181	1.7624	.85889		
	Far away	75	1.5200	.92063		
	Total	475	2.0547	.88181		
Promotion related	Nearest	219	1.8950	.63746	4.860	.008**
	Around	181	1.7901	.47153		
	Far away	75	1.6667	.57735		
	Total	475	1.8189	.57447		
Total	Nearest	219	8.9315	1.27785	43.859	.000**
	Around	181	7.1934	2.73682		
	Far away	75	6.8133	2.62366		
	Total	475	7.9347	2.35328		

Source: Survey Data

*** Significant at 1% level*

The table 4.56 shows the distance wise comparison of survival strategies adopted by traditional retailers. The result of One way ANOVA shows that, in the case of product related strategies ($p=.091$), the null hypothesis is accepted. There is no significant difference in the product related survival strategies adopted by traditional retailers among the nearest ,around and far away retail stores .Where as

in the case of survival strategies related to price ,distribution and promotion, the p values (.000) are less than .01 Hence, it is concluded that there is a significant differences among the Nearest, Around and Far away stores with regard to survival strategies related to price ,distribution and promotion. In order to find out the exact difference among the groups, post hoc test was done and it is presented in table 4.58.

Table 4.57

Post Hoc Test (Multiple Comparisons): Survival Strategies Adopted by Traditional Retailers

Attitude	Distance (I)	Distance (J)	Mean Difference (I-J)	Std. Error	Sig.
Product related	Nearest	Around	.28570	.13292	.100
	Around	Far away	-.08059	.18170	.906
	Far away	Nearest	-.20511	.17702	.512
Price related	Nearest	Around	.63049*	.11728	.000**
	Around	Far away	.09481	.16032	.840
	Far away	Nearest	-.72530*	.15619	.000**
Distribution related	Nearest	Around	.71702*	.07903	.000**
	Around	Far away	.24243	.10804	.082
	Far away	Nearest	-.95945*	.10526	.000**
Promotion related	Nearest	Around	.10492	.05724	.188
	Around	Far away	.12339	.07826	.289
	Far away	Nearest	-.22831	.07624	.012*
Total	Nearest	Around	1.73814	.21754	.000**
	Around	Far away	.38004*	.29739	.443
	Far away	Nearest	-2.11817	.28973	.000**

Source: Survey Data

** *Significant at 1% level*

**Significant at 5% level*

The table 4.57 shows the result of Post Hoc test for conducting the inter group comparison. From the Scheffe Post Hoc test, In the case of product related survival strategies p values of Nearest-Around retailers (p=.100), Around -Far away retailers (p=.906) and Far away -Nearest retailers (p=.512) are greater than .05, the null hypothesis is accepted. There is no significant difference in the product related

survival strategies adopted by traditional retailers among the Nearest, Around and Far away retail stores. In the case of Price related survival strategies p values of Nearest -Around retailers ($p=.000$) and Far away _ Nearest retailers ($p=.000$) are less than .01, the null hypothesis is rejected. There is significant difference in the price related survival strategies adopted by traditional retailers among the Nearest _Around and Far away _ Nearest retailers. For Around _Far away retailers ($p=.840$) p value is greater than .05, the null hypothesis is accepted. In the case of Distribution related survival strategies p values of Nearest _Around retailers ($p=.000$) and Far away _ Nearest retailers ($p=.000$) are less than .01, the null hypothesis is rejected. There is significant difference in the distribution related survival strategies adopted by traditional retailers among the Nearest_Around retailers and Far away _ Nearest retailers. For Around _Far away retailers ($p=.082$) p value is greater than .05, the null hypothesis is accepted. For Promotion related survival strategies p values of Nearest _Around (.188) and Around _Far away retailers ($p=.289$) are greater than .05, the null hypothesis is accepted. There is no significant difference in the Promotion related survival strategies adopted by traditional retailers for Nearest_Around and Around_Far away retailers but for Far away _ Nearest retailers ($p=.012$) p value is less than .05, the null hypothesis is rejected.

Survival Strategies Adopted by Traditional Retailers based on the Distance

The table 4.58 shows the distance wise comparison of survival strategies adopted by traditional retailers.

H0: There is no significant difference in the survival strategies adopted by traditional retailers based on the distance.

Table 4.58**Survival Strategies Adopted by Traditional Retailers based on the Distance
(Multiple comparison)**

Survival strategies	Distance	N	Mean	Std. Deviation	F value	Pvalue
SS_Product	Nearest	219	3.1918	1.22651	.77	.461
	Around	167	3.1497	1.25932		
	Far away	75	2.9867	1.20240		
	Total	461	3.1432	1.23407		
SS_Price	Nearest	136	2.1985	.80572	14.71	.000**
	Around	71	1.8732	.77330		
	Far away	16	3.0000	.00000		
	Total	223	2.1525	.81322		
SS_Distribution	Nearest	219	2.4795	.66587	43.15	.000**
	Around	163	1.9571	.66062		
	Far away	65	1.7538	.75064		
	Total	447	2.1834	.73807		
SS_Promotion	Nearest	219	1.8950	.63746	4.789	.009**
	Around	179	1.8101	.43409		
	Far away	75	1.6667	.57735		
	Total	473	1.8266	.56333		
SS_Total	Nearest	219	7.3288	3.17843	10.54	.000**
	Around	181	5.9006	3.19567		
	Far away	75	6.8133	2.62366		
	Total	475	6.7032	3.16666		

Source: Survey Data

* **Significant at 1% level

The table 4.58 shows the distance wise comparison of survival strategies adopted by traditional retailers. The result of One Way ANOVA shows that in the case of Product related strategies ($p=.461$), the null hypothesis is accepted. There is no significant difference among the nearest, around and far away stores with regard

to the product related survival strategies adopted. Where as in case of survival strategies related to price, distribution and promotion, the p value (.000) is less than .01 Hence, it is concluded that there is a significant difference among the nearest, around and far away stores with regard to price ,distribution and promotion related survival strategies .In order to find out the exact difference among the groups, post hoc test was done and presented in table 4.59.

Table 4.59

Post Hoc Test: Distance wise Comparison of Survival Strategies

Dependent Variable	(I) DistCat	(J) DistCat	Mean Difference (I-J)	Std. Error	Sig.
SS_Product	Nearest	Around	.04208	.12684	.946
	Around	Far away	.16303	.17162	.637
	Far away	Nearest	-.20511	.16519	.463
SS_Price	Nearest	Around	.32529*	.11233	.016*
	Around	Far away	-1.12676*	.21232	.000**
	Far away	Nearest	.80147*	.20277	.001**
SS_Distribution	Nearest	Around	.52240*	.07002	.000**
	Around	Far away	.20321	.09929	.124
	Far away	Nearest	-.72561*	.09561	.000**
SS_Promotion	Nearest	Around	.08492	.05631	.322
	Around	Far away	.14339	.07687	.177
	Far away	Nearest	-.22831	.07477	.010**
SS_Total	Nearest	Around	1.42821	.31189	.000**
	Around	Far away	-.91278*	.42636	.102
	Far away	Nearest	-.51543*	.41539	.464

Source: Survey Data

** Significant at 1% level

*Significant at 5% level

The table 4.59 shows the result of Post Hoc test for conducting the inter group comparison. From the Scheffe Post Hoc test, In the case of product related survival strategies p values of Nearest_ Around retailers (p=.946), Around _Far away retailers (p=.637) and Far away _ Nearest retailers (p=.463) are greater than .05, the null hypothesis is accepted. There is no significant difference in the product related

survival strategies adopted by the nearest, around and far away retail stores. In the case of Price related survival strategies p values of Nearest _Around retailers (p=.016), Around _Far away retailers (p=.000) and Far away _ Nearest retailers (p=.001) are less than .05, the null hypothesis is rejected. There is significant difference in the price related survival strategies adopted by traditional retailers among the Nearest_Around , Around _Far away and Far away _ Nearest retailers . In the case of distribution related survival strategies p values of Nearest _Around retailers (p=.000) and Far away _ Nearest retailers (p=.000) are less than .01, the null hypothesis is rejected. There is significant difference in the distribution related survival strategies adopted by the Nearest _Around retailers and Far away _ Nearest retailers. For Around _Far away retailers (p=.124) p value is greater than .05, the null hypothesis is accepted. For Promotion related survival strategies p values of Nearest _Around (.322) and Around _Far away retailers (p=.177) are greater than .05, the null hypothesis is accepted. There is no significant difference in the promotion related survival strategies adopted by traditional retailers for Nearest _Around and Around _Far away retailers but for Far away _ Nearest retailers (P=.010) p value is less than .01, the null hypothesis is rejected .

4.5.3.1 Survival Strategies based on the Number of Customers

Retailers are classified as high, average and low on the basis of number of customers and the survival strategies adopted are compared using analysis of variance and it is presented in Table 4.60.

Table 4.60

Survival Strategies Based on the Number of Customers

Number of customers	N	Mean	SD	F-value
High	107	5.86	3.01	5.435 (.005**)
Average	327	7.00	2.99	
Low	41	6.51	4.35	
Total	475	6.70	3.17	

Source: Survey Data

* *Significant at the 0.01 level

The table 4.60 reveals the survival strategies score obtained for the high number of customers is 5.86 with SD 3.01 and that of average and low number of customers is 7.00 with SD 2.99 and 6.51 with SD 4.35 respectively. The mean score is high for average followed by low and high. From the analysis it is clear that the survival strategy score is varying according to the number of customers. The result is significant at 1% level of significance, since the p-value (0.005) is less than 0.01. Hence there exist significant differences in the survival strategy based on the number of customers.

4.5.3.2 Survival Strategies based on the Profit

Retailers are classified as high, average and low on the basis of profit and the survival strategies adopted are compared using analysis of variance and it is presented in Table 4.61.

Table 4.61
Survival strategy based on the profit

Profit	N	Mean	SD	F-value
High	105	5.19	2.58	17.984 (.000**)
Average	230	6.92	3.09	
Low	140	7.48	3.32	
Total	475	6.70	3.17	

Source: Survey Data

** Significant at the 0.01 level

The table 4.61 reveals that, the survival strategies score obtained for the high profit is 5.19 with SD 2.58 and that of average and low profit is 6.92 (SD 3.09) and 7.48 (SD 3.32) respectively. The survival strategy score is high where there is low profit. The ANOVA table reveals that the calculated p value is .000, which is less than 0.01. It is concluded that there is significant difference among profit group in the survival strategies adopted by traditional retailers.

4.6 Correlation Analysis between Number of Customers, Profit and Survival Strategy

To know the relation between number of customers, profit and Survival strategy correlation was done and it is presented in table 4.62.

Table 4.62

Correlation between Number of Customers, Profit and Survival Strategy

Items	Number of customers	Profit
Survival strategy	-.050 (p=.274)	-.295 (.000**)
Number of customers		.313 (.000**)

Source: Survey Data

** Correlation is significant at the 0.01 level.

The table 4.62 shows the Correlation between number of customers and survival strategy as well as the correlation between profit and survival strategy. The correlation between number of customers and survival strategy is $-.050$ ($p=0.274$) which indicates that there no significant relation between number of customers and survival strategy. The correlation between profit and survival strategy is $-.295$ ($p=0.000$) which indicates that there exist significant negative correlation between profit and survival strategy. Correlation between the number of customers and profit ($r=.313$, $p=.000$) is positive and significant at 0.01 level of significance.

Regression Analysis

Regression analysis has been performed for the summary of the analysis, beta values and the regression equations are given in following table.

4.7 Regression Analysis between Number of Customers and Profit

Regression analysis was applied to predict the variable profit using the number of customers and it is presented in table 4.63.

Table 4.63

Summary of Regression Analysis between Number of Customers and Profit

Model	R	R-Square	Adjusted R-square	standard error of the estimate
1	.313 ^a	.098	.096	671.039
Model	Sum of squares	df	Mean square	F
Regression	23077132.483	1	23077132.483	51.249
residual	212988854.044	473	450293.560	

Predictors: (Constant), Number of Customer

Dependent variable: profit

The table 4.63 shows the value of the parameters of the regression analysis between the **number of customers and profit**. The result of the analysis is showed that there is a positive relation between customers and profit. The constant variables taken against the criterion variable yielded a coefficient of multiple correlations (R) .098 and a adjusted (R²) of .096. The analysis also gave a standardised error of 671.039, F value of 51.249 significant at 0.01 level of significance.

Table 4.64

Variables in the Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	469.718	56.653		8.291	.000**
Number of Customer	10.599	1.480	.313	7.159	.000**

Source: Survey Data

** Correlation is significant at the 0.01 level

Here the coefficient of number of customers is 10.599 represents the effect of number of customers on profit, holding the other variables as constant. The

estimated positive sign implies that such effect is positive that profit would increase with increase in customers and this coefficient value is significant at 1% level.

The multiple regression equation **Profit = Number of customer X 10.599 + 469.72**

4.8 Regression Analysis to Predict the Variable Survival Strategy

Regression analysis was applied to predict the variable survival strategy using the number of customers and profit, it is presented in table 4.65.

Table 4.65

Summary of Regression Analysis to Predict the Variable Survival Strategy

Model	R	R-Square	Adjusted R-square	standard error of the estimate
1	.299 ^a	.089	.085	3.02857
Model	Sum of squares	df	Mean square	F
Regression	423.855	2	211.928	23.105
residual	4329.290	472	9.172	

Predictors: Predictors: (Constant), Profit, No of Customer

Dependent variable: Survival strategy

The table 4.65 shows the value of the parameters of the regression analysis between the **number of customers, profit and survival strategy**. The result of the analysis is showed that there is a positive relation between survival strategy with number of customers and profit. The constant variables taken against the criterion variable yielded a coefficient of multiple correlations (R) .089 and a adjusted (R²) of .085. The analysis also gave a standardised error of 3.02857, F value of 23.105 significant at 0.01 level of significance.

Table 4.66

Variables in the Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.602	.274		27.782	.000**
	Number of customer	.007	.007	.047	1.007	.315
	Profit	-.001	.000	-.310	-6.701	.000**

Dependent Variable: Survival Strategies

** Significant at the 0.01 level

The table 4.66 shows the analysis of survival strategy based on number of customer and Profit. The p value of number of customers is (.315) is greater than .05, so it is clear that the number of customer is not a significant predictor of survival strategy. The p value of profit is (.000) less than .01, hence it is concluded that profit is a significant predictor of survival strategies.

The multiple regression equation for the prediction of survival strategy is

$$\text{Survival strategy} = \text{Profit} \times -.001 + \text{Number of customer} \times 0.007 + 7.602$$

4.9 Hypotheses Testing- Impact of Organized retailers on Traditional retailers

To sum up, the hypothesis formulated and tested by using various statistical tests are shown in the precise form in the table 4.67.

Table 4.67
Result of Hypotheses Testing: Impact of Organized retailers on Traditional retailers

Sl no	Hypotheses	Result
1	A There is no significant association between average daily turnover of traditional retailers and their distance from organized retail store.	Reject H0
	B There is no significant association between average daily turnover of traditional retailers before five years and their distance from organized retail store.	Reject H0
	C There is no significant association between reason for decreasing average daily turnover of traditional retailers and their distance from organized retail store.	Reject H0
	D There is no significant association between average turnover per month of traditional retailers and their distance from organized retail store.	Reject H0
	E There is no significant association between average turnover per month of traditional retailers before five years and their distance from organized retail store	Reject H0
	F There is no significant association between reason for decreasing average turnover per month of traditional retailers and their distance from organized retail store.	Reject H0
2	A There is no significant association between number of employees working in traditional retail stores (now) and their distance from organized retail store	Reject H0
	B There is no significant association between number of family employees working in traditional retail stores (now) and their distance from organized retail store.	Reject H0
	C There is no significant association between number of hired employees working in traditional retail stores (now) and their distance from organized retail store.	Reject H0
	D There is no significant association between number of employees working in traditional retail stores before five years and their distance from organized retail store	Reject H0

Sl no	Hypotheses	Result	
E	There is no significant association between number of hired employees working in traditional retail stores before five years and their distance from organized retail store.	Reject H0	
F	There is no significant association between number of family employees working in traditional retail stores before five years and their distance from organized retail store.	Reject H0	
G	There is no significant association between reason for decreasing employees of traditional retailers and their distance from organized retail store.	Accept H0	
H	There is no significant association between number of customer per day of traditional retailers and their distance from organized retail store.	Reject H0	
I	There is no significant association between number of customer per day of traditional retail stores before five years and their distance from organized retail store.	Reject H0	
J	There is no significant association between reason for decreasing customers of traditional retailers and their distance from organized retail store.	Reject H0	
K	There is no significant association between percent of regular customers of traditional retailers and their distance from organized retail store.	Reject H0	
L	There is no significant association between number of regular customers of traditional retail stores before five years and their distance from organized retail store.	Reject H0	
M	There is no significant association between socioeconomic profile of customers of traditional retailers and their distance from organized retail store.	Reject H0	
N	There is no significant association between socioeconomic profile of customers of traditional retail stores before five years and their distance from organized retail store.	Reject H0	
3	A	There is no significant association between change in traditional retail business after any organized retail store opening nearby and their distance from organized retail store.	Reject H0
	B	There is no significant association between product related survival strategies adopted by traditional retailers and their distance from organized retail store.	Accept H0
	C	There is no significant association between price related survival strategies adopted by traditional retailers and their distance from organized retail store.	Reject H0

Sl no		Hypotheses	Result
	D	There is no significant association between distribution related survival strategies adopted by traditional retailers and their distance from organized retail store.	Reject H0
	E	There is no significant association between promotion related survival strategies adopted by traditional retailers and their distance from organized retail store.	Reject H0
4	A	There is no significant association between attitude of traditional retailers towards market trend and their distance from organized retail store.	Reject H0
	B	There is no significant association between attitude of traditional retailers towards dealing with competition and their distance from organized retail store.	Reject H0
	C	There is no significant association between attitude of traditional retailers towards children taking up their business and their distance from organized retail store.	Reject H0
5	A	There is no significant association between the facilities and services offered by traditional retailers and their distance from organized retail store	Reject H0

The descriptive analysis regarding the demographic characteristics of traditional retailers, impact of organized retailers on traditional retailers and survival strategies adopted by the traditional retailers are discussed in the present chapter. Now it is worthwhile to examine the effectiveness of promotional strategies adopted by organized retailers. That has been attempted in the ensuing chapter.

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Chapter 5

Food and Grocery Organized Retailers

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5.1 Introduction

India lately joined the retail revolution that is rapidly transforming the economies in other Asian countries. The food and grocery retail is in its nascent stage with many international retailers waiting for ventures in India. This was largely due to the excellent food retailing system that was established by the traditional stores that continue to meet with all the requirements of daily needs without the convenience of the shopping as provided by the retail chains; and also due to the highly fragmented food supply chain that is cloaked with several intermediaries (from farm-processor-distributor-retailer) resulting in huge value loss and high costs. Organized retailing is spreading and making its presence felt in different parts of the country. With the entry of very large corporate houses like Reliance Fresh, Vishal, AV Birla group, Bharati-Walmart joint venture and the existing Big Bazaar, Spencer, Food Mart are also in large scale expansions across the country, the spread of the organized retail is going to reach soon the small towns (Gupta A. K, 2005).

The previous chapter attempted to analyze the impact of food and grocery organized retailers to traditional retailers in Kerala. Now it is worthwhile to examine effectiveness of promotional strategies adopted by organized retailers. Similarly, it is relevant to analyze the behavioral factors of organized retail customers. The present chapter attempts to accomplish these specific objectives.

For this purpose, data have been collected from largest three cities (Kozhikode, Trivandrum and Ernakulam) in Kerala. In the present study organized retailers are chain stores that situated in each sample cities. In the case of organized retailers, researcher selected whole population as the sample for this study.

The chapter is divided into three sections for the proper arrangement. Section A deals with profile of organized retailers, section B cover profile of customer and section C deals with promotional strategies.

Section A

5.2 Profile of Organized Retailers

The sample size of this study is 127 organized retailers from largest three cities in Kerala. This section deals with profile of organized retailers, which comprises the types of format, year of establishment, total floor area, the types of products and mode of purchase.

5.2.1 Retail Formats of Organized Retailers

A retail format is a store 'package' that the retailer presents to the customers. A format is defined as a type of retail mix, used by a set of retailer (Levy and Weitz, 2011). Three types of retail formats are selected as sample. These are Discount stores, Super market and Hyper market.

Table 5.1
Retail Format

Retail Format	Number	Percent
Hyper /Super Market	55	43.3
Discount stores	72	56.7
Total	127	100.0

Source: Survey Data

From the table 5.1, it is clear that out of 127 sample organized retailers taken for the study, 72 (56.7%) retailers are Discount stores and 55(43.3%) retailers are Hyper /Super market. They symbolize the organized retail sector in the study. Thus a total of 127 respondents are selected for the study.

5.2.2 The Year of Establishment

The table 5.2 shows the year of establishment of organized retailers. The study provides number of year wise category of organized retailers.

Table 5.2
The Year of Establishment

Year	Number	Percent
5-10 years	61	48.0
11-20 years	42	33.1
21-30 years	24	18.9
Total	127	100.0

Source: Survey Data

The table 5.2 shows the year of establishment of majority of organized retailers is since 5-10 years (48%) followed by 11-20 years (33.1%) and 21-30 years (18.9%).

5.2.3 Total Floor Area

The table 5.3 shows the total floor area of organized retail stores.

Table 5.3
Total Floor Area

Floor Area (sq.ft)	Number	Percent
1001-2500	76	59.8
2501-5000	45	35.4
15001-30000	3	2.4
30001-60000	3	2.4
Total	127	100.0

Source: Survey Data

As per the table 5.3, the floor area of the majority of the organized retail stores are 1000-2500 sq.ft (59.8%) followed by 2501-5000 sq.ft (35.4%), 15001-30000 sq.ft (2.4%) and 30001-60000 sq.ft (2.4%) respectively.

5.2.4 Type of Product

There are three types of products in organized retailer store that is branded, unbranded and private label product. The result shows that 100 percent of organized retailers sell all types of food and grocery products.

5.2.5 Mode of Purchase

Retailers can adopt number of methods for purchasing products like from whole-sale dealer, local distributor, directly from Company and centralized purchasing. Centralized purchasing structures are characterized by all (or the majority) purchases, being managed by a central purchasing group (Weele, 2000).The mode of purchase of 100 percent of organized retailers are centralized purchasing.

Section B

5.3 Profile of Customers

Profile of customers are playing vital role in deciding their awareness level and satisfaction level. The section B discussed about organized customer's profile.

5.3.1 Age Group of Customers

The table 5.4 shows the age group of customers of Hyper /Super market and Discount stores.

Table 5.4
Age Group of Customers

Age Group	Type of outlet		Total
	Hyper / Super market	Discount stores	
26-30	33 (60.0%)	8 (11.1%)	41 32.3%)
31-45	22 (40.0%)	57 (79.2%)	79 (62.2%)
46-55	0 (0.0%)	7 (9.7%)	7 (5.5%)
Total	55 (100.0%)	72 (100.0%)	127 (100.0%)
Chi square value = 36.122, df = 2, p value = .000			

Source: Survey Data

The table 5.4 shows the age group of customers of Hyper/Super market is 26-30(60%) followed by 31-45 (40.0%). In the case of Discount stores age group of majority of the customers are 31-45 (79.2%) followed by 26-30 (11.1%) and 46-55 (9.7%) respectively. The Chi square value as 36.122 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is an association between age group of the customers and organized retail formats. The age group of the majority customers of Hyper/Super market is 26-30 but in the case of Discount stores, age group is 31-45.

5.3.2 Socio Economic Profile of Customers

The table 5.5 shows the socio economic profile of customers of Hyper /Super market and Discount stores.

Table 5.5
Socio Economic Profile of Customers

Socio Economic Profile	Type of outlet		Total
	Hyper /Super market	Discount stores	
Upper middle class	22 (40.0%)	0 (0.0%)	22 (17.3%)
Middle class	23 (41.8%)	61 (84.7%)	84 (66.1%)
Lower middle class	10 (18.2%)	11 (15.3%)	21 (16.5%)
Total	55 (100.0%)	72 (100.0%)	127 (100.0%)
Chi square value = 37.637, df=2, p value =.000			

Source: Survey Data

As per the table 5.5, the socioeconomic profile of customers of Hyper /Super market is middle level (41.8%) followed by upper middle class (40.0%) and lower middle class (18.2%). In the case of Discount stores 84.7 percent are middle class, 15.3 percent are lower middle class and none of them in upper middle class. The Chi

square value as 37.637 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is an association between socioeconomic profile of customers and organized retail formats. The socioeconomic profile of most of the Hyper /Super market and Discount stores customers are middle class and upper middle class always prefer Hyper /Super market for their shopping.

5.3.3 Shopping Companion

The table 5.6 shows the companion of regular customers of Hyper /Super market and Discount stores.

Table 5.6
Shopping Companion

Companion	Type of outlet		Total
	Hyper /Super market	Discount stores	
Spouse	4 (7.3%)	1 (1.4%)	5 (3.9%)
Family	51 (92.7%)	70 (97.2%)	121 (95.3%)
Relatives	0 (0.0%)	1 (1.4%)	1 (0.8%)
Total	55 (100.0%)	72 (100.0%)	127 (100.0%)
Chi square value = 3.572, df=2, p value =.000			

Source: Survey Data

In the case of Hyper/Super market and Discount stores, majority of the frequenting customers are usually prefer to come with family. The Chi square value as 3.572 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is an association between companion of regular customers and organized retail format.

5.3.4 Number of Customers

The table 5.7 shows the average number of customers per day of Hyper /Super market and Discount stores.

Table 5.7
Number of Customers

Number of Customers	Type Store		Total
	Hyper /Super market	Discount stores	
Below 75	0 (0.0%)	19 (26.4%)	19 (15.0%)
76-250	0 (0.0%)	24 (33.3%)	24 (18.9%)
251-500	20 (36.4%)	28 (38.9%)	48 (37.8%)
501-1500	29 (52.7%)	1 (1.4%)	30 (23.6%)
2001-5000	3 (5.5%)	0 (0.0%)	3 (2.4%)
5001-8000	3 (5.5%)	0 (0.0%)	3 (2.4%)
Total	55 (100.0%)	72 (100.0%)	127 (100.0%)
Chi square 75.545, df=5, p value= .000			

Source: Survey Data

As per the table 5.7, the number of customers of majority (52.7%) of Hyper/Super market stores is 501-1500 followed by 201-500 (36.4%), 2001-5000 (5.5%) and 5001-8000 (5.5%) respectively. In the case of Discount stores average number of customers are 251-500(38.9%) followed by 76-250(33.3%) and below 75 (26.4%). The Chi square result ($p = .000$) shows that there is significant difference between average number of customers per day and organized retail formats. The average number of customers of majority of Hyper/Super market stores is 501-1500

and Discount store is 251-500. Average number of customers is high in Hyper/Super market stores and it is low in Discount stores.

5.3.5 Customers per Day before Five Years

The table 5.8 shows the average number of customers per day (before five years) of Hyper /Super market and Discount stores.

Table 5.8
Customers per Day before Five Years

Number of Customers	Type of Store		Total
	Hyper /Super market	Discount stores	
Below 75	0	43	43
	(0.0%)	(59.7%)	(33.9%)
76-250	21	27	48
	(38.2%)	(37.5%)	(37.8%)
251-500	28	1	29
	(50.9%)	(1.4%)	(22.8%)
501-1500	0	1	1
	(0.0%)	(1.4%)	(0.8%)
2001-5000	6	0	6
	(10.9%)	(0.0%)	(4.7%)
Total	55	72	72
	(100.0%)	(100.0%)	(100.0%)
Chi square value =74.955, df=4, p value =.000			

Source: Survey Data

The table 5.8 shows that, for Hyper/Super market the number of customers before five years is 251-500 (50.9%) followed by 76-250 (38.2%) and 2001-5000 (10.9%) respectively. In the case of Discount stores, the number of customers before five years is below 75 (59.7%) followed by 76-250 (37.5%), 201-500 (1.4%) and 500-1500 (1.4%) respectively. The Chi square value as 74.955 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. From the analysis it is clear that there is significant association between Hyper/Super market and Discount stores with regard to the number of customers.

In order to find out the exact difference among the groups, the independent sample t tests were done.

Table 5.9
Average Number of Customers per Day (Now)

Type of Outlets	N	Mean	SD	t-value
Hyper /Super market	55	1570.00	1746.33	6.208 (0.000**)
Discount stores	72	282.67	203.16	

Source: Survey Data

***Significant at 1% level*

The table 5.9 shows the average number of customers per day. The average number of customers per day of Hyper/Super market is 1570 with SD 1746.33 and Discount store is 282.67 with SD 203.16. The p value is less than .01, it is clear that there is significant difference between Hyper/Super market and Discount stores with regard to the average number of customers. Hence it is concluded that the average number of customers per day is high in Hyper/Super market than Discount stores.

Table 5.10
Average Number of Customers per Day before Five Years

Type of Outlets	N	Mean	SD	t-value
Hyper /Super market	55	826.91	1238.59	4.745 (0.000**)
Discount stores	72	132.35	97.47	

Source: Survey Data

***Significant at 1% level*

The table 5.10 shows the average number of customers per day before five years. For Hyper/Super market the average number of customers was 826.91 with SD 238.59 and Discount stores 132.35 with SD 97.47. From the analysis it is clear that there was significant difference between the Hyper/Super market and Discount stores with regard

to average number of customers before five years. From the comparison of the average number of customers of organized retailers before and after five years, it is clear that there is significant increase in the number of customers for both Hyper/Super market and Discount stores. The percentage of increase in the number of customers of Hyper /Super market and Discount stores is presented in the table 5.11.

Table 5.11

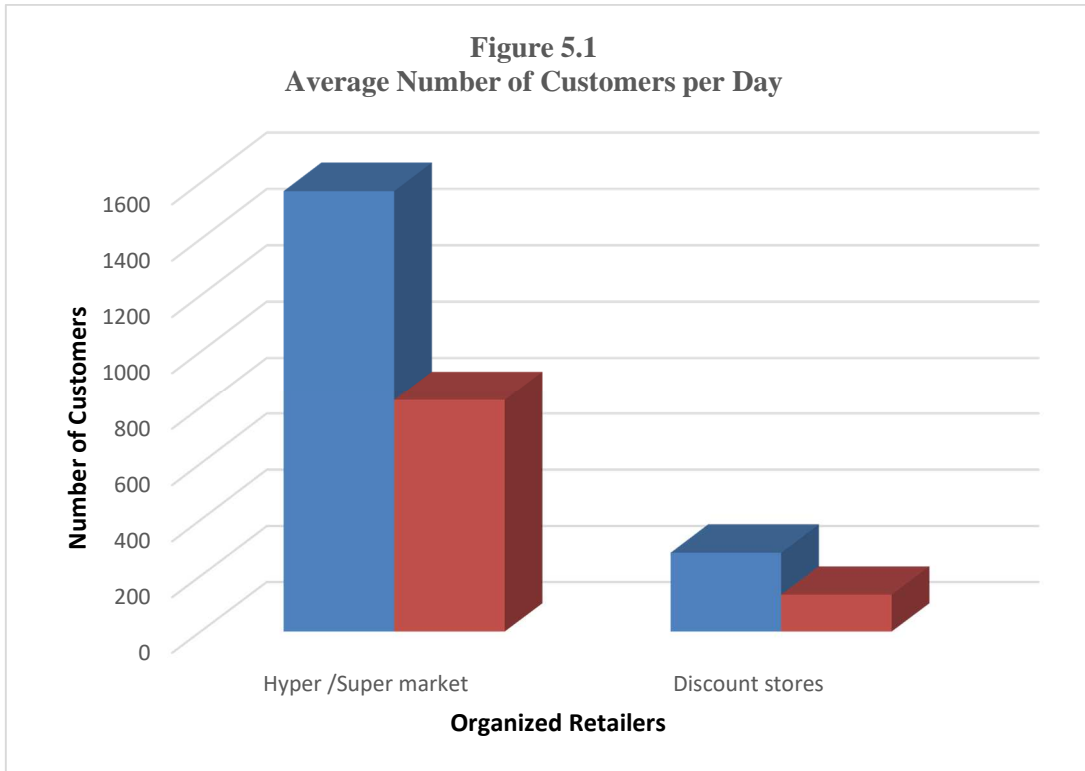
Percentage of Increase in the Number of Customers

Type of Outlets	N	Mean (%)	SD	t-value
Hyper /Super market	55	136.72	92.11	1.251(0.213)
Discount stores	72	118.75	69.84	

Source: Survey Data

For Hyper /Super market, percentage of increase in the number of customers for the last five years is 136.72 with SD 92.11 and for Discount stores is 118.75 with SD 69.84. As per the p value is greater than .05 , it is clear that there is no significant difference between the Hyper/ Super market and Discount stores with regard to increase in the average number of customers.

The average number of customers per day of Hyper/ Super market and Discount stores is presented in Figure 5.1.



Section C

5.4 Promotional Strategies

Marketers are changing their philosophies, concepts and tools in order to survive during this competitive era. Continuous analysis of what is happening in the stores helps a smart retailer to quickly and profitably adapt to the changing customer behaviour, buying pattern and monitor various dynamic parameters that determines the success or failure of any retail enterprise (Kotler, 2000). This section discussed about facilities, services, method of contact and promotional strategies adopted by organized retailers.

5.4.1 Facilities and Services

The table 5.12 shows the facilities and services provided by organized retailers on the basis of type of organized retail formats.

Table 5.12
Facilities and Services Provided to Customers

Facilities and Services	Hyper /Super market		Discount stores		Chi square value	p value
	Yes	No	Yes	No		
Facilities						
ERP System	43 (78.2%)	12 (21.8%)	20 (27.8%)	52 (72.2%)	31.689	.000**
CRM System	55 (100%)	-	45 (62.5%)	27 (37.5%)	26.194	.000**
Bar coding & Scanner	55 (100%)	-	45 (62.5%)	27 (37.5%)	26.194	.000**
SAP/Tally	55 (100%)	-	72 (100%)	-	-	-
Information/Automated Security	55 (100%)	-	24 (33.3%)	48 (66.7%)	58.945	.000**
Services						
Free Home Delivery	55 (100%)	-	-	72 (100%)	127.000	.000**
Warranty	55 (100%)	-	72 (100%)	-	-	-
Payment by Credit Card	55 (100%)	-	48 (66.7%)	24 (33.3%)	22.605	.000**
Credit facilities	-	55 (100%)	-	72 (100%)	-	-
Repairs/Exchange facilities	55 (100%)	-	72 (100%)	-	-	-

Source: Survey Data

**Significant at 1% level

In the case of facilities, all Hyper/Super market stores use Customer Relationship Management system, Bar Coding & Scanner, SAP/Tally, Information/Automated Security and 78.2 percent are using Enterprise Resource Planning system. The table shows that, 100 percent of Discount stores using SAP/Tally followed by CRM System (62.5%), Bar coding & Scanner (62.5%), Information/Automated Security (33.3%), ERP system (27.8). The p value of ERP System, CRM, Bar Coding And Scanning and Information/Automated Security is less than .01. There is significant difference between Hyper/Super market and Discount stores with regard to ERP System, CRM, Bar coding and Scanning and Information/Automated Security. All Hyper/Super market stores and Discount stores provide SAP/Tally.

In the case of services, all Hyper/Super market stores provide Free Home Delivery, Warranty, Payment by Credit Card, Repairs/Exchange Facilities and none of them provide Credit Facilities. For Discount stores, all of them provide Warranty and Repairs/Exchange Facilities. 66.7 percent provide Payment by Credit Card and none of them provide Free Home Delivery and Credit Facilities. The p value of Free Home Delivery, Payment by Credit Card is less than .01. There is significant difference between Hyper/Super market stores and Discount stores with regard to Home Delivery and Payment by Credit Card. All types of organized retailers provide Warranty, Repairs/Exchange Facilities and none of them provide Credit Facilities. Graphical representation of Facilities and services provided by the organized retailers is presented in Figure 5.2.

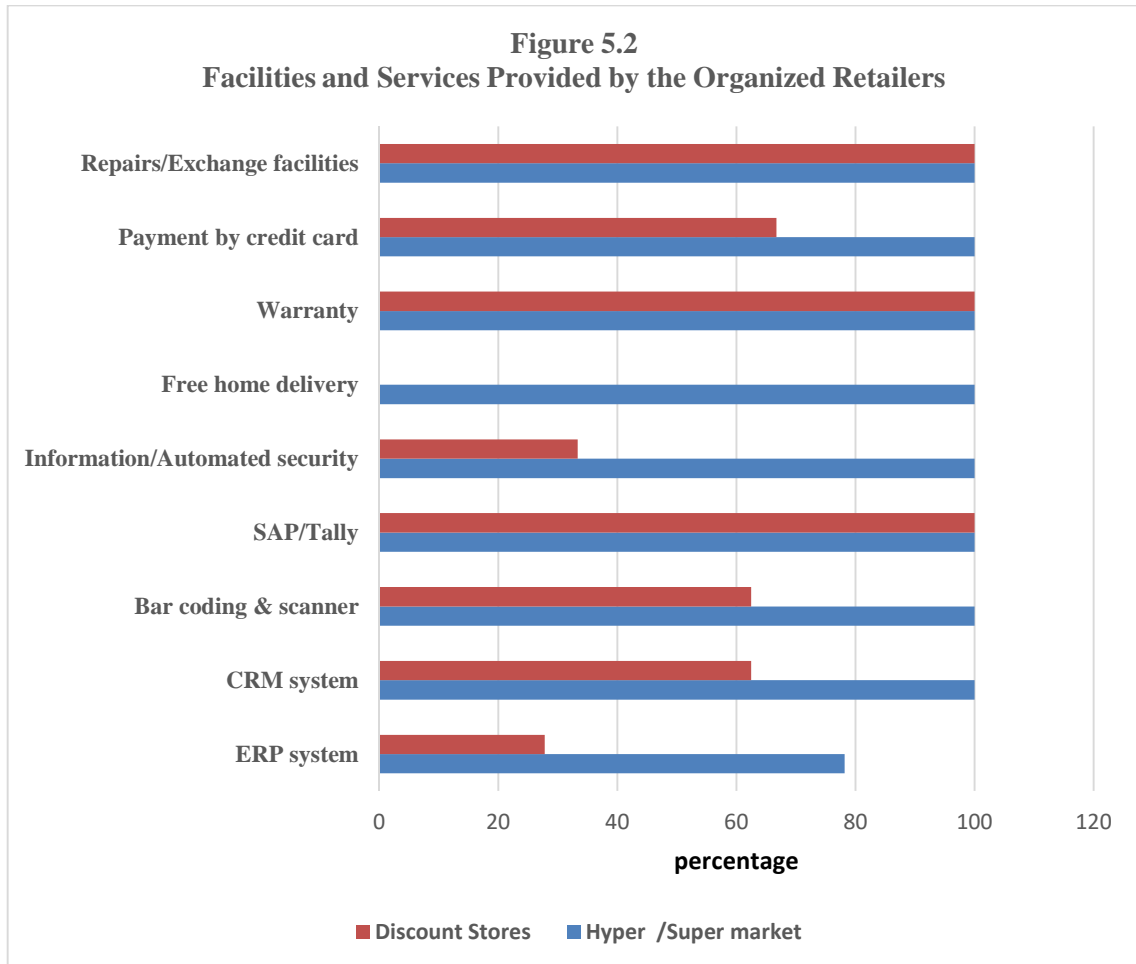


Figure 5.2 Facilities and services provided by the organized retailers.

5.4.2 Methods to Contact and Follow up Customers

The tables show 5.13 and 5.14 shows the methods to contact and follow up customers on regular bases developed by Hyper/Super market stores and Discount stores.

Table 5.13

The Number of Organized Retailers Who Developed Methods to Contact and Follow Up Customers

Have methods to contact and follow up customers	Type Store		Total
	Hyper /Super market	Discount stores	
Yes	55 (100.0%)	21 (29.2%)	76 (59.8%)
No	0 (0.0%)	51 (70.8%)	51 (40.2%)
Total	55 (100.0%)	72 (100.0%)	127 (100.0%)
Chi square value =65.101, df=1, p value=.000			

Source: Survey Data

The table 5.13 shows that 100 percent of Hyper/ Super market stores developed methods to contact and follow up customers on regular bases but only 29.2 percent Discount stores develop these methods. The Chi square value as 65.101 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. All Hyper/ Super market stores developed methods to contact and follow up customers on regular bases but only 29.2 percent of Discount stores develop these methods.

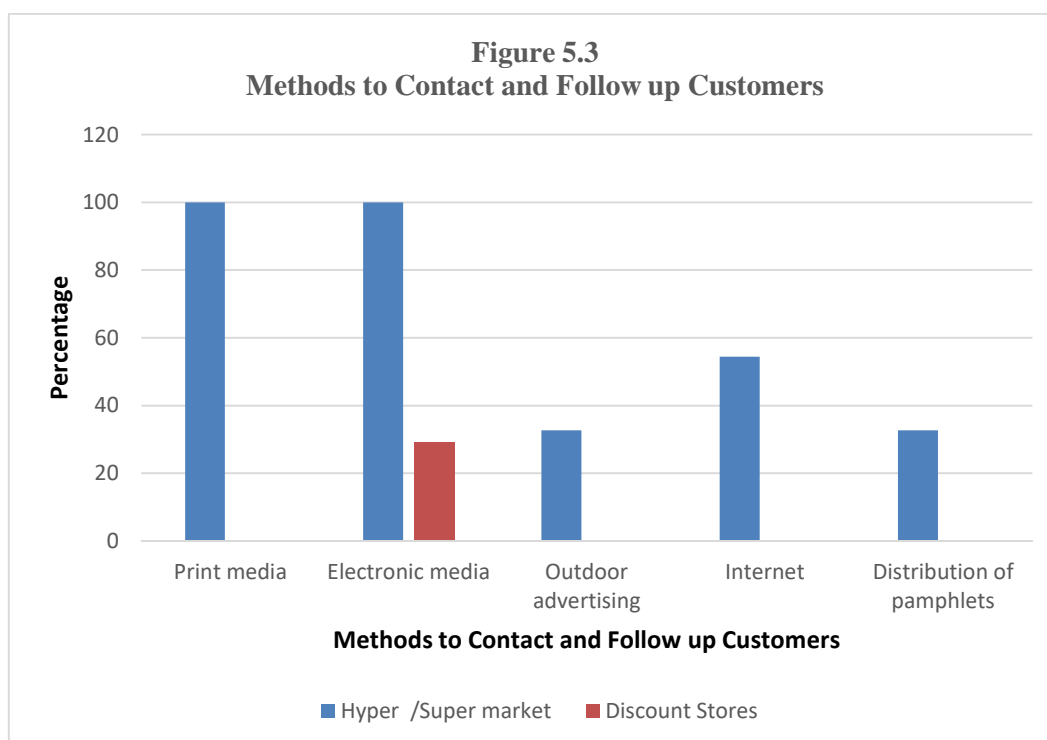
Table 5.14**Methods to Contact and Follow up Customers**

Methods to contact and follow up	Hyper /Super market		Discount stores		Chi square value	p value
	Yes	No	Yes	No		
Print media	55 (100%)	-	-	72 (100%)	127.000	.000**
Electronic media	55 (100%)	-	21 (29.2%)	51 (70.8%)	65.101	.000**
Outdoor advertising	18 (32.7%)	37 (67.3%)	-	72 (100%)	27.455	.000**
Internet	30 (54.5%)	25 (45.5%)	-	72 (100%)	51.419	.000**
Distribution of pamphlets	18 (32.7%)	37 (67.3%)	-	72 (100%)	27.455	.000**

Source: Survey Data

***Significant at 1% level*

The table 5.14 shows that 100 percent of Hyper/ Super market stores used Print media, Electronic media, 54.5 percent use Internet, 32.7 percent use Outdoor advertising and Distribution of pamphlets. Discount stores don't use Print media, Outdoor advertising, Internet, Distribution of pamphlets but 29.2 percent use Electronic media to contact and follow up customers. As per the Chi square result, the p value of all variables of methods to contact and follow up customers is .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant difference between Hyper/Super market stores and Discount stores with regard to methods to contact and follow up customers on regular bases. The diagrammatical representation of methods to contact and follow up customers based on organized retail format is presented in Figure 5.3.



5.4.3 Communication with Customers

The tables 5.15 and 5.16 shows the mode of communication developed to communicate with customers of organized retailers.

Table 5.15

Communication with Customers

Communication with customers	Type Store		Total
	Hyper / Super market	Discount stores	
Yes	55 (100.0%)	45 (62.5%)	100 (78.7%)
No	0 0.0%	27 37.5%	27 21.3%
Total	55 100.0%	72 100.0%	127 100.0%
Chi square value = 26.194, df=1, p value= .000			

Source: Survey Data

It is very clear from the table 5.15 that 100 percent of Hyper /Super market stores and 62.5 percent of Discount stores are communicate with their customers. As per the Chi square result, the p value of communication with customers is.000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. There is significant difference between Hyper/Super market stores and Discount stores with regard to communication with customers.

Table 5.16

Mode of Communication

Mode of communication	Hyper /Super market		Discount stores		Chi square value	Pvalue
	Yes	No	Yes	No		
SMS	55 (100%)	-	21 (29.2%)	51 (70.8%)	65.101	.000**
E mail	18 (32.7%)	37 (67.3%)	-	72 (100%)	27.455	.000**
Website	55 (100%)	-	24 (33.3%)	48 (66.7%)	58.945	.000**

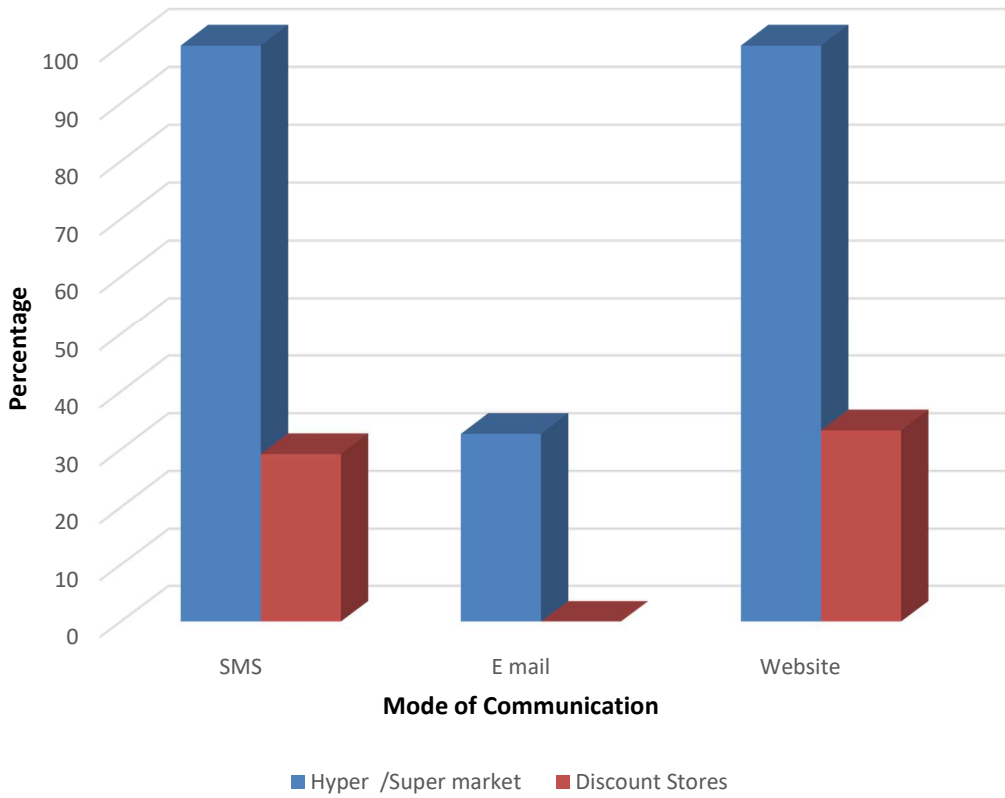
Source: Survey Data

***Significant at 1% level*

In the case of Hyper/ Super market, 100 percent of stores use SMS, Website and 32.7 percent use Email for communication. The table shows that 33.3 percent of Discount stores use website followed by 29.2 percent use SMS and none of them use Email for communication. As per the Chi square result, the p values of all mode of communications are .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant difference between Hyper/ Super market stores and Discount stores with regard to mode of communication. Majority of the Hyper/ Super markets developed methods to communicate with customers but majority of the Discount stores don't develop methods to communication.

The Mode of Communication of Hyper/ Super market and Discount stores is graphically represented in figure 5.4.

Figure 5.4
Mode of Communication of Organized Retailers



5.4.4 Promotional Strategies

Promotional strategies means some methods of communication including advertising, digital marketing, sales promotions, and public relations. The table 5.17 discussed about promotional schemes offered by organized retailers.

Table 5.17
Promotional Strategies

Promotional Strategies	Hyper /Super market		Discount stores		Chi square value	p value
	Yes	No	Yes	No		
Coupons / Discounts	55 (100%)	-	27 (37.5%)	45 (62.5%)	53.239	.000**
Good Bargains	-	55 (100%)	-	72 (100%)	-	-
Special Exhibits	18 (32.7%)	37 (67.3%)	24 (33.3%)	48 (66.7%)	.005	.548
Pleasant Sales People	55 (100%)	-	51 (70.8%)	21 (29.2%)	19.220	.000**
Store Schedule Information	55 (100%)	-	72 (100%)	-	-	-
Customer Service Centre	55 (100%)	-	45 (62.5%)	27 (37.5%)	26.194	.000**
Regular Event	43 (78.2%)	12 (21.8%)	24 (33.3%)	48 (66.7%)	25.163	.000**
Loyalty Schemes	55 (100%)	-	24 (33.3%)	48 (66.7%)	58.945	.000**
Frequent Storeper Card	55 (100%)	-	-	72 (100%)	127.000	.000**
Credit Cards	55 (100%)	-	45 (62.5%)	27 (37.5%)	26.194	.000**
No Hassle Return Policy	55 (100%)	-	72 (100%)	-	-	-
Gift Vouchers	55 (100%)	-	-	72 (100%)	127.000	.000**
Coupon Payment	55 (100%)	-	-	72 (100%)	127.000	.000**
Sim Application	40 (72.7%)	15 (27.3%)	-	72 (100%)	76.439	.000**

Source: Survey Data

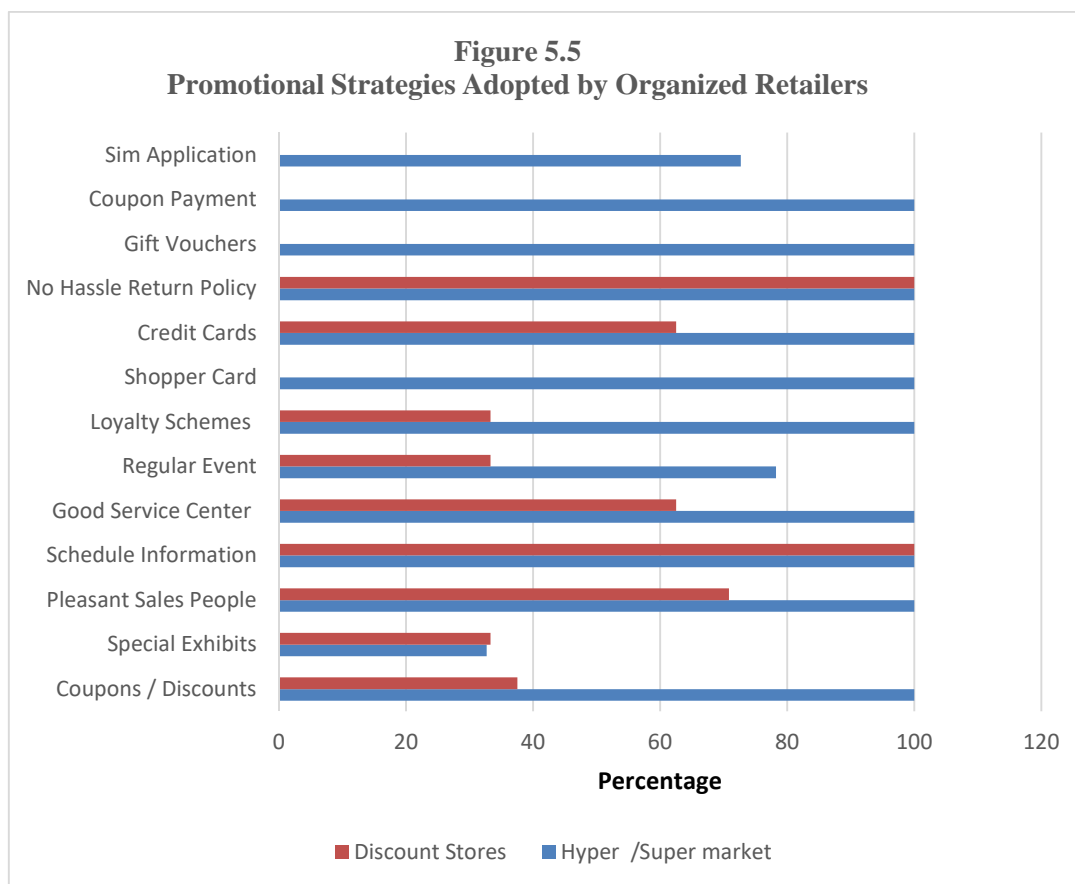
***Significant at 1% level*

The table 5.17 depicted the promotional strategies adopted by organized retailers. All Hyper /Super market offers coupons / discounts, knowledgeable and pleasant sales people, store schedule information, good customer service center, loyalty schemes for return / repeat trip, frequent shopper card, use his / her choice of credit cards, no hassle return policy, gift vouchers, coupon payment, 78.2 percent provide regular event, 72.7 percent provide sim application and 32.7 percent provide special exhibits.

In the case of Discount stores, 100 percent replied no hassle return policy and provide store schedule information followed by 70.8% -knowledgeable and pleasant sales people, 62.5 %-able to use his / her choice of credit cards and good customer service center, 37.5 %-offers coupons / discounts and 33.3% provide loyalty schemes for return / repeat trip, regular event, special exhibits and none of them provide bargains / deals, frequent shopper card, gift vouchers, coupon payment and sim application.

It is clear from the table 5.17 that the p values of coupons / discounts, knowledgeable and pleasant sales people, good customer service center, regular event, loyalty schemes for return / repeat trip, frequent shopper card, able to use credit cards, gift vouchers, coupon payment and sim application are less than .01 and the null hypothesis is rejected, so it is clear that there is significant difference between Hyper /Super market and Discount stores with regard to these strategies. In the case of special exhibits p value is greater than .05 and null hypothesis accepted. There is no significant difference between Hyper /Super market and Discount stores with regard to special exhibits. All of them are provide store schedule information and good return policy and none of them offer bargain.

Graphical representation of the promotional strategies adopted by organized retailers is presented in Figure 5.5.



Effectiveness of Promotional Strategies

The result shows that 100% of organized retailers agree with the statements “Promotional strategies play a significant role in purchase decision making”, “The store personnel should be skill trained by an expert, on tips on promotional strategies and tools”, and “Discounts / Price cuts influence the footfalls in this shop”. Hence it is concluded that promotional strategies adopted by organized retailers are effective.

5.4.5 Selection of Employees

This section shows the methods of selection of employees and whether the organized retailers consider the experience of traditional retail employees or not at the time of recruitment.

a) Methods of Selection of Employees

The table 5.18 shows the methods of selection of employees of Hyper/Super market and Discount stores.

Table 5.18
Methods of Selection of Employees

Methods	Type Store		Total
	Hyper /Super market	Discount stores	
Application	55 (100.0%)	14 (19.45%)	69 (54.3%)
PSC	0 (0.0%)	58 (80.55%)	58 (45.7%)
Total	55 (100.0%)	72 (100.0%)	127 (100.0%)
Chi square value = 127.000, df=1, p value = .000			

Source: Survey Data

***Significant at 1% level*

It is very clear from the table 5.18 that Hyper /Super market select their employees through direct application and majority (80.55%) of the Discount stores select through psc. The table shows the Chi square value as 127.000 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. There is significant difference between Hyper /Super market and Discount stores with regard to method of selecting employees.

b) Experience of Employees

The table 5.19 shows, whether the organized retailers consider the experience of employees in traditional retail stores or not at the time of recruitment

Table 5.19

Consideration of the Experience of Employees in Traditional Retail Stores

Consider the Experience	Type of Store		Total
	Hyper /Super market	Discount stores	
Yes	26 (47.3%)	0 (0.0%)	26 (20.5%)
No	29 (52.7%)	72 (100.0%)	101 (79.5%)
Total	55 (100.0%)	72 (100.0%)	127 (100.0%)
Chi square value= 42.798, df=1, P value= .000			

Source: Survey Data

***Significant at 1% level*

As per the table 5.19, 47.6 percent of Hyper /Super market stores consider the experience in traditional stores at the time of recruitment but Discount stores do not consider. The table shows the Chi square value as 42.798 with the p value .000. Since the p value is less than 0.01 the null hypothesis is rejected at the 1% level of significance. Hence it is concluded that there is significant difference between Hyper /Super market and Discount stores with regard to consideration of the experience of employees in traditional retail store at the time of recruitment.

c) Number of Organized Retail Employees from Traditional Retail Store

The study found that 26(47.3%) of the organized retailers consider the experience of traditional retail employees at the time of recruitment. Table 5.20 shows the number of employees working in organized stores from traditional retail stores.

Table 5.20

Number of Organized Retail Employees from Traditional Retail Store

Number of Employees	Type of Store	Total
	Hyper /Super Market	
1-4	20 (76.9%)	20 (76.9%)
5-10	6 (23.1%)	6 (23.1%)
Total	26 (100.0%)	26 (100.0%)

Source: Survey Data

The table 5.20 shows that 76.9 percent of Hyper /Super market retailers appoint 1-4 employees from traditional retail store followed by 23.1 percent appoint 5-10 employees.

5.5 Hypotheses Testing: Food and Grocery Organized Retailers

To conclude, the hypothesis formulated and tested in connection with food and grocery organized retailers are shown in the precise form in the following table:

Table 5.21

Result of Hypotheses Testing: Food and Grocery Organized Retailers

SI No.	Hypotheses	Result
1	A There is no significant association between the age group of customers of organized retailers and their format type.	Reject H0
	B There is no significant association between the socioeconomic profile of customers of organized retailers and their format type.	Reject H0
	C There is no significant association between the shopping companion of customers of organized retailers and their format type.	Reject H0
2	A There is no significant association between the organized retailers and their format type with regard to the change in average number of customers for the last five years.	Accept H0

SI No.	Hypotheses		Result
3	A	There is no significant association between the promotional strategies adopted by organized retailers and their format type.	Reject H0
	B	There is no significant association between the effectiveness of promotional strategies adopted by organized retailers and their format type.	Accept H0
	C	There is no significant association between the facilities and services provided by organized retailers and their format type.	Reject H0
	D	There is no significant association between the methods to contact and followup customers adopted by organized retailers and their format type.	Reject H0
	E	There is no significant association between communication with customers by organized retailers and their format type.	Reject H0
	F	There is no significant association between methods to selection of employees adopted by organized retailers and their format type.	Reject H0

This chapter covers the effectiveness of promotional strategies offered by organized retailers. It also provides the idea about contact, follow up and communication methods adopted by organized retailers. The work will not be a full-fledged one unless an attempt has been made to evaluate the customer preference towards organized and traditional retailers. That has been attempted in the next chapter.

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Chapter 6

Customers of Organized and Traditional Retail Stores - A Comparative Study

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6.1 Introduction

The Indian retail sector is going through a transformation and the emerging market is witnessing a significant change in its growth pattern. Both existing and new players are experimenting with new retail formats. These emerging retail formats provide wide variety to customers and offer an ideal shopping experience with an amalgamation of product, entertainment and service, all under a single roof. Changing tastes and preferences of customers are leading to radical transformation in lifestyles and spending patterns and this in turn is giving rise to spurt in new business opportunities. Customer dynamics in India is also changing and the retailers need to understand the changing dynamics and its impact on shopping behaviour and formulate their strategies accordingly to deliver the expected value to the customers (Deepika, 2012).

In the previous chapter, a detailed analysis of organized retail customers behavioural factors and effectiveness of promotional strategies has been discussed. However the work will not be complete one without the analysis of purchase behaviour of customers towards organized and traditional retailers. It is also relevant to examine the product wise Preference of customers.

For the purpose of discussion, the chapter is divided in to four sections. Section A deals with the profile of the sample respondents, section B is concerned with behavioral factors, section C discussed about product wise preference and section D deals with the purchase behavior of customers. The values in parentheses indicate percentage.

Section A

6.2 Profile of the Sample Respondents

The sample size of this study is 400 respondents, 200 customers from organized retail sector and 200 customers from traditional retail sector. The profile of sample respondents is given below. This section includes demographic and behavioural factors of customers.

6.2.1 Frequency Distribution of Customers

The table 6.1 shows the number of sampled customers from different retail format.

Table 6.1
Frequency Distribution of Customers

Type of Retail	Sector		Total
	Organized	Traditional	
Hyper Market	124 (62.0)	0 (0.0)	124 (31.0)
Super Market	50 (25.0)	0 (0.0)	50 (12.5)
Discount Stores	26 (13.0)	0 (0.0)	26 (6.5)
Traditional Retail	0 (0.0)	200 (100.0)	200 (50.0)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Source: survey data

From the table 6.1, it is clear that out of 400 sample respondents taken for the analysis, 124 (62%) respondents are from Hyper market, 50 (25%) respondents are from Super market and 26 (13%) from Discount stores. They symbolize the organized retail customers in the study. Similarly, 200 (50%) respondents are selected from traditional retail shop, which represents the traditional retail sector.

6.2.2 Distance between Residence of Customers and Retail Store

The table 6.2 shows the distance between residence of customers and retail store.

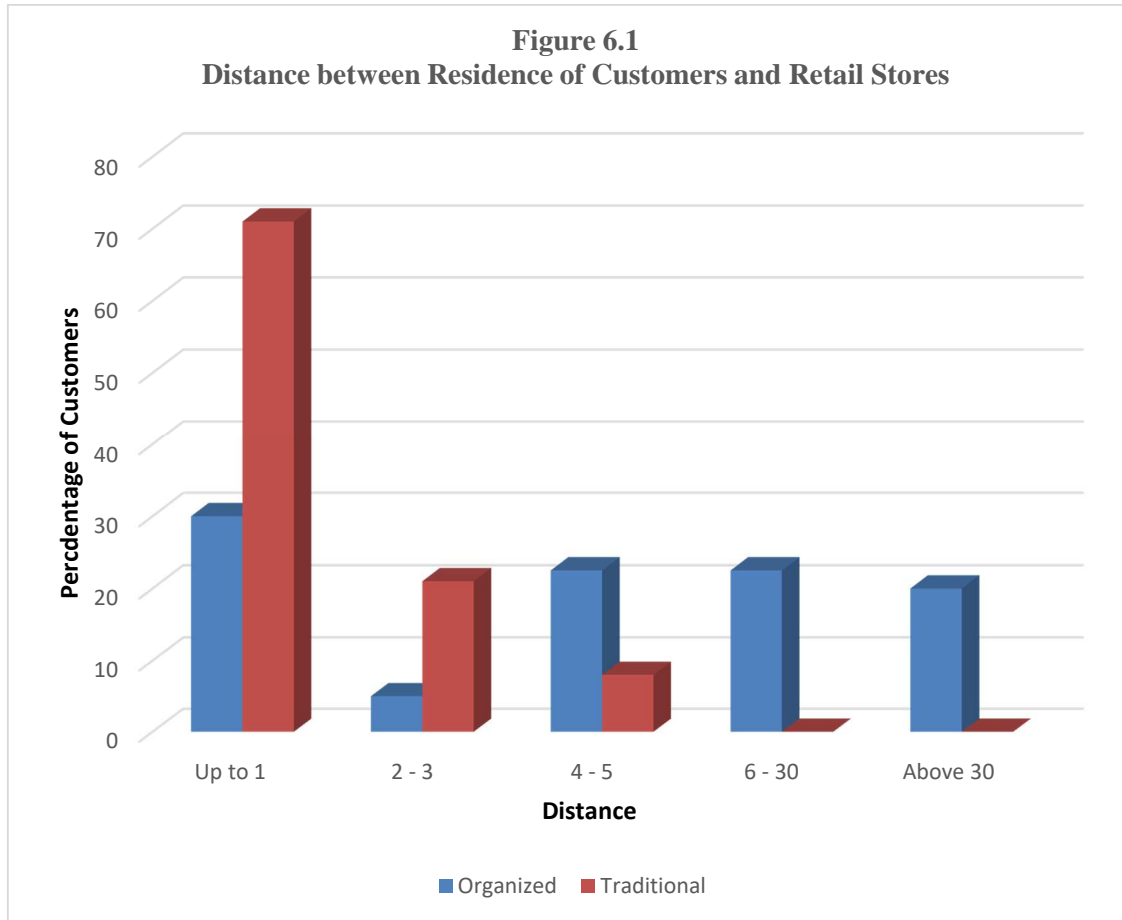
Table 6.2
Distance between Residence of Customers and Retail Stores

Distance in km	Sector		Total
	Organized	Traditional	
Up to 1	60 (30.0)	142 (71.0)	202 (50.5)
2-3	10 (5.0)	42 (21.0)	52 (13.0)
4-5	45 (22.5)	16 (8.0)	61 (15.3)
6-30	45 (22.5)	0 (0.0)	45 (11.3)
Above 30	40 (20.0)	0 (0.0)	40 (10.0)
Total	200 (100.0)	200 (100.0)	400 (100.0)
Chi square value=151.766, df=4, p value=.000			

Source: Survey Data

As far as the distance is concerned, 50.5 percent are within one km, 15.3 per cent are from 4-5 km, 13 percent are from 2-3 km, 11.3 percent are from 6-30 km and 10 percent are from above 30 km. In organized sector, the distance between respondents' residents and retail shop is in the order of number of customers, up to one km (30%) followed by 4-5 km and 6-30 km (22.5%), above 30 km (20%) and 2-3km (5%), in the case of traditional sector, majority (71%) of the respondents are from within one km, 21 per cent are from 2-3 km, 8 per cent are from 4-5 km. The above table shows the chi square value 151.766 with the p value is less than .01, so the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is significance association between distance from residence of customers and the selection of retail store.

The distance between residence of customers and retail store is diagrammatically presented in Figure 6.1.



6.2.3 Demographic Factors

Retailers are always looking for an edge in marketing products and services to generate more revenue and profit margins. Demographics factors are key factor in getting that edge. The term demographics refers to a systematic analysis of people or a group. This section deals with demographic of customers which comprises the gender, age, educational qualification, occupation, monthly income and marital status.

a) Gender of Customers

The table 6.3 presents the gender wise distribution of customers selected from organized and traditional retail stores.

Table 6.3
Gender of Customers

Gender	Sector		Total
	Organized	Traditional	
Male	107 (53.5)	128 (64.0)	235 (58.8)
Female	93 (46.5)	72 (36.0)	165 (41.2)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Source: survey data

From the table 6.3, it is observed that the majority of the respondents (58.8%) are males and 41.2 percent of the respondents are females. In the case of organized sector, male and female respondents constitute 53.5 per cent and 46.5 per cent respectively. Similarly, in case of the traditional sector, their combination was 64 per cent and 36 per cent.

b) Age Group of Customer

Age group wise distribution of the organized and traditional customers is presented in table 6.4.

Table 6.4
Age Group of Customer

Age	Sector		Total
	Organized	Traditional	
Up to 30	45 (22.5)	49 (24.5)	94 (23.5)
31-40	57 (28.5)	60 (30.0)	117 (29.3)
41-50	49 (24.5)	65 (32.5)	114 (28.5)
Above 50	49 (24.5)	26 (13.0)	75 (18.8)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Source: Survey data

It is seen that, in the case of organized retail customers, 28.5 per cent of the respondents are in the age group of 31-40, 24.5 percent are in the age group of 41-50, 24.5 percent are in the age group of above 50 years and 22.5 percent of the respondents are in the age group of up to 30. In traditional retail sector, the distribution of customers based on age group in the order of 41-50 (32.5%), 31-40 (30%), Up to 30(24.5%) and above 50(13%) respectively.

c) Educational Qualification of Customers

The table 6.5 shows the educational qualification of organized and traditional retail customers.

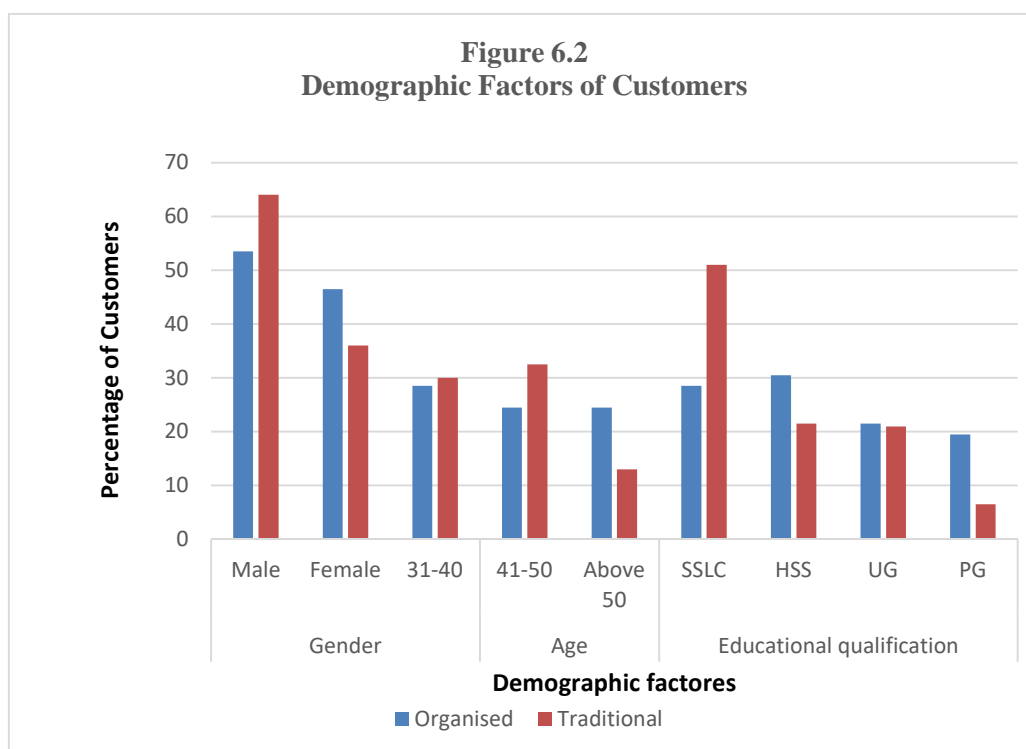
Table 6.5
Educational Qualification of Customers

Educational Qualification	Sector		Total
	Organized	Traditional	
Up to SSLC	57 (28.5)	102 (51.0)	159 (39.8)
HSc	61 (30.5)	43 (21.5)	104 (26.0)
UG	43 (21.5)	42 (21.0)	85 (21.3)
PG	39 (19.5)	13 (6.5)	52 (13.0)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Source: survey data

About 39.8 per cent of respondents studied up to SSLC followed by HSC (26%) and UG (21.3%). Only 13 per cent of the respondents have the PG. In organized retail sector, 30.5 percent of respondents are having the HSc qualification, 28.5 percent having up to SSLC, 21.5 percent having UG and only 19.5 percent of respondents have PG qualification. In traditional retail sector 51 percent of respondents have up to SSLC and only 6.5 percent have PG. The educational qualification of organized retail customers are high compared to traditional retail customers.

The demographic factors of customers are shown in the Figure 6.2.



d) Occupation of Customers

The table 6.6 presents the occupation of customers selected from organized and traditional retail stores.

Table 6.6
Occupation of Customers

Occupation	Sector		Total
	Organized	Traditional	
Student	13 (6.5)	21 (10.5)	34 (8.5)
House wife	20 (10.0)	59 (29.5)	79 (19.8)
Professional	66 (33.0)	30 (15.0)	96 (24.0)
Employed	72 (36.0)	56 (28.0)	128 (32.0)
Entrepreneur	29 (14.5)	34 (17.0)	63 (15.8)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Source: survey data

As far as the occupation is concerned, 32 percent are employees, 24 per cent are professionals, 19.8 per cent are house wives, 15.8 per cent are entrepreneur and 8.5 per cent are students. In the organized retail sector, the respondents' occupations are in the order of employed (36%), professionals (33%), entrepreneur (14.5%), students (6.5%). In case of the traditional retail sector 29.5 per cent of the respondents are house wives, 28 per cent are employed, 17 per cent are entrepreneur and 10.5 per cent are students. Professionals and employed prefer organized retail stores more than traditional retail stores but house wives, entrepreneurs and students prefer traditional retail stores more than organized retail store.

e) Family Monthly Income of Customers

The table 6.7 identifies the monthly income of organized and traditional retail customer.

Table 6.7
Family Monthly Income of customers

Monthly Income	Sector		Total
	Organized	Traditional	
less than 10000	6 (3.0)	28 (14.0)	34 (8.5)
10000-20000	93 (46.5)	95 (47.5)	188 (47.0)
20001-30000	65 (32.5)	45 (22.5)	110 (27.5)
30001-50000	36 (18.0)	32 (16.0)	68 (17.0)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Source: survey data

From the table 6.7, out of 400 respondents, 47 percent of respondents are under income group of 10000-20000 rupees/month and only 8.5% of respondents comes under the income group less than 10000 rupees/month. In the organized sector, 46.5 percent of the respondents are having the income scale between 10000

and 20000 per month, followed by 20001 to 30000 (32.5%), 30001 to 50000 (18%) and below 10000 (3%). Likewise, in the traditional sector, respondents range from 10000 to 20000 (47.5%) to below 10000 (14%). Hence it is concluded that high income groups prefer organized retail stores than traditional retail stores.

f) Marital Status of Customers

The table 6.8 shows the marital status of organized and traditional retail customers.

Table 6.8
Marital Status of customers

Marital Status	Sector		Total
	Organized	Traditional	
Single	29 (14.5)	32 (16.0)	61 (15.3)
Married	171 (85.5)	168 (84.0)	339 (84.8)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Source: Survey data

From the table 6.8, it is observed that the majority of the respondents (84.8%) are married and 15.3 percent respondents are single. In the case of organized sector, married and single respondents constitute 85.5 percent and 14.5 percent respectively. Similarly, in the case of the traditional sector, their combination is 84 percent and 16 percent. It is clear that majority of the organized and traditional retail customers are married.

Section B

6.3 Behavioral Factors

This section looked into factors which possibly influence the buying behaviour of customers. Behavioural factors include time to go shopping, mode of transport, frequency of visit, shopping time and spending habit.

a) Motivation for Shopping

The table 6.9 shows the motive wise difference between the customers of organized and traditional retailers.

Table 6.9
Motivation for Shopping

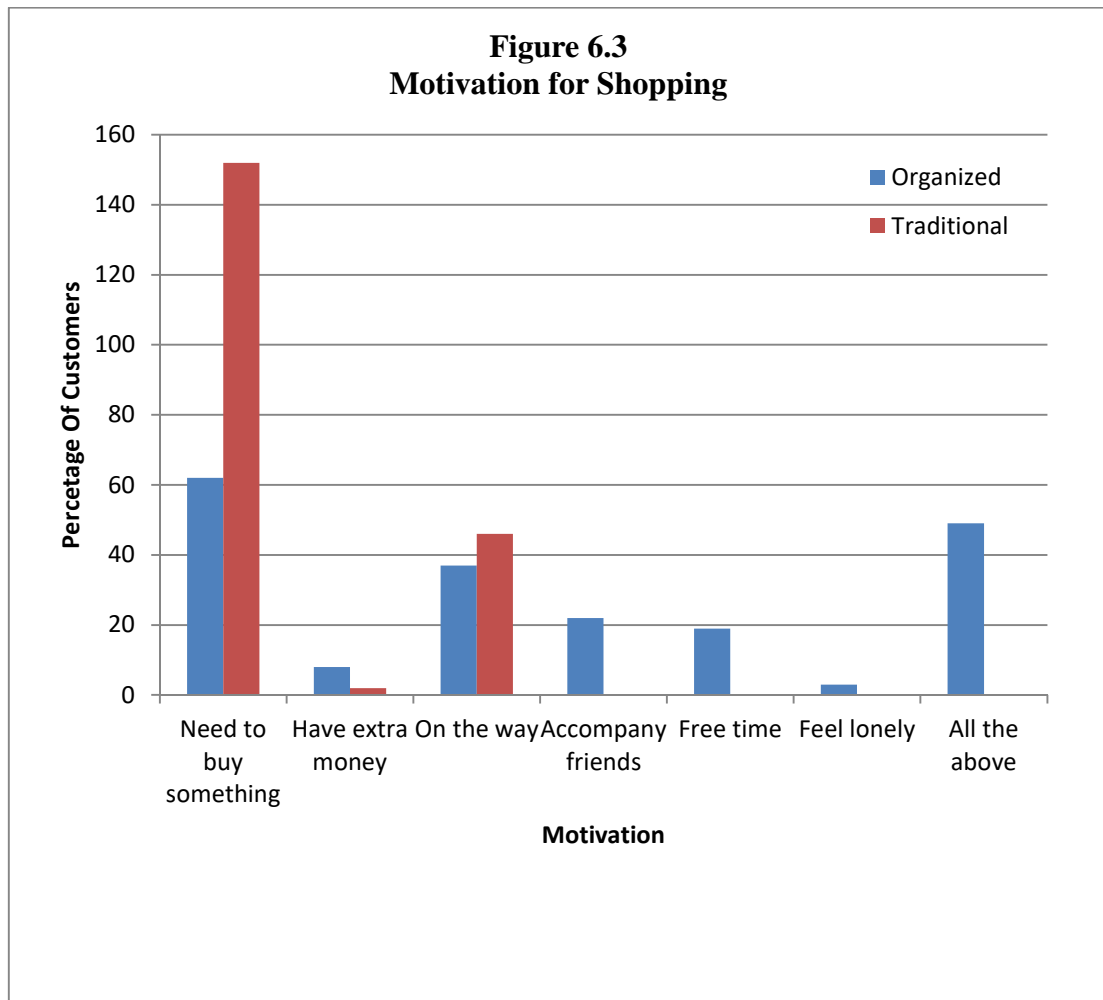
Time to go shopping	Sector		Total
	Organized	Traditional	
Need to buy something	62 (31.0)	152 (76.0)	214 (53.5)
Have extra money	8 (4.0)	2 (1.0)	10 (2.5)
On the way	37 (18.5)	46 (23.0)	83 (20.8)
Accompany friends	22 (11.0)	0 (0.0)	22 (5.5)
Free time	19 (9.5)	0.0 (0.0)	19 (4.8)
Feel lonely	3 (1.5)	0.0 (0.0)	3 (0.8)
All the above	49 (24.5)	0.0 (0.0)	49 (12.3)
Total	200 (100.0)	200 (100.0)	400 (100.0)
Chi square value= 135.42, df=6, p value=.000			

Source: Survey Data

From the table 6.9, for organized retail customers, time to go shopping is in the order of the number of respondents are, Need to buy something (31%), All the reason (24.5%), On the way (18.5%), Accompany friends (11%), Free time (9.5%), Have extra money (4%), Feel lonely (1.5%). In the case of traditional retail customers, motivation for shopping are Need to buy something (76%), On the way (23%) and Having extra money (1%). The above table shows the Chi square value 135.42 with the p value is less than.01, so the null hypothesis is rejected at 1% level

of significance. Hence it is concluded that there is motive wise difference between customers of organized and traditional retail customers. Majority of the customers visit traditional retail store for buying something and in the case of organized retail customers, they visit store for need to buy something, all the reason, on the way, accompany friends, free time, have extra money and feel lonely respectively.

The motivations for shopping of customers are shown in the Figure 6.3.



b) Mode of Visit to Store

The table 6.10 shows the mode of visit wise difference between the customers of organized and traditional retailer.

Table 6.10
Mode of visit to store

Mode of visit to store	Sector		Total
	Organized	Traditional	
Walk	14 (7.0)	95 (47.5)	109 (27.3)
Bicycle	18 (9.0)	25 (12.5)	43 (10.8)
Bus	18 (9.0)	2 (1.0)	20 (5.0)
Auto	6 (3)	1 (0.5)	7 (1.8)
Scooter	66 (33.0)	42 (21.0)	108 (27.0)
Four wheeler	78 (39)	35 (17.5)	113 (28.3)
Total	200 (100.0)	200 (100.0)	400 (100.0)
Chi square value= 106.912, df=5, p value=.000			

Source: Survey Data

From the table 6.10 shows that 28.3 percent respondents using four wheeler to visit retail shops, 27.3 percent walk, 27 percent using scooter, 10.8 percent using bicycle, 5 percent using bus and 1.8 percent in the auto. In case of organized retail sector, 39 percent using four wheeler, 33 percent on scooter, 9 percent on bicycle, 9 percent walk and only 3 percent using auto while visit organized retail shop. In the case of traditional sector, 47.5 percent walk, 21 percent scooter, 17.5 percent four wheeler, 12.5 percent bicycle, one percent bus and only .5 in auto. As per the Chi square result p value is less than .01, so the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is mode of transport wise difference between customers of organized and traditional retailers. In the case of organized retail customers, most of the customers use four wheeler as mode of transport but majority traditional retail customers are reached on foot.

c) Number of Times Visit

The table 6.11 analyzes the frequency of visit by the customers of organized and traditional retailers.

Table 6.11
Number of Times Visit

Number of times visit	Sector		Total
	Organized	Traditional	
Twice a week	37 (18.5)	19 (9.5)	56 (14.0)
3-4 times a week	50 (25.0)	90 (45.0)	140 (35.0)
5-7 times a week	69 (34.5)	86 (43.0)	155 (38.8)
Monthly once	44 (22.0)	5 (2.5)	49 (12.3)
Total	200 (100.0)	200 (100.0)	400 (100.0)
Chi square value= 50.120, df=3, p value=.000			

Source: Survey Data

From the table 6.11, it is observed that the majority of the respondents (38.8%) are visit retail shop 5-7 times a week, 35 percent are 3-4 times, 14 percent are twice a week and 12.3 percent are monthly once. In the organized sector, 34.5 percent of the respondents are visiting 5-7 times a week followed by 25 percent are 3-4 times a week, 22 percent monthly once and 18.5 percent are twice a week. Likewise in the traditional sector, 45 percent are visiting shop 3-4 times a week and only 2.5 percent are 5-7 times a week. As per the Chi square result p value is less than .01, so the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is significant difference between the customers of different retail formats and the number of times visit. The frequency of visit of traditional retail customers is higher than organized retail customers.

d) Time Spent for Shopping

The table 6.12 shows the time spent per shopping by the organized and traditional retail customers.

Table 6.12
Time Spent for Shopping

Time (minutes)	Sector		Total
	Organized	Traditional	
Below 30	11 (5.5)	177 (88.5)	188 (47.0)
30-60	83 (41.5)	23 (11.5)	106 (26.5)
60-180	75 (37.5)	0 (.0)	75 (18.8)
Above 180	31 (15.5)	0 (.0)	31 (7.8)
Total	200 (100.0)	200 (100.0)	400 (100.0)
Chi square value= 286.537, df=3, p value=.000			

Source: Survey Data

From the table 6.12, it is observed that the majority of the respondents (47%) are spending below 30 minutes for retail shopping per visit, 26.5 percent respondents are spending 30-60 minutes. 18.8 percent are spending 60-180 minutes and 7.8 percent are above 180 minutes. In case of organized retail sector, 41.5 percent are spending 30-60 minutes, 37.5 percent are spending 60-180 minutes, 15.5 percent spending above 180 minutes and only 5.5 percent spend below 30 minutes. In the case of the traditional retail sector, 88.5 percent are spending below 30 minutes and 11.5 percent are spending 30-60 minutes. The above table shows the Chi square value 286.537 with the p value is less than .01, so the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is shopping time wise difference between customers of organized and traditional retailers. Most of the organized retail customers spend 30-60 minutes per visit. The average shopping time of traditional retail customers is below 30 minutes.

e) Amount Spent per Shopping

The table 6.13 analyzes the amount spent per shopping by the customers of organized and traditional retailers.

Table 6.13
Amount Spent per Shopping

Amount	Sector		Total
	Organized	Traditional	
Up to 500	15 (7.5)	91 (45.5)	106 (26.5)
501-1000	56 (28.0)	93 (46.5)	149 (37.3)
1001-2000	55 (27.5)	16 (8.0)	71 (17.8)
2001-5000	48 (24.0)	0 (.0)	48 (12.0)
Above 5000	26 (13.0)	0 (.0)	26 (6.5)
Total	200 (100.0)	200 (100.0)	400 (100.0)
Chi square value= 159.101, df=4, p value=.000			

Source: Survey Data

From the table 6.13, 37.3 percent of respondents are spending 501-1000 rupees per shopping, 26.5 percent are spending up to 500 rupees, 17.8 percent are spending 1001-2000 rupees, 12 percent are spending 2001-5000 rupees and only 6.5 percent are spending above 5000. In the organized retail sector, amount spent per shopping is in the order of number of customers are, 501-1000 (28%), 1001-2000 (27.5%), 2001-5000 (24%), above 5000 (13%) and up to 500 (7.5%) respectively. In the traditional retail sector, 46.5 percent of respondents are spending 501-1000 rupees, 45.5 percent of respondents are spending up to 500 rupees and 8 percent are spending 1001-2000 rupees. As per the Chi square result p value is less than .01, so the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is money spend wise difference between customers of organized and traditional retailers. Retail customers spend more in organized retail store.

Section C

6.4 Product Wise Preference of Customers

The arrival of organized retail has enhanced spending in general. The reasons indicated for higher spending have been mainly the purchase of larger quantities due to wider range of products, availability of attractive offers like discounts and promotional schemes, and access to better quality products with higher prices (ICRIER, 2008). This section deals with product wise preference of the customers.

a) Product Wise Preference

The table 6.14 shows the product wise preference of the organized and traditional customers.

Table 6.14
Product Wise Preference

Items	Product categories buy the present visit					Chi square value	P value
	Organized sector		Traditional sector				
	Yes	No	Yes	No			
Staples	162 (81.0)	38 (19.0)	166 (83.0)	34 (17.0)	.271	.603	
Food Grains	161 (80.5)	39 (19.5)	150 (75.0)	50 (25.0)	1.749	.186	
Milk/ Bread/ Egg	180 (90.0)	20 (10.0)	179 (89.5)	21 (10.5)	.027	.869	
Packaged Foods	194 (97.0)	6 (3.0)	125 (62.5)	75 (37.5)	73.703	.000**	
Toiletries/ Cosmetics	135 (67.5)	65 (32.5)	133 (66.5)	67 (33.5)	.045	.832	
Cleaning Products	142 (71.0)	58 (29.0)	120 (60.0)	80 (40.0)	5.355	.021*	
Fruit & Vegetables	181 (90.5)	19 (9.5)	187 (93.5)	13 (6.5)	1.223	.269	

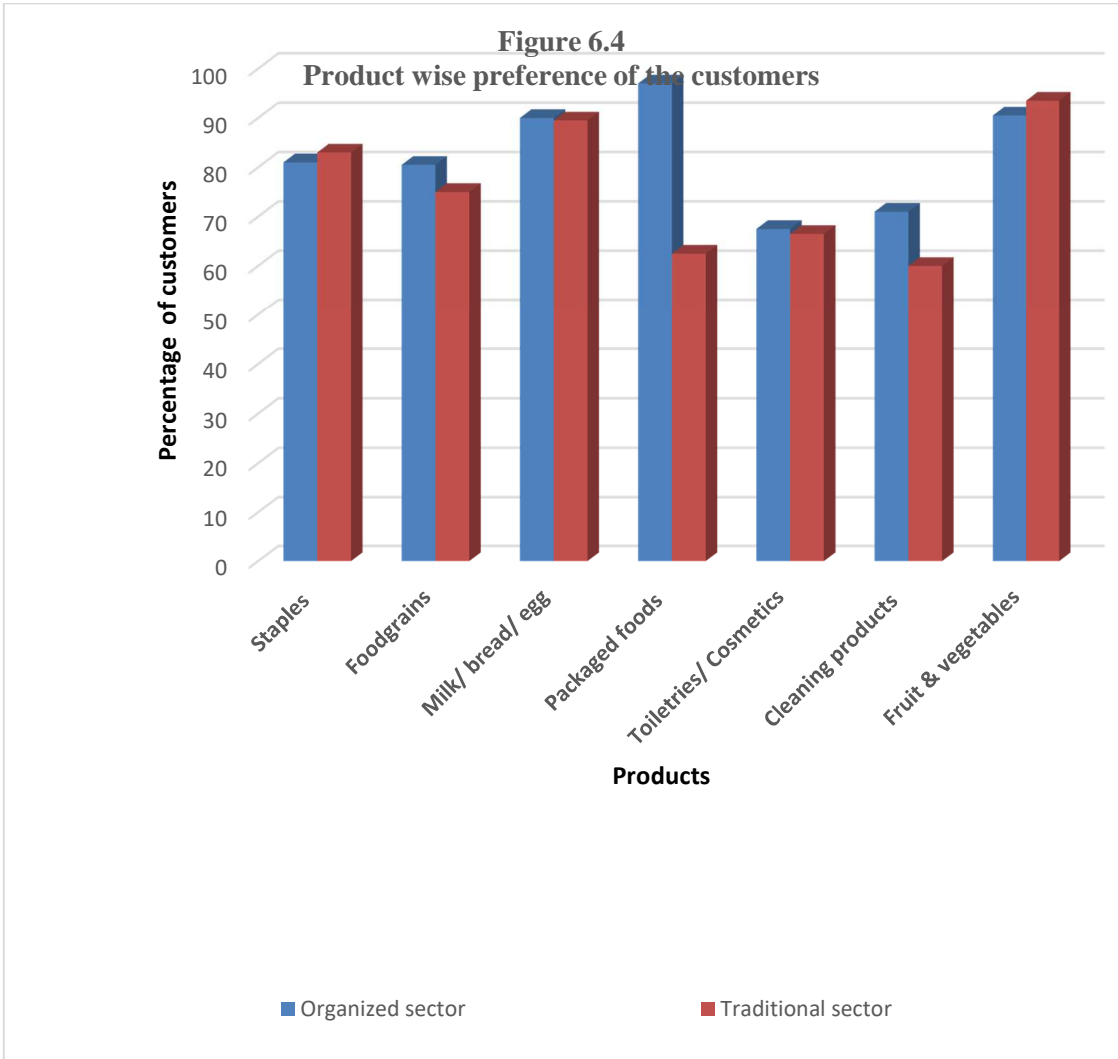
Source: Survey Data

***Significant at 1% level*

**Significant at 5% level*

From the table 6.14, it is observed that, in the organized retail sector 97 percent of respondents are purchasing packaged foods, 90 percent are purchasing milk/ bread/ egg, 81percent are purchasing staples, 80.5 percent are purchasing food grains/ flours cooking oil/ ghee/ vanaspati, 71percent are purchasing household cleaning products and 67.5 percent are purchasing toiletries/ cosmetics. In the traditional retail sector, most of the respondents (93.5 percent) are purchasing Fruit & vegetables followed by 89.5 percent are purchasing milk/ bread/ egg, 83 percent - staples, 75 percent - other food grains/ flours cooking oil/ ghee/ vanaspati, 66.5 percent - toiletries/ cosmetics, 62.5 percent -other packaged foods and 60 percent - household cleaning products. The Chi square result shows that the p values of staples ($p=.603$), other food grains ($p=.186$), milk/ bread/ egg ($p=.869$), toiletries/ cosmetics ($p=.832$) and fruit & vegetables ($p=.269$) are greater than .05,the null hypothesis is accepted, so there is no significant difference between organized and traditional retail customers with regard to preference of these products. But in the case of packaged foods and household cleaning products, the null hypothesis is rejected at 1% and 5%level of significance respectively. Hence it is concluded that customers prefer particular retail store to purchase these product. As per above analysis, it is clear that customers prefer organized retail store than traditional retail store for purchasing packaged foods and household cleaning products .

The product wise preference is diagrammatically presented in Figure 6.4.



b) Shop Wise Preference

The table 6.15 shows the shop wise preference of the customers of organized and traditional retailers. This section observes the preference of traditional retail customers towards organized retail stores and preference of the organized retail customers towards traditional retail stores.

Table 6.15
Shop wise preference

Items	Do you also buy this product category from modern /small retailers?					
	Organized retail customers		Traditional retail customers		Chi square value	
	Yes	No	Yes	No		
Staples	139 (69.5)	61 (30.5)	101 (50.5)	99 (49.5)	15.042	.000**
Food Grains	116 (58)	84 (42)	97 (48.5)	103 (51.5)	3.625	.057
Milk/ Bread/ Egg	174 (87)	26 (13)	86 (43.0)	114 (57.0)	85.099	.000**
Packaged Foods	103 (51.5)	97 (48.5)	122 (61)	78 (39)	3.667	.055
Toiletries/ Cosmetics	89 (44.5)	111 (55.5)	97 (48.5)	103 (51.5)	.643	.423
Cleaning Products	82 (41)	118 (59)	101 (50.5)	99 (49.5)	3.636	.057
Fruit & Vegetables	179 (89.5)	21 (10.5)	93 (46.5)	107 (53.5)	84.972	.000**

Source: Survey Data

***Significant at 1% level*

As far as the buying behavior is concerned, in the case of organized retail customers 89.5 percent are also purchasing fruit & vegetables from traditional retail stores, 87 percent are purchasing milk/ bread/ egg , 69.5 per cent are purchasing

staples, 58 per cent are purchasing other food grains/ flours cooking oil/ ghee/ vanaspati, 51.5 percent are purchasing other packaged foods, 44.5 percent are purchasing toiletries/ cosmetics and 41 percent are purchasing household cleaning products respectively. In the case of the traditional retail customers, majority (61%) of the respondents are also purchasing packaged foods from organized retail stores followed by 50.5 per cent-household cleaning products and staples, 48.5 percent-food grains and toiletries, 46.5 percent- fruit and vegetables and 43 per cent-milk/ bread/ egg. In the case of staples, milk/ bread/ egg and fruit & vegetables, the p value is less than .01, so the null hypothesis is rejected. Hence it is conclude that the majority of the retail customers purchase these three items from particular retail format. In the case of food grains ($p=.057$), packaged foods ($p=.055$), toiletries/ cosmetics ($p=.423$), and household cleaning products ($p=.057$), the null hypothesis is accepted. The majority of the retail customers purchase these items from retail store without considering format type.

c) Spending Pattern of Traditional Retail Customers

The table 6.16 shows the spending pattern of traditional retail customers who also shop from organized retail stores. This section provide clear picture about spending pattern of traditional retail customers in organized and traditional retail stores.

Table 6.16**Spending Pattern of Traditional Retail Customers**

Items	How much do you spend at supermarket and small retailers in a week											
	Traditional retail store					Organized retail store					Chi square value	p value
	NA	>150	150-500	500-1000	1001-3000	NA	>150	150-500	500-1000	1001-3000		
Staples	23 (11.5)	47 (23.5)	76 (38.0)	50 (25.0)	4 (2)	61 (30.5)	50 (25)	80 (40)	9 (4.5)	0 (0.0)	49.88	.000**
Food Grains	20 (10)	44 (22)	74 (37)	59 (29.5)	3 (1.5)	84 (42)	38 (19)	56 (28)	22 (11)	0 (0.0)	62.22	.000**
Milk/Bread/ Egg	0 (0.0)	175 (87.5)	25 (12.5)	0 (0.0)	0 (0.0)	26 (13)	127 (63.5)	45 (22.5)	2 (1.0)	0 (0.0)	41.34	.000**
Packaged Foods	17 (8.5)	80 (40.0)	99 (49.5)	0 (0.0)	4 (2.0)	94 (47.0)	48 (24)	56 (28)	2 (1.0)	0 (0.0)	79.34	.000**
Toiletries/ Cosmetics	10 (5)	121 (60.5)	64 (32)	5 (2.5)	0 (0.0)	109 (54.5)	37 (18.5)	51 (25.5)	3 (1.5)	0 (0.0)	128.99	.000**
Cleaning Products	10 (5)	117 (58.5)	73 (36.5)	0 (0.0)	0 (0.0)	110 (55)	56 (28.0)	31 (15.5)	2 (1.0)	1 (.5)	124.80	.000**
Fruit & Vegetables	0 (0.0)	33 (16.5)	137 (68.5)	26 (13.0)	4 (2)	20 (10)	6 (3)	90 (45)	16 (8)	68 (34)	124.80	.000**

Survey data

***Significant at 1% level*

From the table 6.16 shows the spending pattern of the traditional retail customers who also shop from organized retail stores. In the case of staples, traditional retail customers are spending 151-500 rupees at organized (40%) and traditional (38%) retail store and only 2 percent are spending between 1001-3000 at traditional retail store and none of them spend more than 1000 at organized retail store. For food grains, 37 percent of the respondents are spending 151-500 at traditional retail store. The table shows that 42 percent of traditional retail customers don't prefer organized retail store for food grains. For milk/bread/ egg, majority of the customers spend less than 150 at organized (63.5%) and traditional (87.5%) retail store and 49.5 percent spend between 151-500 for packaged foods at traditional retail store and 47 percent don't prefer organized retail store for packaged food. In the case of toiletries/ cosmetics, 60.5 percent are spending less than 150 rupees in traditional retail store and 54.5 percent of customers don't prefer organized store for toiletries/ cosmetics. For household cleaning products, 58.5 percent

spending less than 150 at traditional retail store and 55 percent of customers don't prefer organized store and 45% traditional retail customers spend in between 151-500 for vegetables and fruits at traditional and organized (68.5%) retail store. As per the Chi square result p value is less than .01, so the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is significant association among the traditional retail customers with regard to the spending pattern in traditional and organized retail format. Traditional retail customers spend more in organized retail stores for food grains and fruit and vegetables.

d) Spending Pattern of Organized Retail Customers

Table 6.17 shows the spending pattern of the organized retail customers who also shops from traditional retail store. This section provide clear picture about spending pattern of the organized retail customers in organized and traditional retail stores.

Table 6.17
Spending Pattern of Oragnized Retail Customers

Items	How much do you spend at supermarket and small retailers in a week											Chi square value	P value
	Organized sector					Traditional sector							
	NA	>150	150-500	500-1000	1001-3000	NA	>150	150-500	500-1000	1001-3000			
Staples	1 (0.5)	8 (4.0)	50 (25.0)	119 (59.5)	22 (11)	99 (49.5)	0 (0.0)	23 (11.5)	780 (39.0)	0 (0.0)	144.56	.000**	
Food Grains	6 (3)	13 (6.5)	32 (16)	123 (61.5)	26 (13)	99 (49.5)	4 (2)	31 (15.5)	66 (33)	0 (0.0)	130.34	.000**	
Milk/Bread/ Egg	11 (5.5)	128 (64)	57 (28.5)	4 (2)	0 (0.0)	118 (59)	66 (33)	16 (8)	0 (0.0)	0 (0.0)	135.59	.000**	
Packaged Foods	6 (3)	21 (10.5)	69 (34.5)	101 (50.5)	3 (1.5)	73 (36.5)	25 (12.5)	66 (33)	36 (18)	0 (0.0)	91.08	.000**	
Toiletries/ Cosmetics	4 (2)	16 (8)	116 (58)	64 (32)	0 (0.0)	102 (51)	4 (2)	86 (43)	8 (4)	0 (0.0)	145.81	.000**	
Cleaning Products	13 (6.5)	14 (7)	43 (21.5)	114 (57)	16 (8)	99 (49.5)	18 (9)	79 (39.5)	4 (2)	0 (0.0)	195.70	.000**	
Fruit & Vegetables	8 (4)	32 (16)	86 (43)	67 (33.5)	7 (3.5)	107 (53.5)	6 (3)	69 (34.5)	18 (9)	0 (0.0)	140.13	.000**	

*Survey data **Significant at 1% level*

The table 6.17 shows the spending pattern of organized retail customers, In

the case of staples majority of the of respondents (59.5%) are spending between 501-1000 rupees at organized retail store and 39.5 percent are spending 501-1000 in traditional retail store. The table shows that 49.5% of the organized retail customers are not prefer traditional retail store for staples. For food grains majority of the respondents (61.5%) are spending 501-1000 at organized retail store, 49.5 percent are not prefer traditional retail store for food grains . In the case of milk/bread/ egg, majority of the customers (64%) spend less than 150 at organized retail store and 59 percent of respondents are not prefer traditional retail store for these products and 33 percent spend less than 150 at traditional retail store for purchasing milk/bread/egg. The table shows that 50.5 percent of customers spend between 501-1000 for Packaged foods at organized retail store, 36.5 percent don't prefer organized store for packaged food. In the case of toiletries/ cosmetics, 58 percent are spending 150-500 rupees in organized retail store and majority (51%) of customers don't prefer traditional store. For household cleaning products, majority (57%) of the customers spending 501-1000 at organized retail store and 55% of customers don't prefer traditional store and 43% of customers are spending between 151-500 for vegetables and fruits at organized retail store and 36.5% don't prefer organized store for Vegetables and fruits. As per the Chi square result p value is less than .01, so the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is significant difference among the organized retail customers with regard to the spending pattern in organized and traditional retail stores. Organized retail customers spend more in traditional retail store for staples and food grains.

Section D

6.5 Purchase Behaviour of Customers

Customer Buying Behaviour refers to the buying behaviour of the ultimate customer. Many factors, specificities and characteristics influence the individual in what he is and the customer in his decision making process, shopping habits, purchasing behaviour, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual and a customer is led by his culture, his subculture, his social class, his membership

groups, his family, his personality, his psychological factors, etc. and is influenced by cultural trends as well as his social and societal environment. This section studied about customers purchase behavior by using planned behavior theory of Ajzen. The Theory of Planned Behaviour (TPB) predicts that planned behaviours are determined by behavioural intentions which are largely influenced by an individual's attitude toward behaviour, the subjective norms encasing the execution of the behaviour, and the individual's perception of their control over the behaviour (Ajzen, 1975). This section is used to capture the customer's attitude, perceived behavioural control, subjective norms and customer satisfaction.

6.5.1 Attitude of Customers towards Organized and Traditional Retailers

Customers are individuals with likes and dislikes. When the preponderance of people in a particular group feel one way or another about a product, service, entity, person, place or thing, it is said to be a generalized customer attitude that could affect the marketing of that person, product or entity in positive or negative ways. Marketers strive to influence customer attitudes and understanding the prevailing attitude is the first step to changing it if needed (Marla Currie, 2017). This section deals with attitude of organized and traditional retail customers towards product, price, store, location and promotion.

Null Hypothesis: There is no significant difference between organized and traditional retail customers with respect to factors of attitude.

Tables 6.18**Attitude of Customers on Product**

Factors	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Preferred pack sizes	3.830	.559	20.99	.000**	2.80	1.098	-2.58	.011*
Preferred variants	4.000	.000	-	-	2.95	1.135	-.68	.494
Product quality	4.035	.393	37.23	.000**	4.03	.157	92.61	.000**
Fresh stock	4.085	.280	54.88	.000**	4.17	.377	43.94	.000**
Freedom to choose	3.900	.470	27.06	.000**	3.64	.822	10.93	.000**
Taking loose items	3.265	1.005	3.73	.000**	3.52	.885	8.23	.000**
Specific product	3.250	1.074	3.29	.001**	3.41	.941	6.09	.000**

Survey data

***Significant at 1% level*

**Significant at 5% level*

The table 6.18 shows that, in the case of organized retail customer, the mean score of Fresh stock (4.085), Product quality (4.035), Preferred variants (4.000), Freedom to choose (3.900), Preferred pack sizes (3.830), Taking loose items (3.265) and Specific product (3.250) are greater than test value (3) and p value is less than .01, these are significant to organized retail customers and most of the respondents are agree with these factors. In the case of traditional retail customers, the mean score of Preferred variants (2.95), Preferred pack sizes (2.80) is less than test value(3), this factors are less significant to traditional retail customer and most of the respondents are disagree with these two factors. The mean score of Fresh stock (4.17), Product quality (4.03), Freedom to choose (3.64), Specific product (3.41) and Taking loose items (3.12) are greater than test value(3) and p value is less than .01,these factors are significant to traditional retail customers. Hence it is concluded that, organized retail customers give more importance to Preferred pack size,

Preferred variants and Freedom to choose, than traditional retail customers and in the case of Fresh stocks and Taking loose items, traditional retail customers give more importance than organized retail customers. Organized and traditional retail customers give same preference to Product quality.

Tables 6.19

Attitude of Customers on Price

Factors	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Bargain is possible	3.20	1.222	2.256	.025*	3.48	1.098	-2.576	.011*
Lesser price	3.64	.909	9.882	.000**	3.83	1.135	-.685	.494
Credit availability	3.47	1.120	5.870	.000**	3.25	.157	92.614	.000**
Reasonable price	4.00	.000	-	-	4.15	.377	43.939	.000**

Survey data

***Significant at 1% level*

**Significant at 5% level*

The above table shows that, in the case of organized retail customer, the mean score of Reasonable price (4.000), Lesser price (3.64), Credit availability (3.47), Bargain is possible (3.20) are greater than test value (3) and the p value is less than.05, these are significant to organized retail customers and most of the respondents are agree with these factors. In the case of traditional retail customers, the mean scores of Bargain is possible (mean score=3.48, p value=.011), Reasonable price (mean score=4.15, p value=.000), Credit availability (mean score=3.25, p value=.000), are greater than 3 and the p value is less than.01, these factors are significant .In the case of Lesser price(mean score=3.83, p value=.494), less significant difference between attitude of traditional retail customer. From the analysis, it is clear that traditional retail customers are provide more importance to bargain, lesser price and reasonable price than organized retail customers and it is

surprise that organized retail customers give more importance to credit availability than traditional retail customers.

Tables 6.20
Attitude of Customers on Store

Factors	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Better service	3.95	.499	26.94	.000**	3.79	.806	13.87	13.867
Convenient timing	3.85	.582	20.64	.000**	4.00	.000 ^a	-	-
Car parking space	3.92	.495	26.295	.000**	3.00	1.315	.000	.000**
Cleanness	4.05	.271	54.570	.000**	3.39	.991	5.495	5.495
Quality of facility and equipment	4.02	.140	102.78	.000**	3.24	1.042	3.190	3.190
Product placement	3.77	.680	15.915	.000**	2.94	1.087	-.780	-.780
Toilet Service	3.95	.313	42.919	.000**	2.38	1.309	-6.697	-6.697
Well trained employees	4.00	.000	-	-	3.01	1.002	.141	.141
Saves Time	2.93	1.121	-.947	.345	4.12	.586	26.90	26.905
Knows shopkeeper	3.96	.281	48.366	.000**	3.78	.651	16.95	16.946
Home Delivery	3.99	.141 ^a	99.000	.000**	2.67	1.330	-3.508	-3.508
Sales service	4.00	.000	-	-	3.78	.627	17.58	17.583
Complain and problem solving ability	3.96	.330	41.132	.000**	3.97	.299	45.84	45.842

Survey data

***Significant at 1% level*

The table 6.20 shows that, For organized retail customers, the mean score of Cleanness (4.05), Quality of facility and equipment (4.02), Well trained employees (4.00), Sales service (4.00), Home Delivery (3.99), Complain and problem solving ability (3.96) Knows shopkeeper (3.96), Better service (3.95), Toilet Service (3.95), Car parking space (3.92) Convenient timing (3.85), Product placement (3.77) are greater than test value (3), so the above factors are significant. The mean value of Saves Time (2.93) is less than test value, so it is not significant and most of the customers are disagree with this statement.

In the case of traditional retail customers, The mean scores of Saves Time (4.12), Convenient timing (4.00), Complain and problem solving ability (3.97), Knows shopkeeper (3.78), Sales service (3.78), Cleanness (3.39), Quality of facility and equipment (3.24), Car parking space (3.00), Well trained employees (3.01) are greater than test value, so the above all factors are significant and majority of the customers are agree with these factors. The test value of Product placement (2.94), Home Delivery (2.67), Toilet Service (2.38) are less than test value, these factors are not significant.

From the above analysis, it is clear that, organized retail customers give more importance to better services, car parking space, cleanness, quality of facility and equipment, product placement, toilet service, well trained employees, knows shopkeeper, home delivery, sales service than traditional retail customers. The traditional retail customers give more importance to convenient timing, saves time and complain and problem solving ability than organized retail customers.

Tables 6.21

Attitude of Customers on Location

Factors	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Closer to my house	3.93	.368	35.69	.000**	4.06	.54	27.46	.000**
Proximity to my place at work	3.94	.342	38.87	.000**	3.96	.44	30.40	.000**
Easy to access	4.00	.000	-	.000**	3.86	.54	22.53	.000**

Survey data

***Significant at 1% level*

In the case of location, Easy to access (4.000) is the most preferred factor for organized retail customers and Closer to my house (4.060) is the most significant factor for traditional retail customers, but it is the least factor (3.93) for organized retail customers. Easy to access (3.860) is the least preferred factor for traditional retail customers. Traditional retail customers give more importance to location of retail stores than organized retail customers. The mean value of all factors are greater than test value 3 with p value less than .01, so there is significant difference between the attitude of organized and traditional retail customers towards location. All factors are significant to organized and traditional retail customers.

Tables 6.22**Attitude of Customers on Promotion**

Factors	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	P value
Offering discount	3.84	.565	20.89	.000**	3.82	.599	19.34	.000**
Occasional gift	3.44	.900	6.91	.000**	3.59	.809	10.31	.000**
Advertisement and customer awareness	3.88	.476	26.13	.000**	3.40	.919	6.16	.000**

Survey data

***Significant at 1% level*

With the promotion is concerned, Advertisement and customer awareness (3.88) is the most important factor for organized retailers and Occasional gift for customer (3.44) is the least factor. Offering discount is the most important factor for traditional retail customers (3.82) and advertisement and customer awareness (3.400) is the least preferred factor. The mean value of all factors is greater than test value 3 with p value is less than .01, so there is significant difference between the attitude of organized and traditional customers towards promotion. All factors are significant to organized and traditional retail customers.

Table 6.23**T Test for Significant Difference between Organized and Traditional Retail Customers with Respect to Factors of Attitude of Customer**

Factors of Attitude	Sector				t value	P Value
	Organized		Traditional			
	Mean	SD	Mean	SD		
Attitude on Product	26.39	1.67	24.28	3.02	8.637	<0.001**
Attitude on Price	14.36	2.08	14.53	3.03	0.635	0.526
Attitude on Store	50.34	1.99	43.43	7.41	12.734	<0.001**
Attitude on Location	11.88	.65	10.98	2.40	5.144	<0.001**
Attitude on promotion	11.16	1.39	10.15	2.00	5.873	<0.001**
Overall Customer Attitude	114.10	4.40	104.46	14.26	9.138	<0.001**

Survey data

**Significant at 1% level

The table 6.23 shows the significant difference between organized and traditional retail customers with respect to factors of attitude of customer. Since p value is less than 0.01, null hypothesis is rejected at 1% level of significant with regard to factors of attitude on product, store, location, promotion and overall customer attitude. Hence it is concluded that there is significant difference between organized and traditional retail customers with regard to the attitude on product, store, location, promotion and overall customer attitude. There is no significance difference between organized and traditional customers with regard to attitude on price, since p value is greater than 0.05.

The attitude of organized and traditional retail customers is diagrammatically depicted in Figure 6.5.

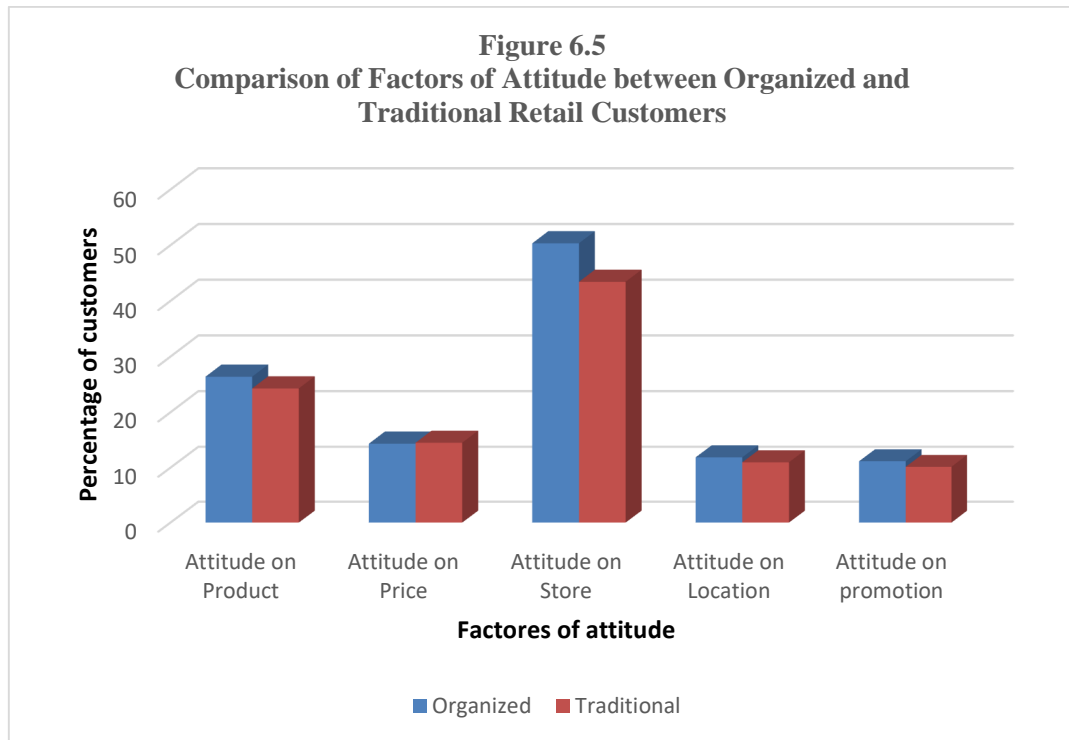


Table 6.24

Attitude of Customers

Attitude	Test value	Organized retail store				Traditional retail store			
		Mean	SD	t value	p value	Mean	SD	t value	p value
Product	21	26.39	1.674	45.505	.000**	24.28	3.022	15.324	.000**
Price	12	14.36	2.077	16.073	.000**	14.53	3.032	11.776	.000**
Store	39	50.34	1.988	80.630	.000**	43.43	7.412	8.443	.000**
Location	9	11.88	.646	63.020	.000**	10.98	2.403	11.624	.000**
Promotion	9	11.16	1.389	21.934	.000**	10.15	1.996	8.113	.000**

Survey data

***Significant at 1% level*

The table 6.24 shows the attitude of organized and traditional retail customers towards product, price, store, location and promotion. In the case of organized and traditional retail customers based on mean rank, attitude on store is the most important factor to organized (50.34) and traditional (43.43) retail customers followed by attitude on product (26.39) and (24.28), attitude on price (14.36) and

(14.53), attitude on location (11.88) and (10.98) and attitude on promotion (11.16) and (10.15). The table also found that organized retail customers give more importance to product, store, location and promotion than traditional retail customers. But in the case of price, traditional retail customers give more importance than organized retail customers. The mean values of all factors of attitude are greater than test value, most of the customers are agree with these factors.

6.5.2 Perceived Behavioral Control

The importance of actual behavioral control is self evident: The resources and opportunities available to a person must to some extent dictate the likelihood of behavioral achievement of greater psychological interest than actual control, however, is the perception of behavioral control and its impact on intentions and actions. Perceived behavioral control plays an important part in the theory of planned behavior (Icek Ajzen, 1991). The table 6.25 shows the perceived behavioral control of organized and traditional retail customers.

Null Hypothesis: There is significant association between organized and traditional retail customers with respect to perceived behavioural control.

Tables 6.25

Perceived Behavioral Control

Factores	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Performance risk	3.91	.416	30.96	.000**	3.99	.325	42.93	.000**
Financial risk	3.96	.281	48.36	.000**	3.98	.361	38.40	.000**
Psychological risk	3.87	.494	24.89	.000**	3.98	.140	98.75	.000**
Physical risk experience	3.93	.368	35.69	.000**	4.06	.229	65.28	.000**
Time and convenience risk	4.00	.000 ^a	-	-	3.88	.507	24.55	.000**

Survey data

***Significant at 1% level*

Based on mean score, for organized retail customers, Time and convenience risk (4.00) is the most important factor followed by Financial risk (3.96), Physical risk (3.93), Performance risk (3.91) and Psychological risk (3.87). In the case of traditional retail customers, Physical risk (4.06) is the most preferred factor followed by Performance risk (3.99). Traditional retail customers give same priority to Financial risk and Psychological risk (3.980) and Time and Convenience risk (3.88) is the least factor. The mean score of all factors are greater than test value (3), so all factors are significant to organized and traditional retail customers.

Table 6.26

T Test for Significant Difference between Organized and Traditional Retail Customers with Respect to Perceived Behavioral Control

Retail Sector	Mean	SD	t value	P Value
Organized	19.97	1.04	4.016	<0.001**
Traditional	19.45	1.51		

Survey data

***Significant at 1% level*

The table 6.26 shows the significant difference between organized and traditional retail customers with respect to perceived behavioral control. Since p value is less than 0.01, null hypothesis is rejected at 1% level with regard to Perceived behavioral control. Hence it is concluded that there is significant difference between organized and traditional retail customers with respect to Perceived behavioural control.

6.5.3 Subjective Norms

Subjective norm is usually defined, as an individual's perception or "opinion about what important others believe the individual should do" (Finlay, Trafimow, & Moroi, 1999). The table 6.27 shows the subjective norms of organized and traditional retail customers.

Null Hypothesis: There is no significant difference between organized and traditional retail customers with respect to subjective norms.

Table 6.27
Subjective Norms

Subjective Norms	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
I do not have certain plans	3.23	1.13	2.82	.005*	2.35	.837	-10.98	.000**
A Strong Commitment	2.56	1.16	-5.35	.000**	3.28	1.116	3.485	.001**
Negative	2.04	.42	-32.66	.000**	2.23	.766	-14.30	.000**
Inefficient	2.94	1.04	-.81	.418	2.81	1.119	-2.46	.015*
Attractive	3.93	.41	32.29	.000**	3.28	1.125	3.46	.001**
Well Suited	4.00	.25	57.59	.000**	3.64	.963	9.33	.000**
Incorporate	3.87	.55	22.40	.000**	3.47	.951	6.99	.000**
Value Increase	3.98	.20	69.47	.000**	2.81	1.072	-2.51	.013*
Family have Incorporated	3.64	.85	10.54	.000**	3.74	.916	11.35	.000**
Feel Positive	2.87	1.10	-1.73	.085	3.41	1.003	5.71	.000**
Difficult	2.40	1.092	-9.21	.000**	2.66	.943	-5.10	.000**
Difficult to Arrange	2.77	1.09	-2.98	.003**	2.28	.696	-14.63	.000**
Friends Influence	2.81	1.04	-2.57	.011*	2.59	.898	-6.46	.000**
Not Good for Me	2.00	.000 ^a	-	-	2.46	1.097	-7.02	.000**

Survey data

***Significant at 1% level*

**Significant at 5% level*

The table 6.27 shows the mean values of the fourteen factors of subjective norms. In the case of organized retail customers, the mean scores of the statements, “Shops is well suited to the way me and my family” (4.000), “People whose opinions my family value would increase if my family incorporated grocery shopping from this type shops” (3.980), “Shopping groceries through this type shops is attractive to me and my family's' daily life ” (3.930), “Most people who are important to me and my family think that we should incorporate grocery shopping from this type shops”(3.865), “Most families that are important to my family have incorporated grocery shopping from this type shops”(3.64) and “I do not have certain plans to purchase my groceries” (3.23) are greater than test value (3), so these statements are significant. But the mean value of “Incorporating grocery shopping from this type shop in my family routine would be inefficient”(2.94), “Me and my family feel a strong commitment in incorporating grocery shopping from this type of shop into our weekly routine” (2.56), “People that influence me and my family would feel positive if we purchase groceries from this type shops” (2.87), “Most of the friends who influence the behaviour of me and my family at the time of grocery shopping” (2.81), “Incorporating grocery shopping from this type of shop within my family routine would be difficult to arrange” (2.77), “Incorporating grocery shopping from this type shops within my family routine would be difficult” (2.40) and “My friends think this type shop is not good for me” (2.00) are less than test value(3), so these statements are not significant and most of the respondents are disagree with these statements.

In the case of traditional retail customers, the mean scores of the following statements, “most families that are important to my family have incorporated grocery shopping from this type shops”(3.74), “Purchasing groceries from this type shops is well suited to the way me and my family normally tends to shop groceries ”(3.64), “Most people who are important to me think that we should incorporate grocery shopping from this type shops “(3.47), “People that influence me and my family would feel positive if we purchase groceries from this type shops”(3.41), “Me and my family feel a strong commitment in incorporating grocery shopping from this type of shop into our weekly routine ”(3.28) , “Shopping groceries through

this type shops is attractive to me and my family's' daily life ” (3.28) are greater than test value 3, so these statements are significant and most of the respondents are agree with these statements. Likewise the mean scores of the statements, “Incorporating grocery shopping from this type shop in my family routine would be inefficient” (2.81), “People whose opinions my family value would increase if my family incorporated grocery shopping from this type shops” (2.81), “Most of the friends who influence the behaviour of me and my family at the time of grocery shopping” (2.59), “Incorporating grocery shopping from this type shops within my family routine would be difficult”(2.66), “My friends think this type shop is not good for me.”(2.46), “ I do not have certain plans to purchase my groceries “(2.35), “Incorporating grocery shopping from this type of shop within my family routine would be difficult to arrange” (2.28), “Incorporating grocery shopping from this type of shop in my family routine would be negative ” (2.23) are less than test value 3, so these statements are not significant.

Hence it is clear that, in the case of organized retail customers, “shops is well suited to the way me and my family” is the most important statement and “My friends think this type shop is not good for me and my family for grocery shopping “is the least statement. “Most families that are important to my family have incorporated grocery shopping from this type shops” is the most preferred statement in traditional sector and “incorporating grocery shopping from this type of shop in my family routine would be negative” is the least factor.

Table 6.28

T Test for Significant Difference between Organized and Traditional Retail Customers with Respect to Subjective Norms

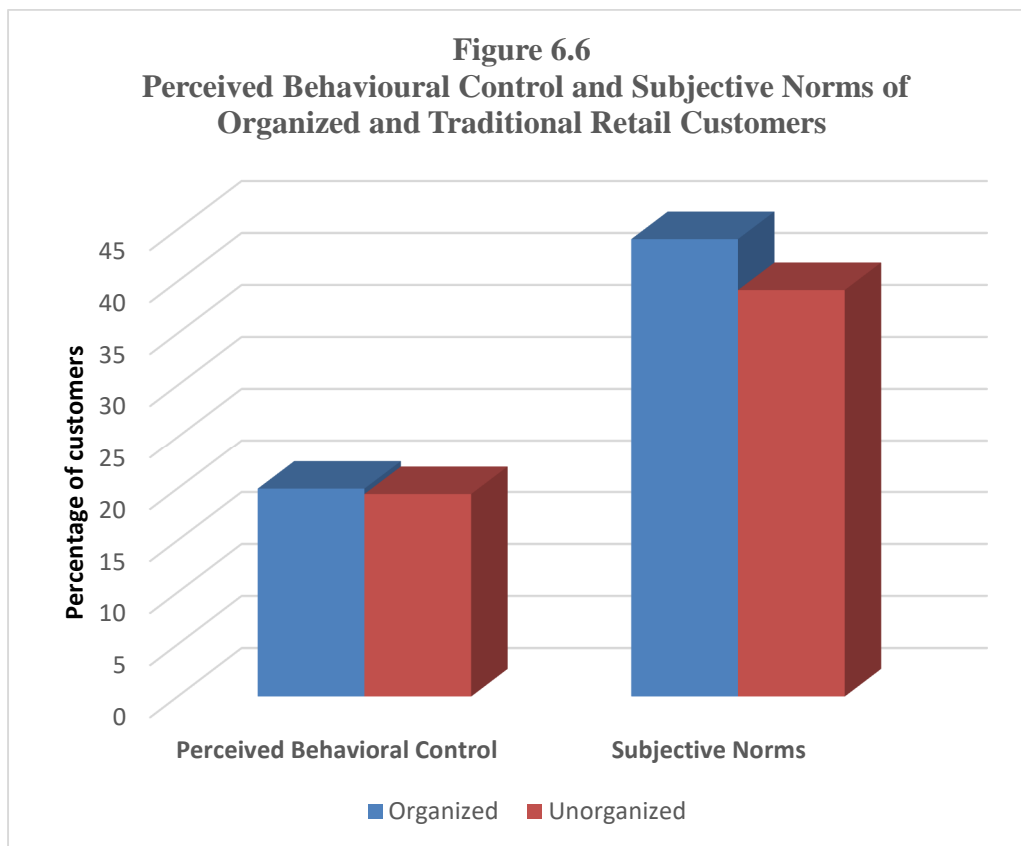
Retail Sector	Mean	SD	t value	P Value
Organized	44.06	4.20	10.039	<0.001**
Traditional	39.16	5.48		

Survey data

***Significant at 1% level*

The table 6.28 shows the significant difference between organized and traditional retail customers with respect to subjective norms. Since p value is less than 0.01, null hypothesis is rejected at 1% level with regard to subjective norms. Hence it is clear that there is significant difference between organized and traditional retail customers with respect to subjective norms.

The perceived behavioural control and subjective norms of organized and traditional retail customers are diagrammatically presented in the figure 6.6.



6.5.4 Customer Satisfaction

Customer satisfaction is a response (emotional or cognitive); the response pertains to a particular focus (expectations, product, consumption experience, etc.); and the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc. (Joan L. Joseph A. Cote, 2000)). The factors of customer satisfaction are product, price, store, location and promotion. The comparison of customer satisfaction of organized and traditional retail customers on the basis of distance category is presented in the tables 6.29, 6.30, 6.31, 6.32 and 6.33.

Null Hypothesis: There is no significant difference between organized and traditional retail sector with respect to customer satisfaction.

Table 6.29
Satisfaction on Product

Factores	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Preferred pack sizes	3.83	.559	20.99	.000**	2.47	.850	-8.817	.000**
Preferred variants	3.91	.477	26.86	.000**	2.41	.809	-10.308	.000**
Product quality	3.93	.501	26.13	.000**	3.14	.993	1.995	.047*
Fresh stock	3.99	.141	99.00	.000**	3.39	.912	6.046	.000**
Freedom to choose	3.38	.975	5.513	.000**	2.89	.996	-1.561	.120
Taking loose items	3.01	1.11	.064	.949	4.00	.000 _a	-	-
Specific product	3.80	.626	18.07	.000**	3.00	1.00	.000	1.000

Survey data

***Significant at 1% level*

The table 6.29 made the comparison between the organized and traditional retail customers with regard to the satisfaction level on retail store. The product is concerned; Fresh/new stock (3.99) is the most satisfied factor for organized retail customers. Choice of taking loose items (4.000) is the most satisfied factor for traditional retail customers but it is the least satisfied factor (3.01) for organized retail customers. Choice of preferred variants (2.41) is the least factor for traditional retail customers. In the case of organized retailers, all factors are significant and most of the customers are satisfied with all factors related to customer satisfaction .In the case traditional retail customers, the mean values of Taking loose items (4.00), Fresh stock (3.39), Product quality (3.14), Specific product (3.00) are greater than test value (3), so these factors are significant and the mean values of Freedom to choose (2.89), Preferred pack sizes (2.47), Preferred variants (2.41) are less than

test value(3), so these factors are not significant and most of the traditional retail customers are not satisfied with these factors.

Table 6.30
Satisfaction on Price

Factores	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Bargain is possible	2.00	.071	-201.00	.000**	3.62	.787	11.15	.000**
Lesser price	3.53	.913	8.13	.000**	2.00	.000 ^a		
Credit availability	2.11	1.041	-12.09	.000**	3.98	.199	69.47	.000**
Reasonable price	3.80	.602	18.81	.000**	3.40	.919	6.16	.000**

Survey data

***Significant at 1% level*

The table 6.30 shows the satisfaction level of retail customers on price. In the case of organized retail customers, the mean values of Reasonable price (3.80) and Lesser price (3.53) are greater than test value (3), so these are significant and most of the customers are satisfied with these factors. The mean values of Bargain (2.00) and Credit availability (2.11) are less than test value (3), so these two factors are not significant. In the case of traditional retail customers, Credit availability (3.980) is the most satisfied factor followed by Bargain is possible (3.62), Reasonable price (3.40) and the mean values of these factors are greater than test value (3), most of the customers are satisfied with these factors but the mean value of Lesser price (2.000) is less than test value 3, this is the least factor and majority of the traditional retail customers are dissatisfied with this factors.

The price is concerned, for organized retail customers Reasonable price is the most satisfied factor and Bargain is the least factor and for traditional retail customers, Credit availability is the most satisfied factor and Lesser price is the least satisfied factor.

Table 6.31
Satisfaction on Store

Factores	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	P value	Mean	SD	t value	Pvalue
Better service	3.80	.602	18.81	.000**	2.65	.939	-5.271	.000**
Convenient timing	3.59	.810	10.21	.000**	3.48	.879	7.719	.000**
Car parking space	3.78	.627	17.58	.000**	1.99	.877	-16.373	.000**
Cleanness	3.98	.199	69.47	.000**	2.75	1.007	-3.579	.000**
Quality of facility and equipment	3.92	.393	33.11	.000**	2.48	.896	-8.283	.000**
Product placement	3.94	.342	38.87	.000**	2.70	.983	-4.387	.000**
Toilet Service	3.58	.817	10.04	.000**	1.76	.428	-40.958	.000**
Well trained employees	3.64	.808	11.19	.000**	2.27	.773	-13.444	.000**
Saves Time	3.08	1.044	1.084	.000**	3.93	.783	16.716	.000**
Knows shopkeeper	2.42	.921	-8.908	.000**	4.17	.372	44.276	.000**
Home Delivery	3.55	.837	9.290	.000**	2.08	.393	-33.115	.000**
Sales service	3.73	.722	14.19	.000**	2.85	.991	-2.140	.034*
Complain and problem solving ability	3.65	.776	11.76	.000**	2.95	.986	-.717	.474

Survey data

***Significant at 1% level*

**Significant at 5% level*

The table 6.31 shows the satisfaction level of traditional and organized retail customers on store. For organized retail customers, mean values of Cleanness (3.98), Product placement (3.94), Quality of facility and equipment (3.92), Better service (3.80), Car parking space (3.78), Sales service(3.73), Complain and problem solving ability (3.65), Well trained employees (3.64), Convenient timing (3.59), Toilet service (3.58), Home delivery (3.55) and Saves time (3.08) are greater than test value (3) .Hence it is concluded that organized retail customers are satisfied with these factors. The mean value of Knows shopkeeper (2.42) is less than test value (3), so it is not significant.

In the case of traditional retail customers, mean values of Knows shopkeeper (4.17), Saves time (3.93) and Convenient timing (3.48) are greater than test value (3), these factors are significant and most of the traditional retailers are satisfied with these factors. But the mean scores of Complain and problem solving ability (2.95), Sales service (2.85), Cleanness (2.75), Product placement (2.70), Better service (2.65), Quality of facility and equipment (2.48), Well trained employees (2.27), Home delivery (2.08), Car parking space (1.99) and Toilet service (1.76) are less than test value (3), so it is clear that most of the traditional retail customers are dissatisfied with these factors.

In the case of satisfaction on store, Cleanness of the store is the most satisfied factor for organized retail customers, Knows shopkeeper is the least factor for organized retail customers but it is the most satisfied factor for traditional retail customers. In the case of traditional retail customers Toilet service is the least factor.

Table 6.32
Satisfaction on Location

Factors	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	p value	Mean	SD	t value	p value
Closer to my house	2.96	1.113	-.572	.568	4.04	.196	74.87	.000**
Proximity to my place at work	3.31	.968	4.457	.000**	4.04	.196 ^a	74.87	.000**
Easy to access	3.34	.963	4.920	.000**	4.00	.000	-	-

Survey data

***Significant at 1% level*

The table 6.32 gives an idea about satisfaction level of organized and traditional retail customers on location. With regard to location, Easy to access (3.34) is the most satisfied factor for organized retail customers followed by Proximity to my place (3.31) and the mean scores of these factors are greater than test value (3) and these factors are significant. The mean value of Closer to my house (2.96) is less than test value and most of the customers are disagree with this factor. Traditional customers have same satisfaction level on Proximity to my place (4.04) and Closer to my house (4.40) followed by Easy to access (4.00) and most of the customers are satisfied with these factors. Hence it is concluded that traditional retail customers are more satisfied with the location of retail stores than organized retail customers.

Table 6.33
Satisfaction on Promotion

Factors	Test value=3							
	Organized retail store				Traditional retail store			
	Mean	SD	t value	P value	Mean	SD	t value	p value
Discount	3.75	.663	15.996	.000**	1.90	.459	-33.862	.000**
Occasional Gift	3.27	.965	3.956	.000**	1.88	.408 ^a	-38.825	.000**
Advertisement and Customer Awareness	3.59	.809	10.308	.000**	1.86	.348	-46.347	.000**

Survey data

***Significant at 1% level*

The table 6.33 shows the satisfaction of organized and traditional retail customers on promotional strategies adopted by retailers. Offering discount is the most satisfied factor for organized (Mean = 3.75) and traditional retail (Mean =1.90) customers. Occasional gift for customer (Mean =3.27) is the least factor for organized retailers and Advertisement and Customer awareness (Mean =1.860) is the least factor for traditional retailers. Most of the customers are satisfied with promotional strategies provided by organized retailers, but in the case of traditional retail sector, most of the customers are dissatisfied with promotional strategies.

Comparison between organized and traditional retail customers with respect to the factors of satisfaction and overall satisfaction were done by using t test and it is presented in table 6.34.

Table 6.34**T Test for Significant Difference between Organized and Traditional Retail Customers with Respect to Factors of Satisfaction**

Factors of Satisfaction	Sector				t value	P Value
	Organized		Traditional			
	Mean	SD	Mean	SD		
Satisfaction on Product	26.19	1.93	20.49	4.59	16.184	<0.001**
Satisfaction on Price	12.07	1.34	9.60	3.57	9.149	<0.001**
Satisfaction on Store	46.82	3.41	35.88	7.22	19.380	<0.001**
Satisfaction on Location	10.15	2.30	7.98	3.42	7.445	<0.001**
Satisfaction on Promotion	9.73	2.57	5.57	2.56	16.235	<0.001**
Overall Customer Satisfaction	104.95	7.92	79.51	19.72	16.929	<0.001**

Survey data

***Significant at 1% level*

The table 6.34 shows the significant difference between organized and traditional retail customers with respect to factors of satisfaction. Since p value is less than 0.01, null hypothesis is rejected at 1% level with regard to factors of satisfaction on product, price, store, location, promotion and overall customer satisfaction. Hence it is concluded that there is significant difference between organized and traditional retail customers with respect to factors of satisfaction.

The satisfaction level of organized and traditional retail customers are diagrammatically presented in Figure 6.7.

Figure 6.7
Comparison of Factors of Satisfaction between Organized and Traditional Retail Customers

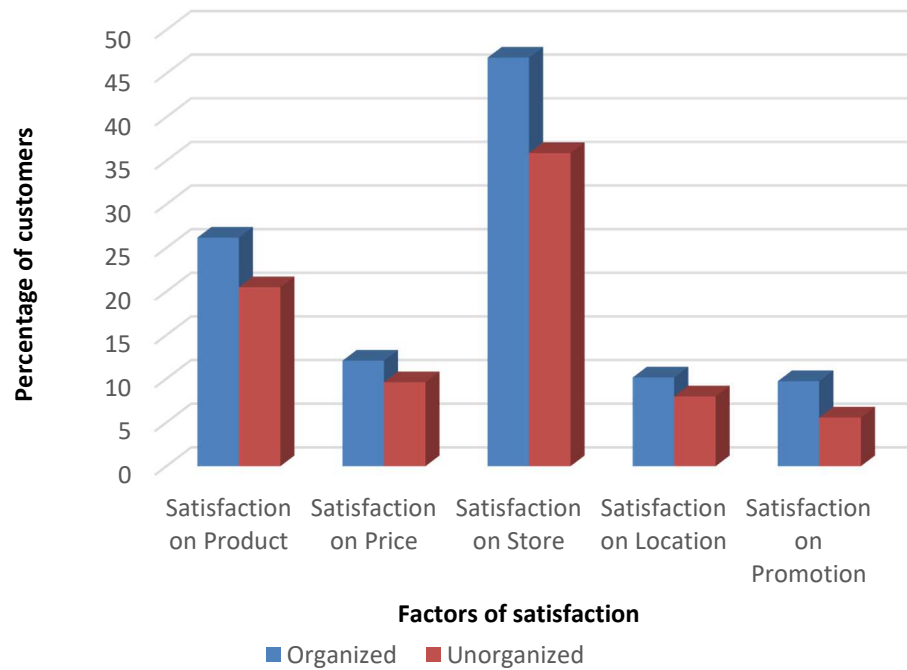


Table 6.35

Satisfaction Level of Customers

Satisfaction	Test value	Organized retail store				Traditional retail store			
		Mean	SD	t value	p value	Mean	SD	t value	p value
Product	21	26.19	1.932	37.99	.000**	20.49	4.591	-1.57	.000**
Price	12	12.07	1.343	.74	.462	9.60	3.574	-9.49	.000**
Store	39	46.82	3.405	32.48	.000**	35.88	7.221	35.88	.000**
Location	9	10.15	2.300	7.04	.000**	7.98	3.421	-4.23	.000**
Promotion	9	9.73	2.568	3.99	.000**	5.57	2.557	-18.99	.000**

Survey data

***Significant at 1% level*

The table 6.35 shows the satisfaction level of organized and traditional retail customers on product, price, store, location and promotion. In the case of organized retail customers, the mean values of product (26.19), price (12.07), store (46.82),

location (10.15) and promotion (9.73) are greater than test value, so these factors are significant and most of the customers are satisfied with these factors. But in the case of traditional retail customers, the mean values of product (20.49), price (9.60), store (35.88), location (7.98) and promotion (5.57) are less than test value, so these factors are not significant and most of the customers are dissatisfied with these factors.

6.5.5 Purchase Behavior of Customers

The table 6.36 shows the purchase behavior of organized and traditional retailers. It includes four factors 1.Attitude 2.Perceived Behavioural Control 3.Subjective Norms and 4. Satisfaction.

Table 6.36
Purchase Behavior of Customers

Factors	Test value	Organized retail store				Traditional retail store			
		Mean	SD	t value	p value	Mean	SD	t value	P value
Overall Customer Attitude	90	114.10	4.39	77.519	.000**	104.46	14.25	14.339	.000**
Perceived Behavioural Control	15	19.97	1.04	67.492	.000**	19.45	1.51	41.780	.000**
Subjective norms	42	44.06	4.19	6.943	.000**	39.16	5.48	-7.327	.000**
Overall Customer satisfaction	90	104.95	7.92	26.692	.000**	79.51	19.72	-7.522	.000**

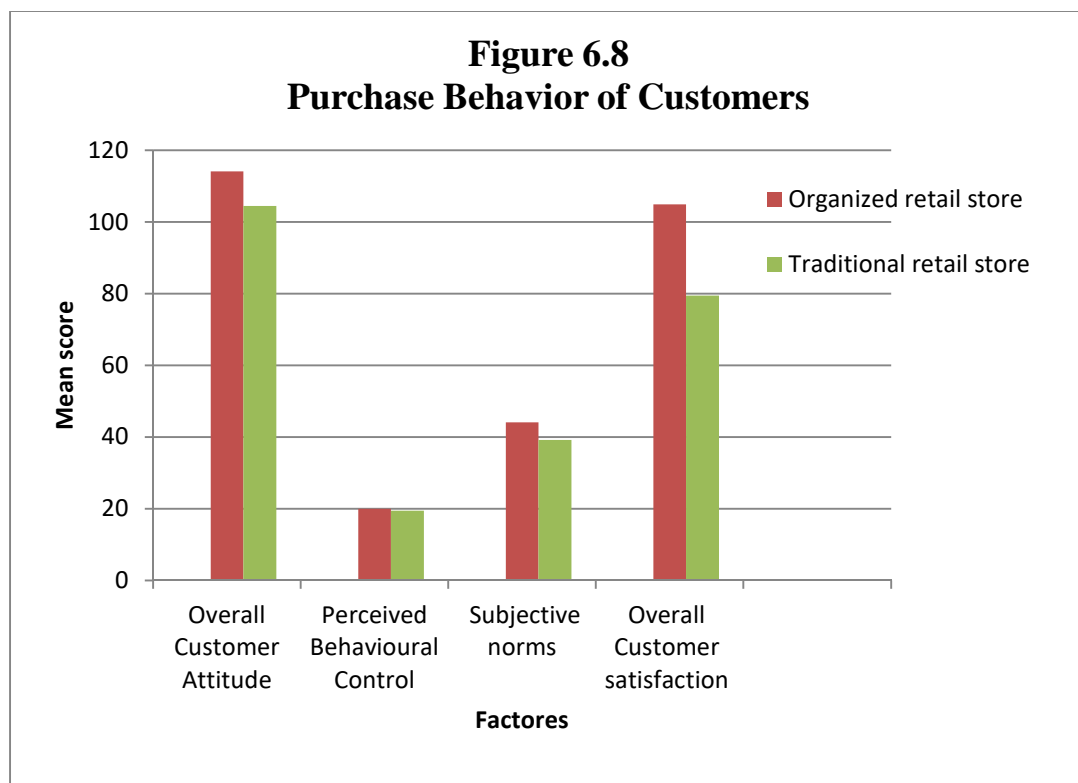
Survey data

***Significant at 1% level*

According to the table 6.36, the mean score of overall customer attitude is high for both organized (Mean =114.10) and traditional (Mean =104.46) retail customers, followed by customer satisfaction, organized (Mean =104.06) and traditional (Mean =79.51), subjective norms, organized (Mean =44.06) and traditional (Mean =39.16) and Perceived behavioural control, organized (Mean

=19.97) and traditional (Mean =19.45) retail customers respectively. For organized retail customers the mean values of all factors of customer purchase behaviour are greater than test values and these factors are significant. But in the case of traditional retail customers, overall customer attitude and perceived behavioural control is significant and subjective norms and overall customer satisfactions are not significant.

The graphical presentation of purchase behavior of customers is shown in Figure 6.8.



6.5.6 Level of Purchase Behavior of Customer

The table 6.37 shows the factors of purchase behavior that is customer attitude, perceived behavioral control, subjective norms and customer satisfaction are grouped in to different levels.

Table 6.37**Level of Purchase Behavior of Customer**

Factors	Percentile 25 (Q1)	Median (Q2)	Percentile 75 (Q3)
Overall Customer Attitude	107	114	117
Perceived Behavioral Control	19	20	21
Subjective Norms	36	42	46
Overall Customer Satisfaction	75	97	109

Survey data

If the score is below First Quartile (Q1) is called Low level. If the score is lies between First Quartile (Q1) and third Quartile (Q3) is called Moderate. If the score is above Third Quartile (Q3) is called High level. Based on this score, the above factors are converted into Low, Moderate and High level and are presented in the following tables.

Table 6.38**Level of Attitude of Organized and Traditional Retail Customers**

Level of Customer Attitude	Sector		Total
	Organized	Traditional	
Low	6 (3.0)	85 (42.5)	91 (22.8)
Moderate	125 (62.5)	79 (39.5)	204 (51.0)
High	69 (34.5)	36 (18.0)	105 (26.3)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Survey data

The Level of Customer Attitude is concerned, In the organized sector, majority (62.1%) of the customers are in moderate level followed by high level (34.5%) and low level(3.0%) but 42.5 percent of traditional retail customer in low level followed by moderate level (39.5%) and high level (18.0%).

Table 6.39**Level of Perceived Behavioral Control of Organized and Traditional Retail Customers**

Level of Perceived Behavioral Control	Sector		Total
	Organized	Traditional	
Low	29 (14.5)	72 (36.0)	101 (25.3)
Moderate	98 (49.0)	88 (44.0)	186 (46.5)
High	73 (36.5)	40 (20.0)	113 (28.3)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Survey data

As per the above table, In the case of organized retail customer, the Level of perceived behavioral control is moderate level for majority (49.0%) of customers followed by High (36.5) and Low (14.5). In the case of traditional retail customers, moderate level (44.0%), low level (36%) and high level (20%) respectively.

Table 6.40**Level of Subjective Norms of Organized and Traditional Retail Customers**

Level of Subjective Norms	Sector		Total
	Organized	Traditional	
Low	10 (5.0)	87 (43.5)	97 (24.3)
Moderate	113 (56.5)	81 (40.5)	194 (48.5)
High	77 (38.5)	32 (16.0)	109 (27.3)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Survey data

The Level of Subjective Norms is concerned, In the organized retail sector ,majority (56.5%) of the customers are in moderate level followed by high level

(38.5%) and low level (5%) but 43.5 percent of traditional retail customer in low level ,40.5 percent are moderate level and only 16 percent of customers are under high level.

Table 6.41

Level of Customer Satisfaction of Organized and Traditional Retail Customers

Level of Customer Satisfaction	Sector		Total
	Organized	Unorganized	
Low	5 (2.5)	90 (45.0)	95 (23.8)
Moderate	134 (67.0)	71 (35.5)	205 (51.3)
High	61 (30.5)	39 (19.5)	100 (25.0)
Total	200 (100.0)	200 (100.0)	400 (100.0)

Survey data

The Level of Customer Satisfaction is concerned, In the organized retail sector majority (67%) of the customers are in moderate level followed by high (30.5%) and low level (2.5%). In traditional retail sector low (45%), moderate (35.5%) and high level (19.5%) respectively.

6.5.7 Correlation between Customer Satisfaction and Attitude

The table 6.42 shows the correlation between customer satisfaction and customer attitude of organized and traditional retailers

Table 6.42
Correlation between Customer Satisfaction and Attitude

Customer	Factors of Attitude	Factors of Satisfaction					
		Product	Price	Store	Location	Promotion	Overall Satisfaction
Organized retail customer	Product	0.474**	0.514**	0.470**	0.500**	0.523**	0.530**
	Price	0.638**	0.708**	0.600**	0.656**	0.574**	0.685**
	Store	.245**	0.295**	0.263**	0.244**	0.387**	0.299**
	Location	0.566**	0.649**	0.475**	0.627**	0.538**	0.602**
	Promotion	0.529**	0.686**	0.424**	0.660**	0.473**	0.578**
	Overall Attitude	0.457**	0.526**	0.418**	0.481**	0.513**	0.505**
Traditional retail customers	Product	0.119	0.138	0.053	0.001	0.114	0.112
	Price	0.146*	0.049	0.242**	0.099	0.104	0.153*
	Store	0.202**	.149*	0.122	0.040	0.070	0.033
	Location	0.091	0.044	0.056	0.039	0.053	0.034
	Promotion	0.131	0.043	0.084	0.141*	0.040	0.051
	Overall Attitude	0.256**	0.156*	0.037	0.107	0.115	0.111

Survey data

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

In the case of organized retail customers, customer satisfaction on product (0.474), price (0.514), store (0.470), location (0.500), promotion (0.523) and overall customer Satisfaction (0.530) are significant relation between attitude on product. Similarly customer satisfaction on product (0.638), price (0.708), store (0.600), location (0.656), promotion (0.574) and overall customer Satisfaction (0.685) are

significant relation between attitude on price. Customer satisfaction on product (0.245), price (0.295), store (0.263), location (0.244) promotion (.387) and overall customer satisfaction (0.299) are significant relation between attitude on store. Customer satisfaction on product (0.529), price (0.686), store (0.424), location (0.660), promotion (0.473) and overall Customer Satisfaction (0.578) are significant relation between attitude on location. Customer satisfaction on product (0.529), price (0.686), store (0.424), location (0.660), promotion (0.473) and overall customer Satisfaction (0.578) are significant relation between attitude on promotion. The correlation analysis proves that customer satisfaction on product (0.457), price (0.526), store (0.418), location (0.481), promotion (0.513) and overall customer Satisfaction (0.505) are significant relation with attitude on overall customer attitude.

In the case of traditional retailers, factors of customer satisfaction are not significant relation between attitude on product. Customer satisfaction on product (0.146), store (0.242) and overall customer satisfaction (0.153) are significant relation between attitude on price. Customer satisfaction on product (0.202) and price (0.149) are significant relation between attitude on store. While, there is no relationship between factors of customer satisfaction and attitude on location. Customer satisfaction on location (0.141) is significant relation between attitude on promotion. The results of the analysis shows that, for organized retail customer's attitude components have significant relationship with different facets of satisfaction. But for traditional retail customers price is the only significant factor.

Dependent variable: Customer satisfaction(Y)

Independent variable: Product (X1), Price (X2), Store (X3), Location (X3), Promotion (X4) and summary of the correlation coefficients are presented in table 6.43.

Table 6.43
Model Fix Summary

Measure	Organized	Traditional
Multiple R value	0.716	0.233
R Square value	0.512	0.054
F value	40.778	2.229
p value	<0.001**	0.053

The table 6.43 shows the model fix summary. The multiple correlation coefficient is 0.716 for organized retailers 0.233 for traditional retailers, measures the degree of relationship between the actual values and the predicted values of attitude of customers. Because, in the case of organized retailers, the predicted values are obtained as a linear combination of factors of attitude, the coefficient value of 0.716 indicates that the relationship between customer satisfaction and the five independent factors is quite strong and positive. In the case of traditional retailers, the coefficient value of 0.233 indicates that the relationship between customer satisfaction and the five independent factors is not that much strong than organized retailers.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent factors explained by the fitted sample regression equation. Thus, the value of R square is 0.512 for organized retailers,.054 for traditional retailers simply means that about 5.12% (organized retailers)and 0.54% (traditional retailers) of the variation in customer satisfaction is explained by the estimated SRP that uses Product, Price, Outlet, Location and Promotion as the independent factors and R square value is significant at 1 % level.

Table 6.44**Factors of Multiple Regression Analysis**

Sector	(Constant)	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
		1.740	8.138			
Organized	Product	0.304	0.671	0.047	0.453	0.651
	Price	2.896	0.561	0.445	5.164	<0.001**
	Store	0.043	0.223	0.016	0.193	0.847
	Location	1.336	0.671	0.163	1.990	0.048*
	Promotion	1.532	0.757	0.155	2.024	0.044*
Traditional	(Constant)	81.459	17.862		4.560	<0.001**
	Product	0.630	0.350	0.133	1.800	0.073
	Price	0.759	0.286	0.199	2.654	.009**
	Store	0.092	0.288	0.023	0.319	0.750
	Location	0.103	0.862	0.008	0.119	0.905
	Promotion	0.886	0.439	0.155	2.019	0.045

** Correlation is significant at the 0.01 level

* Correlation is significant at the 0.05 level

Table 6.44 gives the predictor factors in the regression equation. In the case of organized retail customers, the beta values and p values corresponding to the factors for product, price, store, location, and promotion are 0.304, 2.896, 0.043, 1.336, 1.532 and the p values are 0.651, .001, 0.847, 0.048 and 0.044. Which are indicates that price is significant at 1% level and location and promotion are significant at 5% level. Product and store are not significant. Among the factors, beta values of all factors show that they are the positive predictors of performance.

In the case of traditional retail customers, The beta values and p values corresponding to the factors for product, price, store, location, promotion are 0.630, 0.759, 0.092, 0.103, 0.886 and the p values are 0.073, .009, 0.750, 0.045 which are indicates that price is significant at 1% level and product ,location, store and

promotion are not significant. Among the factors, beta values of all factors show that they are the positive predictors of performance.

To develop a multiple regression equation for predicting the dependent variable performance (Y) from the predictor factors viz, product, price, location, store and promotion the following procedure have been used. The general regression equation of the criterion factors Y, in terms of the predictor factors X1, X2, X3 and X4 is given by the multiple regression equation.

1. For organized retail customers is

$$Y = 1.740 + 0.304X_1 + 2.896X_2 + 0.043X_3 + 1.336X_4 + 0.886X_5$$

II. For traditional retail customers

$$Y = 81.459 + 0.630X_1 + 0.759X_2 + 0.092X_3 + 0.103X_4 + 0.886X_5$$

6.5.8 Structural Equation Model (SEM) based on Customer Attitude and Satisfaction

The section 6.5.8 provides Structural Equation Model of customer attitude and customer satisfaction. Separate Structural Equation Models presented for organized and traditional retailers.

Basic Introduction on SEM

The factors used in the structural equation model are

- I. Observed, endogenous factors
 - Customer attitude On Product
 - Customer attitude On Price
 - Customer attitude On Out let
 - Customer attitude On Location
 - Customer attitude on Promotion
 - Customer satisfaction On Product
 - Customer satisfaction On Price

- Customer satisfaction On Out let
- Customer satisfaction On Location Related
- Customer satisfaction on Promotion

II Observed, exogenous factors

- Satisfaction

III Unobserved, exogenous factors

- Attitude

1. Structural Equation Model (SEM) based on Customer Attitude and Satisfaction in Organized Retail Sector

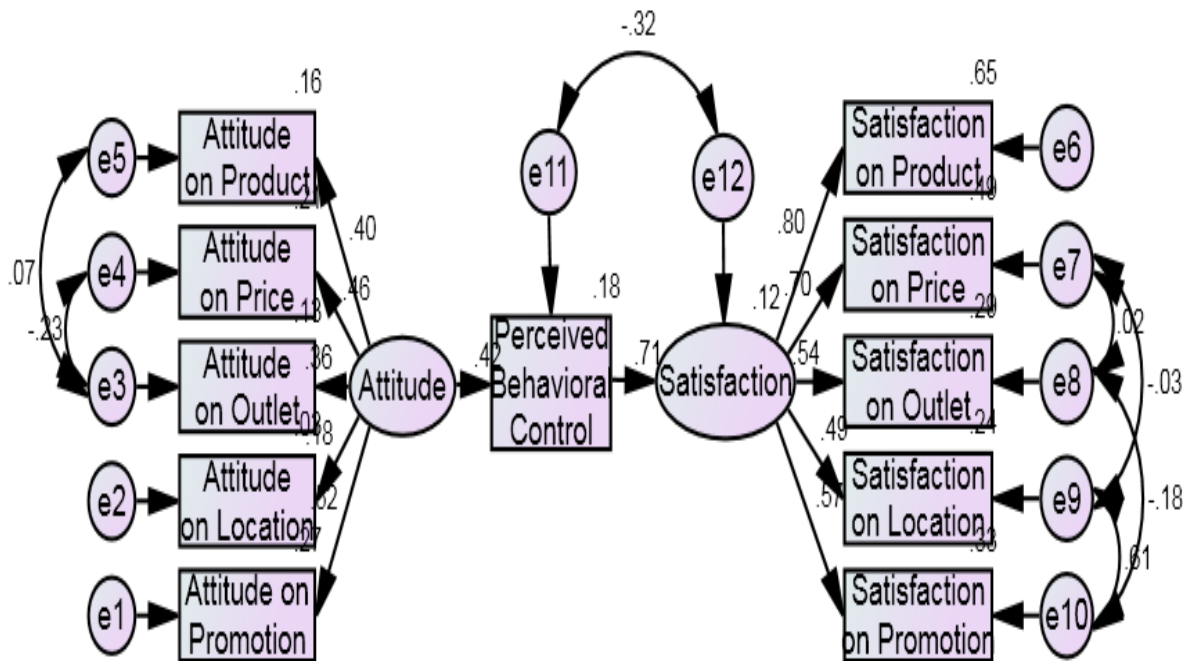


Figure 6.8 Structural Equation Model (SEM) Based on customer attitude and satisfaction in organized retail sector.

Table 6.45

Factors in the Structural Equation Model Analysis in Organized retail sector

Factors		Unstandardised co-efficient (B)	S.E of B	Standardised co-efficient (Beta).	P	
Purchase behaviour	<----	Attitude	.441	.099	.425	**0.001
Satisfaction	<---	Purchase behaviour	1.064	.372	.713	.004
Satisfaction on Promotion	<---	Attitude	.719	.137	.519	**0.001
Satisfaction on location	<---	Attitude	.113	.057	.184	.049
Satisfaction on store	<---	Attitude	.721	.224	.365	.001
Satisfaction on Price	<---	Attitude	.948	.211	.458	**0.001
Satisfaction on product	<---	Attitude	.673	.167	.403	**0.001
Attitude product	<---	Satisfaction	1.000	-	.804	-
Attitude price	<---	Satisfaction	.603	.079	.698	**0.001
Attitude store	<---	Satisfaction	1.185	.199	.541	**0.001
Attitude location	<---	Satisfaction	.749	.128	.491	**0.001
Attitude promotion	<---	Satisfaction	.954	.139	.572	**0.001

Source: survey data

***Significant at 1% level*

For the purpose of testing the model fit, null hypothesis and alternative hypothesis are framed.

HYPOTHESIS X

Null hypothesis : The hypothesized model has a good fit.

Alternate hypothesis : The hypothesized model does not have a good fit.

Table 6.46**Model Fit**

Indices	Value	Suggested Value
Chi-square value	94.057	-
DF	36	-
Chi-square value/DF	2.613	< 5.00 (Hair et al., 1998)
GFI	0.928	> 0.90 (Hu and Bentler, 1999)
AGFI	0.917	> 0.90 (Hair et al. 2006)
NFI	0.920	> 0.90 (Hu and Bentler, 1999)
CFI	0.946	> 0.90 (Daire et al., 2008)
RMR	0.043	< 0.08 (Hair et al. 2006)
RMSEA	0.070	< 0.08 (Hair et al. 2006)

Source: *Survey data*

From the table 6.46, it is found that the Goodness of Fit Index (GFI) value (0.928) and Adjusted Goodness of Fit Index (AGFI) value (0.917) is greater than 0.9 which represent it is a good fit. The calculated Normal Fit Index (NFI) value (0.920) and Comparative Fit Index (CFI) value (0.946) indicates that it is a perfectly fit and also it is found that Root Mean square Residuals (RMR) value (.043) and Root Mean Square Error of Approximation (RMSEA) value is 0.070 which is less than 0.08 which indicated it is perfectly fit.

2. **Structural Equation Model (SEM) Based on Customer Attitude and Satisfaction in Traditional Retail Sector**

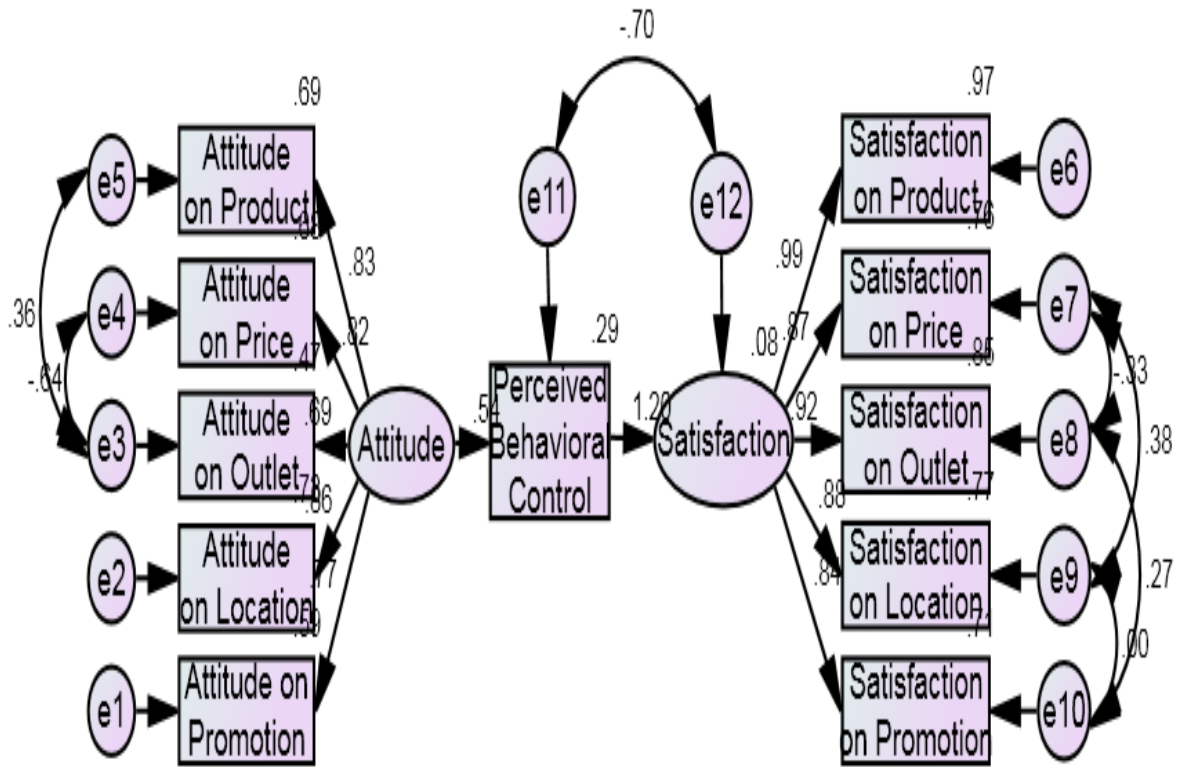


Figure 6.9 Structural Equation Model (SEM) Based on customer attitude and satisfaction in traditional retail sector.

Table 6.47

**Factors in the Structural Equation Model Analysis in
Traditional retail sector**

Factors			Unstandardised co-efficient (B)	S.E of B	Standardised co-efficient (Beta).	P
Purchase behaviour	<---	Attitude	.815	.102	.542	**0.001
Satisfaction	<---	q5-tot	3.597	.397	1.196	**0.001
Satisfaction on Promotion	<---	Attitude	1.526	.122	.767	**0.001
Satisfaction on location	<---	Attitude	1.981	.134	.856	**0.001
Satisfaction on store	<---	Attitude	5.018	.486	.689	**0.001
Satisfaction on Price	<---	Attitude	2.494	.181	.825	**0.001
Satisfaction on product	<---	Attitude	2.512	.180	.833	**0.001
Attitude product	<---	Satisfaction	1.000	-	.987	-
Attitude price	<---	Satisfaction	.685	.030	.874	**0.001
Attitude store	<---	Satisfaction	1.469	.051	.922	**0.001
Attitude location	<---	Satisfaction	.636	.027	.878	**0.001
Attitude promotion	<---	Satisfaction	.476	.023	.843	**0.001

Source: survey data

***Significant at 1% level*

For the purpose of testing the model fit, null hypothesis and alternative hypothesis are framed

HYPOTHESIS X

Null hypothesis : The hypothesized model has a good fit.

Alternate hypothesis : The hypothesized model does not have a good fit.

Table 6.48**Model FIX**

Indices	Value	Suggested value
Chi-square value	155.665	-
DF	36	-
Chi-square value/DF	4.324	< 5.00 (Hair et al., 1998)
GFI	.939	> 0.90 (Hu and Bentler, 1999)
AGFI	.929	> 0.90 (Hair et al. 2006)
NFI	.954	> 0.90 (Hu and Bentler, 1999)
CFI	.957	> 0.90 (Daire et al., 2008)
RMR	.062	< 0.08 (Hair et al. 2006)
RMSEA	0.073	< 0.08 (Hair et al. 2006)

Source: *Survey data*

From the above table it is found that the Goodness of Fit Index (GFI) value (0.939) and Adjusted Goodness of Fit Index (AGFI) value (0.929) is greater than 0.9 which represent it is a good fit. The calculated Normal Fit Index (NFI) value (0.954) and Comparative Fit Index (CFI) value (0.957) indicates that it is a perfectly fit and also it is found that Root Mean square Residuals (RMR) value (.062) and Root Mean Square Error of Approximation (RMSEA) value is 0.073 which is less than 0.08 which indicated it is perfectly fit. From the SEM result, it is clear that the satisfaction level of both organized and traditional retail customers is enhanced with perceived behavioural control.

6.6 Hypotheses Testing: Comparison between Organized and Traditional Retail Customers

To conclude, the hypothesis formulated and tested in connection with organized and traditional retail customers are shown in the precise form in the table 6.49.

Table 6.49

Result of Hypotheses Testing: Comparison between Organized and Traditional Retail Customers

Sl no	Hypotheses	Result
1	A There is no age wise difference between customers of organized and traditional retailers.	Reject H0
	B There is no education wise difference between customers of organized and traditional retailers.	Reject H0
	C There is no occupation wise difference between customers of organized and traditional retailers.	Reject H0
	D There is no monthly income wise difference between customers of organized and traditional retailers.	Reject H0
	E There is no marital status wise difference between customers of organized and traditional retailers.	Reject H0
	F There is no distance wise difference between customers of organized and traditional retailers.	Reject H0
	G There is no motive wise difference between customers of organized and traditional retailers.	Reject H0
	H There is no mode of transport wise difference between customers of organized and traditional retailers.	Reject H0
	I There is no frequency of visit wise difference between customers of organized and traditional retailers.	Reject H0
	J There is no shopping time wise difference between customers of organized and traditional retailers.	Reject H0
	K There is no money spend wise difference between customers of organized and traditional retailers.	Reject H0
2	A There is no product wise difference between the customers of organized and traditional retailers.	Reject H0
	B There is no shop wise difference between the customers of organized and traditional retailers.	Reject H0
	C There is no spending wise difference between the customers of organized and traditional retailers.	Reject H0
3	A There is no significant difference between the attitude of organized and traditional customers on product.	Reject H0
	B There is no significant difference between the attitude of organized and traditional customers on price.	Reject H0

Sl no	Hypotheses	Result
C	There is no significant difference between the attitude of organized and traditional customers on outlet.	Reject H0
D	There is no significant difference between the attitude of organized and traditional customers on location.	Reject H0
E	There is no significant difference between the attitude of organized and traditional customers on promotion.	Reject H0
F	There is no significant difference between the pressure of reference group and retail format selection of organized and traditional retail customers.	Reject H0
G	There is no significant difference between the behavioral control belief of customers of both organized and traditional retailers.	Reject H0
H	There is no significant difference between the satisfaction of organized and traditional customers on product.	Reject H0
I	There is no significant difference between the satisfaction of organized and traditional customers on price.	Reject H0
J	There is no significant difference between the satisfaction of organized and traditional customers on outlet.	Reject H0
K	There is no significant difference between the satisfaction of organized and traditional customers on promotion.	Reject H0
L	There is no significant difference between the satisfaction of organized and traditional customers on location.	Reject H0

From the analyses, the researcher comes to a conclusion that with regard to sector wise comparison, for all demographic and behavioural factors, there is difference. Similarly there is no significant association is found between organized and traditional retail customers with regard to product wise preference, the spending pattern of organized retail customers are high compared to traditional retail customers. Customers purchase behaviour comparison is concerned, organized retail customers are satisfied with product, price, store, location and promotion but most of the traditional retail customers are not satisfied with these variables. The study found that the satisfaction level of customers enhanced with perceived behavioural control.

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Chapter 7

Findings, Conclusions and Implications

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The retail market in India is transforming at a fast rate. The new formats of retailing in the form of organized retail are making its way with traditional retail that existed through centuries in India. The size of retail market is US\$ 600 billion in 2015. It is growing at a Compound Annual Growth Rate (CAGR) of 16.7 percent over 2015-20 (IBEF, 2016). Even though traditional retail constitutes over 93 percent of the total sales in the country as per 2017 IBEF report, smaller kiranas (Indian version of a combination of convenience and mom-and-pop stores with less than 500sqft area are facing difficulty in their business and are unable to compete with new age retailers in terms of variety and scale and have begun losing volume and share of customer's wallet in several parts of the country (Vijayraghavan and Ramsurya, 2007). The Prime Minister's Office of India had initiated a study on the effect of big corporate retail stores on small retailers. The findings of the study resulted that traditional retailers in the vicinity of organized retailers faced a decrease in their business volume and profitability in the starting years after the entry of large organized retailers, the negative effect on sales and profit will decline over time in the long run (Joseph et al., 2008). The same study also shows that all income groups saved when they made the purchase from organized retail stores and low income consumers saved more as compared to higher income groups. Findings clearly indicates a clash in the report as of why inspite of having more savings to consumers when shopping at organized outlets the negative impact on sales and profit of traditional retailers reverses over time. That is why more research is needed in this area to have clear understanding of what impact it will have on traditional retail with the growth of modern retail in the form of organized retail with new and emerging formats. So this study creates a deeper insight into the concerned issue and strategies can be prepared to deal with it.

7.1 The Research Problem in Brief

Retailing has come to occupy a prominent position in today's modern society. In spite of the Indian retail revolution, it is said that over 90% of the sales in Urban India are still through traditional trade. Nevertheless, modern organized retail

format is slowly gaining acceptance and can easily be said to be emerging as a sturdy contender among consumers. Indian organized retail is moving with an exponential rate that no other sector has witnessed. Ample opportunities are present as 90% of the Indian retail is still traditional (Dinar Fatima, 2013). Now, the question arises whether the growth of organized retailers will have impact on traditional retailers. From the available literature, it is found that no systematic and scientific study had been conducted so far with this particular issue. Therefore, the investigator made an attempt to fill the gap through the present study.

Thus, the present research work investigates into the following major issues

1. Do the food and grocery organized retailer's affect the sales performance of traditional retailer?
2. Whether the organized retailers affect the employees and customers of traditional food and grocery sector?
3. Has the traditional retailer adopted the survival strategies to face the challenges offered by food and grocery organized retailers?
4. Do the demographic and behavioral factors influence the consumers' preferences towards organized and traditional retailers?
5. To what extent the customers are satisfied with the organized and traditional stores?
6. Is there is any difference in the attitude of organized and traditional retailers customer?
7. Which type of customers will be the main drivers of organized and traditional retailers?
8. Whether the promotional strategies adopted by organized retailers are effective or not?

7.2 Objectives

1. To assess the impact of food and grocery organized retailers upon the sales performance of traditional retailers.
2. To examine the impact of food and grocery organized retailers on customers and employees of traditional retailers.
3. To analyze the survival strategies adopted by the traditional retailers to face the challenges and competitions created by food and grocery organized retailers.
4. To observe the facilities and services offered by organized and traditional retailers.
5. To study the effectiveness of promotional strategies adopted by organized retailers.
6. To evaluate the attitude of traditional retailers towards market trend, dealing with competition and children taking up their business.
7. To study the demographic and behavioral factors that influence the customers' preferences towards organized and traditional retail stores.
8. To study the product wise preferences of customers towards organized and traditional retail store.
9. To study the customer purchase behavior towards organized and traditional retail stores.

7.3 Hypothesis

- A. To assess the impact of food and grocery organized retailers upon the sales performance of traditional retailers.**

H₀: There is no significant association between average daily turnover of traditional retailers and their distance from organized retail store.

H₀: There is no significant association between average daily turnover of traditional retailers before five years and their distance from organized retail store.

H0; There is no significant association between reason for decreasing average daily turnover of traditional retailers and their distance from organized retail store.

H0: There is no significant association between average turnover per month of traditional retailers and their distance from organized retail store.

H0: There is no significant association between average turnover per month of traditional retailers before five years and their distance from organized retail store.

H0: There is no significant association between reason for decreasing average turnover per month of traditional retailers and their distance from organized retail store.

B. To examine the impact of food and grocery organized retailers on customers and employees of traditional retailers.

H0: There is no significant association between number of employees working in traditional retail stores (now) and their distance from organized retail store.

H0: There is no significant association between number of family employees working in traditional retail stores (now) and their distance from organized retail store.

H0: There is no significant association between number of hired employees working in traditional retail stores (now) and their distance from organized retail store.

H0: There is no significant association between number of employees working in traditional retail stores before five years and their distance from organized retail store.

H0: There is no significant association between number of hired employees working in traditional retail stores before five years and their distance from organized retail store.

H0: There is no significant association between number of family employees working in traditional retail stores before five years and their distance from organized retail store.

H0: There is no significant association between reason for decreasing employees of traditional retailers and their distance from organized retail store.

H0: There is no significant association between number of customer per day of traditional retailers and their distance from organized retail store.

H0: There is no significant association between number of customer per day of traditional retail stores before five years and their distance from organized retail store.

H0: There is no significant association between reason for decreasing customers of traditional retailers and their distance from organized retail store.

H0: There is no significant association between percent of regular customers of traditional retailers and their distance from organized retail store.

H0: There is no significant association between number of regular customers of traditional retail stores before five years and their distance from organized retail store.

H0: There is no significant association between socioeconomic profile of customers of traditional retailers and their distance from organized retail store.

H0: There is no significant association between socioeconomic profile of customers of traditional retail stores before five years and their distance from organized retail store.

C. To analyze the survival strategies adopted by traditional retailers to face the challenges and competitions created by food and grocery organized retailers.

H0: There is no significant association between change in traditional retail business after any organized retail store opening nearby and their distance from organized retail store.

H0: There is no significant association between product related survival strategies adopted by traditional retailers and their distance from organized retail store.

H0: There is no significant association between price related survival strategies adopted by traditional retailers and their distance from organized retail store.

H0: There is no significant association between distribution related survival strategies adopted by traditional retailers and their distance from organized retail store.

H0: There is no significant association between promotion related survival strategies adopted by traditional retailers and their distance from organized retail store.

D. To evaluate the attitude of traditional retailers towards market trend, dealing with competition and children taking up their business.

H0: There is no significant association between attitude of traditional retailers towards market trend and their distance from organized retail store.

H0: There is no significant association between attitude of traditional retailers towards dealing with competition and their distance from organized retail store.

H0: There is no significant association between attitude of traditional retailers towards children taking up their business and their distance from organized retail store.

E. To observe the facilities and services offered by organized and traditional retailers.

H0: There is no significant association between the facilities and services offered by traditional retailers and their distance from organized retail store.

H0: There is no significant association between the facilities and services offered by organized retailers and their format type.

F. To study the effectiveness of promotional strategies adopted by organized retailers.

H0: There is no significant association between promotional strategies adopted by organized retailers and their format type.

H0: There is no significant association between effectiveness of promotional strategies adopted by organized retailers and their format type.

G. To study the demographic and behavioral factors that influence customers' preferences towards organized and traditional retail stores.

H0: There is no age wise difference between customers of organized and traditional retailers.

H0: There is no education wise difference between customers of organized and traditional retailers.

H0: There is no occupation wise difference between customers of organized and traditional retailers.

H0: There is no monthly income wise difference between customers of organized and traditional retailers.

H0: There is no marital status wise difference between customers of organized and traditional retailers.

H0: There is no distance wise difference between customers of organized and traditional retailers.

H0: There is no motive wise difference between customers of organized and traditional retailers.

H0: There is no mode of transport wise difference between customers of organized and traditional retailers.

H0: There is no frequency of visit wise difference between customers of organized and traditional retailers.

H0: There is no shopping time wise difference between customers of organized and traditional retailers.

H0: There is no money spend wise difference between customers of organized and traditional retailers.

H. To study the product wise preference of customers towards organized and traditional retail stores.

H0: There is no product wise difference between the customers of organized and traditional retailers.

H0: There is no shop wise difference between the customers of organized and traditional retailers.

H0: There is no spending wise difference between the customers of organized and traditional retailers.

I. To study the customer purchase behavior towards organized and traditional retail stores.

H0: There is no significant difference between the attitude of organized and traditional customers on product.

H0: There is no significant difference between the attitude of organized and traditional customers on price.

H0: There is no significant difference between the attitude of organized and traditional customers on outlet.

H0: There is no significant difference between the attitude of organized and traditional customers on location.

H0: There is no significant difference between the attitude of organized and traditional customers on promotion.

H0: There is no significant difference between the pressure of reference group and retail format selection of organized and traditional retail customers.

H0: There is no significant difference between the behavioral control belief of customers of both organized and traditional retailers.

H0: There is no significant difference between the satisfaction of organized and traditional customers on product.

H0: There is no significant difference between the satisfaction of organized and traditional customers on price.

H0: There is no significant difference between the satisfaction of organized and traditional customers on outlet.

H0: There is no significant difference between the satisfaction of organized and traditional customers on location.

H0: There is no significant difference between the satisfaction of organized and traditional customers on promotion.

7.4 Methodological Design

The present study is both descriptive and analytical in nature. Both secondary and primary data were collected for the study. The secondary data were collected from Annual Report on Indian Retail Sector, Organized retailers Website, Websites of FLRS, Research Dissertations and Theses, Research Journals, Periodicals, Study Reports, Research Publications, Books related to the study area, other websites, etc. The primary data have been collected from traditional retailers, organized retailers and their customers.

The sample respondents were selected on the basis of stratified random sampling technique. Largest three cities in Kerala (Kozhikode, Trivandrum and Kochi) have been taken for the detailed study. This survey is conducted to compare the changes in profit, employees and customers of small retailers in the traditional sector in clusters where organized retailers have a presence (treatment clusters) and where they do not have a presence (control clusters), so 400 traditional retail stores selected from treatment area and 75 stores selected from control area and for more reliable result a distant criteria followed for analysis, ie total area divided in to three on the basis of distance (The nearest, Around and Far away). Hence the sample size taken as 400 customers, i.e. 200 traditional retail customers and 200 organized retail customers. According to this study organized retailers are chain stores that situated in each sample cities. Three types of retail formats are selected as sample. These are

Discount stores, Super market and Hyper market. In the case of organized retailers researcher selected whole population as sample for this study.

The collected data were analysed by using the statistical tools like Mean, Standard Deviation, Quartile Deviation, One Sample t test, Independent sample t test, one way ANOVA, Correlation, Regression and Structural Equation Modelling. The software's used for the analysis are SPSS 17.0 and Warp PLS 4.0.

7.5 Chapter Scheme

Chapter 1: Introduction

The first chapter deals with the introduction, research problem, significance and scope of the study, objectives of the study, hypothesis, operations definition of terms and concepts, methodology and database, conceptual model, limitations of the study and the chapterisation of the study.

Chapter 2: Review of Literature

Chapter two covers the review of the previous literature relating to growth of organized retailers, impact of organized retailers on traditional retailers, survival strategies adopted by traditional retailers and customers attitude towards organized and traditional retailers. This chapter identifies the research gap through these literature reviews.

Chapter 3: Growth and Development of Retail Sector- Global and Indian Scenario

The third chapter makes a theoretical overview of the concepts of changes in retail market, impact of organized retailers on traditional retailers, customer attitude towards organized and traditional retailers and strategies adopted by retailers.

Chapter 4: Impact of Organized Retailers on Traditional Retailers

Chapter four gives a detailed analysis of impact of organized retailers and survival strategies adopted by traditional retailers. It also covers the demographic profile of the traditional retailers.

Chapter 5: Food and Grocery Organized Retailers

This chapter demonstrates the comprehensive analysis of the promotional strategies adopted by the organized retailers. It also provide the information about the demographic and behavioural factors of organized retail customers.

Chapter 6: Customers of Organized and Traditional Retailers- A Comparative Study

This chapter gives a detailed analysis of the purchase behaviour of both organized and traditional customer's. It also covers the demographic and behavioural factors of customers.

Chapter 7: Findings, Conclusions and Implications

The last chapter presents the summary of the whole study, findings, conclusions and the implications. It also provides the scope for further studies.

For the purpose of discussion, the chapter is divided into three sections. Section A presents major findings and that of B is concerned with the conclusions drawn from the findings. Section C deals with the implications based on the findings and conclusions of the study.

Section A

7.6 Summary of Findings

The major findings of the study are briefly given in the following sections.

7.6.1 Impact of Organized Retailers on Traditional Retailers

A. Profile of Respondents

1. The study found that 46.1% of traditional retailers are from nearest area, 38.1% respondents are from around and 15.8% are from far away.
2. The study shows that majority of the respondents are in the age group of 36-45 years, followed by 46-65 years.

3. The majority of the retailers have SSLC qualification.
4. Majority of the nearest stores are grocery stores, around stores are fruit/vegetable stores and far away retail stores are general stores. There is an association between type of stores and their distance from organized retail store.
5. The density of retail stores is high in the nearest area than around and far away area.
6. The floor area of the nearest stores is less than around and far away stores. There is an association between floor area of traditional retail store and their distance from organized retail store.

B. Impact of Organized Retailers

Impact on Employees

1. The study found from the comparison of number of employees before and after five years, it is clear that the number of employees reduced for the nearest followed by far away and around retail stores.
2. The survey result shows from the comparison of number of hired employees before and after five years, it is clear that number of hired employees increased in the nearest, around and far away retail stores.
3. From the comparison of number of family employees before and after five years, it is clear that number of family employees reduced for the nearest and around and far away retail stores. The study also found that traditional retailers prefer more hired employees than family employees.
4. For majority of the nearest stores, the reason for decreasing employees is less profit. In the case of around and far away stores, employees are decreased because employees are changed to other traditional retail shops. Hence it is concluded that there is no significant relationship between reduction of

employees of traditional retailers and the emergence of organized retail stores.

Impact on Customers

5. The study shows the changes in the number of customers for the last five years. In the case of the nearest stores, 25.91 percent decrease in the number of customers, for around stores 19.71 percent and far away stores 60.26 percent increase. It is clear that there is significant decrease in the number of customers of the nearest retail store than before five years.
6. It is found that the reason for decreasing customers in the nearest stores is change to organized retailers. In the case of around retail stores, the reason is, change to organized retailers followed by change to other traditional retailers. The reason for decreasing customers in far away stores is change to other traditional retailers. Hence it is concluded that there is an association between decreasing customers of traditional retailers and their distance from organized retail store.
7. The study shows the changes in the number of regular customers for the last five years. The mean percentage score of the nearest store is -39.68, the number of regular customers decreased for the last five years. The mean percentage score of around store is 23.13 and far away store is 94.85. There is increment in the regular customers of far away stores followed by around stores.
8. It is seen that the socio economic profile of majority of the customers of nearest and around stores are low but for far away retail stores it is medium. Before five years, the socio economic profile of the majority customers of traditional retail stores was middle level.

Impact on Profit

9. The study found the change in the profit per day for the last five years. In the case of the nearest stores mean percentage score is (-44.72), that means 44.72

percentage decrease of profit in the nearest stores for the last five years. In the case of around stores 69.52 percentage and for far away stores 42.52 percentage profit increase happen. There is significant difference between the changes in average profit per day for the last five years and stores distance from organized retail store.

10. The study found that, daily profit of the majority of the nearest retail store reduce because of competition from organized retailers, around stores face competition from organized and traditional retailers and far away retailers face competition from traditional retailers.

Attitude of Traditional Retailers

11. The study identified the difference between the attitude of traditional retailers towards market trend, dealing with competition and children taking up business on the basis of their distance from organized retailers.
 - In the case of Market Trend, most of the nearest retailers do not believe that organized retail store is the way to be in the future. They expect that organized retail store are temporary phenomena – they will not last over a period of time. They are fine with their own business format and believe that their customers are different but there is a chance to change to the organized retail stores. In the case of around and far away stores they believe in the high future of organized retailers. They are fine with their business format. Around retailers believe that their customers are different that will not change even if new organized retail stores come in. But far away stores believe that their customers are different but there is a chance to change to organized retail stores.
 - In the case of Dealing with the Competition, for the nearest and far away retailers wants to change their business in keeping with modern times but they don't have resources to change.

- In the case of attitude towards children taking up business, the nearest retailers are strongly against the children taking up business but around and far away stores would like to children get into their business but will leave the choice to them.
- It is found that there is highly significant difference between attitude of traditional retailers towards market trend and dealing with competition and most of the respondents are agree with these two variables. There is less significant difference between the attitude of traditional retailers towards children taking up business and most of the respondents are disagree with these variables.

C. Facilities, Services and Survival Strategies

12. The study provides evidence that majority of the traditional retail stores provide electronic weighing machine, cash credit but majority of the retailers are not provide POS / Computerized billing, computerized accounting, inventory control, electrical equipments, home delivery and none of them provide credit card machine, Air conditioning and scanning / bar coding. In the case of after sales service majority of the nearest and around stores provide this facility but most of the far away stores don't provide it.
13. The result shows that the majority of nearest and around retailers change their business after organized retailers opening nearby.
14. The study ascertained the differences of survival strategies adopted by traditional retailers with regard to their distance from organized retailers.

Product Related Strategies

- The study provides evidence that majority of the around stores increased packet items followed by nearest stores and far away stores. Majority of the nearest stores, far away stores and around stores added new product lines. Majority of the nearest stores discontinued some product lines followed by far away stores and around stores. Majority of the nearest stores, around stores and far away stores increased number of brands.

- According to this study there is significant difference among traditional retailers based on their distance from organized retailers with regard to Added new product lines, discontinued some product lines. For increased packet items, increased number of brands, there is no significant difference among traditional retailers.

Price Related Survival Strategies

- Majority of the around, far away and nearest retail stores did not reduce price, but majority of the nearest stores reduced expenses and reduced staffs. Only 16 percent of the around and 2 percent of the nearest stores provide discount to their customers and far away stores did not provide discount and offers.
- The study shows that there is significant difference among price related survival strategies adopted by traditional retailers with regard to distance from organized retailers.

Distribution Related Survival Strategies

- The study shows that only 12.2 percent of around, 4 percent of far away and 3.7 percent of nearest stores are improved home delivery. 76.3 percent of nearest stores, 44 percent far away stores and 40.9 percent around stores are introduced self service. Majority of the nearest and around stores extent their credit facility but only 21.3 percent of far away stores are extent their credit facility. Only 4.1 percent of nearest and 6.5 percent of around stores are training staffs for politely service.
- The study found that there is significant difference among distribution related survival strategies adopted by traditional retailers with regard to distance from organized retailers.

Promotion Related Survival Strategies

- The study found that majority of the nearest retail store offered after sales service followed by around and far away stores. Majority of nearest stores, far away stores and around stores provide varieties of products. Only 29.3 percent far away stores give attractive appearance to their shops followed by 31.5 percent nearest stores and 40.3 percent around stores. Only 4.6 percent nearest stores provide advertisement followed by 1.1 percent around stores.
 - There is no significant difference among traditional retailers with regard to the varieties of products and advertisement. In the case of after sales service and attractive appearance of retail shops, there is significant difference among retailers.
 - There is no significant difference among the nearest, around and far away stores with regard to survival strategies related to product.
 - There is significant difference among the nearest, around and far away stores with regard to survival strategies related to price, distribution and promotion.
15. The Correlation and Regression analysis result shows the relationship between the number of customers and profit. The result of the analysis is shows that there is a positive relation between number of customers and profit.
 16. The correlation result reveals the relationship between number of customers and survival strategies. From the analysis it is clear that the survival strategy score is not increased according to customers. The result is significant at 5% level of significant.
 17. The survey result found that, the survival strategy score is high where there is high profit. The ANOVA table reveals that the calculated p value is .000, which is less than 0.01. It is concluded that there is significant relationship between profit and survival strategies adopted by traditional retailers.

18. The study shows the analysis of survival strategy based on number of customer and profit. The p value of number of customers is (.315) is greater than .05, it is clear that there is no relationship between number of customers and survival strategies. The p value of profit is (.000) less than .01, it is concluded that there is significant relationship between profit and survival strategies.

7.6.2 Food and Grocery Organized Retailers

A. Profile of Organized Retailers

1. It is found that out of 127 sample organized retailers taken for the analysis, 56.7% of retailers are Discount stores and 43.3% of retailers are Hyper / Super market.
2. The year of establishment of majority of organized retailers is 5-10 years followed by 11-20 years.
3. The floor area of the majority of the organized retail stores is 1000-2500 sq.ft followed by 2501-5000 sq.ft.
4. All organized retailers sell branded, unbranded and private label food and grocery items.
5. It is seen that mode of purchase of all organized retailers are centralized purchasing.

B. Profile of Customers

6. The age group of the majority customers of hyper/super market is 26-30 but in the case of discount store age group of majority of customers is 31-45.
7. The socioeconomic profile of most of the hyper /super market and discount store customers is middle class.
8. In the case of hyper/super market and discount stores majority of the frequenting customers are usually prefer to come with family.

9. **The Average Number of Customers per Day**

- The average number of customers per day of hyper/super market is 1570 and discount store is 282.67.
- The average number of customers per day before five years for hyper/super market 826.91 and discount store 132.35.
- For hyper /super market percentage of increase in the number of customers for the last five years is 136.72 and for discount stores 118.75. The study found that there is no significant difference between hyper/ super market and discount stores with regard to percentage increase in the average number of customers.

C. **Facilities , Services and Promotional Strategies**

10. **Facilities and Services**

- In the case of facilities, all the hyper/super market stores use CRM system, Bar coding & scanner, SAP/Tally, Information/Automated security and 78.2 percent are using ERP system. All discount stores using SAP/Tally followed by CRM system (62.5%), Bar coding & scanner (62.5%), Information/Automated security (33.3%), ERP system (27.8).
- The result found that there is significant difference between hyper/super market and discount stores with regard to ERP System, CRM, Bar coding & scanner and Information/Automated security. There is no significant difference between hyper/super market and discount stores with regard to SAP/Tally.
- In the case of services, all hyper/super market stores provide Free home delivery, Warranty, Payment by credit card, Repairs/Exchange facilities and none of them provide Credit facilities. For discount stores, all of them provide Warranty and Repairs/Exchange facilities.

The study also found that 66.7 percent of discount stores provide Payment by credit card and none of them provide Free home delivery and Credit facilities.

- The result shows that there is significant difference between hyper/super market and discount stores with regard to Home delivery. All type of organized retailers provide Warranty, Repairs/Exchange facilities and none of them provide Credit facilities.

11. **Methods to Contact**

- All hyper/ super market stores developed methods to contact and follow up customers on regular bases, but only 29.2 percent discount stores develop these methods.
- All hyper/ super market stores used Print media, Electronic media as methods to contact and follow up customers on regular bases, 54.5 percent use Internet, 32.7 percent use outdoor advertising and distribution of pamphlets.
- Discount stores are not using Print media, Outdoor advertising, Internet, distribution of pamphlets but 29.2 percent use electronic media to contact and follow up customers.
- The study found that there is significant difference among hyper/ super market stores and discount stores with regard to methods to contact and follow up customers on regular bases.

12. **Communication with Customers**

- All hyper/super market stores and 62.5 percent of discount stores are communicate with their customers.
- The result of this study identified that 100 percent of hyper/super market stores use SMS, Website and 32.7 percent use Email for communication.

- In the case of discount stores 33.3 percent of discount stores use Website followed by SMS (29.2%) and none of them use Email.
- The result shows that there is significant difference between mode of communication to customers between hyper/ super market stores and discount stores.

13. **Promotional Strategies.**

- All hyper/super market offers coupons / discounts, knowledgeable and pleasant sales people, store schedule information, good customer service centre, loyalty schemes for return / repeat trip, frequent shopper card, use his / her choice of credit cards, no hassle return policy, gift vouchers, coupon payment, 78.2 percent provide regular event, 72.7 percent sim application and 32.7 percent special exhibits.
- In the case of discount stores, 100 percent replied no hassle return policy and provide store schedule information followed by 70.8% knowledgeable and pleasant sales people, 62.5 % able to use his / her choice of credit cards and good customer service centre, 37.5 % offers coupons / discounts and 33.3% provide loyalty schemes for return / repeat trip, regular event, special exhibits and none of them provide bargains / deals, frequent shopper card, gift vouchers, coupon payment, and sim application .
- The study found that, there is significant difference between hyper/super market stores and discount stores with regard to the coupons / discounts, knowledgeable and pleasant sales people, good customer service center, regular event, loyalty schemes for return / repeat trip, frequent shopper card, able to use credit cards, gift vouchers, coupon payment and sim application. In the case of special exhibits, there is no significant difference between hyper/super market stores and discount stores. All of them are provide store schedule information and good return policy and none of them offer bargain.

- The result shows that 100% of organized retailers agree with the statements “Promotional strategies play a significant role in purchase decision making”, “The store personnel should be skill trained by an expert, on tips on promotional strategies and tools”, and “Discounts / Price cuts influence the footfalls in this shop”. Hence it is concluded that promotional strategies adopted by organized retailers are effective.

14. **Selection of Employees**

- Super Markets / Hyper Markets select their employees through application and majority of the discount stores select through psc .The result shows that there is significant difference between method of selecting employees and format type of organized stores.
- The study shows that 47.6 percent of super/hyper market stores consider the experience in traditional stores at the time of recruitment and 76.9 percent appoint 1-4 employees and 23.1 percent appoint 5-10 employees in such manner.

7.6.3. **Customers of Organized and Traditional Retailers-A Comparative Study**

A. Profile of the Sample Respondents

1. It is clear that out of 400 sample respondents taken for the analysis,124 (62%) respondents from Hyper market, 50 (25%) respondents from Super market and 26 (13%) from Discount stores. They symbolize the organized retail customers. Similarly, 200 (50%) respondents are selected from traditional retail shop, which represents the traditional retail customers.
2. For organized retail customers, the distance between respondents’ residents and retail shop is in the order of up to 1km (30%), 4-5 km and 6-30 km (22.5%), above 30 km (20%) and 2-3km (5%), in case of the traditional customers, majority (71%) of the respondents are from within 1 km, 21 per cent are from 2-3 km, 8 per cent are from 4-5 km.

Demographic Factors

3. It is observed that, in the case of organized retail customers, male and female respondents constitute 53.5 percent and 46.5 percent respectively and for traditional retailers, their combination is 64 per cent and 36 per cent.
4. In organized retail sector, the respondents are in the age category of 31-40 (28.5%), 41-50 & Above 50 (24.5%) and up to 30 (22.5%) and in traditional retail sector age category are in the order of 41-50 (32.5%), 31-40 (30%), Up to 30 (24.5%) above 50 (13%) respectively.
5. The educational qualification of organized retail customers are high compared to traditional retail customers.
6. As far as the occupation is concerned, Professionals and employed prefer organized retail stores more than traditional retail stores but house wives, entrepreneurs and students prefer traditional retail stores more than organized retail store.
7. The study found that the high income groups prefer organized retail stores than traditional retail stores.
8. It is observed that the majority of the customers of organized and traditional retailers are married.

B. Behavioural Factors

9. Majority of the customers visit traditional retail store for buying something and in the case of organized retail customers, they visit store for “ need to buy something”, “On the way”, “Accompany friends”, “Free time”, “Have extra money “and “Feel lonely “respectively. The study found that there is motive wise difference between customers of organized and traditional retail stores.
10. In the case of organized retail customers, the customers use four wheelers followed by scooter as mode of transport but majority traditional retail customers are reached on foot.

11. There is significant difference between the customers of different retail formats and the number of times visits. The frequency of visit of traditional retail customers is high than organized retail customers.
12. There is shopping time wise difference between customers of organized and traditional retailers. Most of the organized retail customers spend 30-60 minutes per visit. The average shopping time of traditional retail customers is below 30 minutes.
13. There is money spend wise difference between customers of organized and traditional retailers. Retail customers spend more in organized retail store.

C. Product wise Preference of Customers

14. Product wise Preference

- The study found that there is no significant difference between the organized and traditional retail customers with regard to the preference of Staples, Other food grains, Milk/ bread/ egg , Toiletries/ Cosmetics and Fruit & vegetables.
- The study observed that customers prefer organized retail store than traditional retail store for purchasing packaged foods and Household cleaning products.

15. Shop wise Preference

- The majority of the retail customers purchase Staples, Milk/ bread/ egg and Fruit & vegetables from particular retail format.
- The majority of the retail customers purchase food grains, packaged foods, toiletries/ cosmetics, and household cleaning products from retail store without considering format type.

16. Spending Pattern of Traditional Retail Customers per Week

- The study observed the spending pattern of traditional retail customers who

shops also from organized retail stores. There is significant difference among the traditional retail customers with regard to spending pattern in traditional and organized retail format. Majority of the traditional retail customers choose organized outlet for fruit and vegetables followed by milk, bread and egg, staples, other food grains and so on. Traditional retail customers spend more in organized retail stores for food grains and fruit and vegetables.

17. Spending Pattern of Organized Retail Customers

- The study shows the spending pattern of organized retail customers who shops also from traditional retail stores. There is significant difference among the organized retail customers with regard to spending pattern in traditional and organized retail format. Majority of the organized retail customers choose traditional outlet for staples, food grains, packaged foods and vegetables and fruits and they don't prefer Milk/bread/ egg, Toiletries/ Cosmetics and Household cleaning products from traditional retail store. Organized retail customers spend more in traditional retail store for staples and food grains.

D. Purchase Behavior of Customers

18. Attitude of Customers towards Organized and Traditional Retailers

Customer Attitude on Product

- In the case of organized retail customer Fresh stock, Product quality, Preferred variants, Freedom to choose, Preferred pack sizes, Taking loose items and Specific product are significant and most of the respondents are agree with these variables.
- In the case of traditional retail customers, Fresh stock, Product quality, Freedom to choose, Specific product, Taking loose items are significant and most of the respondents are agree with these variables and Preferred variants and Preferred pack sizes are not significant.

- Organized retail customers give more importance to Preferred pack size, Preferred variants and Freedom to choose than traditional retail customers and in the case of Fresh stocks and Taking loose items traditional retail customers give more importance than organized retail customers. Organized and traditional retail customers give same preference to product quality.

Customer Attitude on Price

- In the case of organized retail customers Reasonable price, Lesser price, Credit availability and Bargain are significant.
- In the case of traditional retail customers Reasonable price, Bargain is possible, Credit availability are significant. The result shows that lesser price is the less significant variable for traditional retail customers.
- From the analysis, it is clear that traditional retail customers provide more importance to bargain, lesser price and reasonable price than organized retail customers and it is surprise that organized retail customers give more importance to credit availability than traditional retail customers.

Customer Attitude on Outlet

- For organized retail customers, Cleanliness, Quality of facility and equipment, Well trained employees, Sales service, Home Delivery, Knows shopkeeper, Complain and problem solving ability, Better service, Toilet Service, Car parking space, Convenient timing, Product placement are significant and Saves Time is less significant.
- In the case of traditional retail customers, Saves Time, Convenient timing, Complain and problem solving ability, Better service, Knows shopkeeper, Sales service, Cleanliness, Quality of facility and equipment, Well trained employees, Car parking space are significant and majority of the customers agree with it and the Product placement, Toilet Service, Home Delivery are not significant.

- Organized retail customers give more importance to Better service, Car parking space, Cleanliness, Quality of facility and equipment, Product placement, Toilet Service, Well trained employees, Knows shopkeeper, Home Delivery, Sales service than traditional retail customers. The traditional retail customers give more importance to Convenient timing, Saves time and shows complain and problem solving ability than organized retail customers.

Customer Attitude on Location

- In the case of organized retail customers, Easy to access is the most preferred factor followed by Proximity to work place and Closer to house.
- In traditional retail sector, Closer to house is the most significant factor followed by Proximity to work place. Easy to access is the least preferred factor in traditional sector.
- All variables of organized and traditional retail customer attitude on location are significant and there is significant difference between the attitude of organized and traditional customers towards location.

Customer Attitude on Promotion

- Advertisement and consumer awareness is the most important factor for organized retailers and Occasional gift for consumer is the least factor.
- Offering discount is the most important factor for traditional retail customers and advertisement and consumer awareness is the least preferred factor.
- All variables are significant for organized and traditional retail customers.

Overall Customer Attitude

- The study shows that, in the case of organized and traditional retail customers Attitude on Outlet is most important factor followed by Attitude on Product, Attitude on Price, Attitude on Location and Attitude on Promotion.

- The organized retail customers give more importance to product, outlet, location and promotion than traditional retail customers. But traditional retail customers give more importance to price than organized retail customers.

Perceived Behavioural Control

- In the case of organized sector, time and convenience risk is the most important factor, followed by financial risk, physical risk and performance risk.
- In the case of traditional sector, physical risk is the most preferred factor followed by performance risk. Customers give same priority to financial risk and psychological risk. Time and convenience risk is the least important factor.
- All variables are significant and most of the customers are agree with the statements.
- There is significant difference between Organized and Traditional retail customers with respect to Perceived Behavioural Control.

Subjective Norms

- In the case of organized sector, “shops is well suited to the way me and my family” is the most important statement. “My friends think this type shop is not good for me and my family for grocery shopping “is the least significant statement.
- “Most families that are important to my family have incorporated grocery shopping from this type shops” is the most preferred statement in traditional sector and “incorporating grocery shopping from this type of shop in my family routine would be negative ”is the least significant factor
- There is significant difference between Organized and Traditional retail customers with respect to Subjective Norms.

Customer Satisfaction on Product

- In the case of organized retail customers Fresh/new stock, Product quality, Preferred variants, Preferred pack sizes, Specific product, Freedom to choose and Taking loose items are significant and most of the customers are agree with all these variables.
- In the case of traditional retail customers Product quality, Fresh stock, Taking loose items, Specific products are significant and Preferred pack size, Preferred variants, Freedom to choose are not significant.
- Fresh/new stock is the most satisfied factor for organized retail customers. Choice of taking loose items is the most satisfied factor for traditional retail customers, but it is the least satisfied factor for organized retail customers. Choice of preferred variants is the least factor for traditional retail customers.

Satisfaction on Price

- For organized retail customers, reasonable price and lesser price are significant and bargain and credit availability are not significant.
- In the case of traditional retail customers, Credit availability is the most satisfied factor followed by Bargain is possible and Reasonable price and these variables are significant. Lesser price is the least factor and majority of the customers disagree with this statement.
- The price is concerned, in the case of organized retail customers Reasonable price is the most satisfied factor and Bargain is the least factor and for traditional retail customers, Credit availability is the most satisfied factor and lesser price is the least satisfied factor.

Satisfaction on Outlet

- For organized retailers, Cleanliness, Product placement, Quality of facility and equipment, Better service, Car parking space, Sales service, Complain and problem solving ability, Well trained employees , Convenient timing,

Toilet Service, Home delivery and Saves time are significant and most of the organized retail customers are satisfied with these variables. But organized customers are not satisfied with Knows shop keeper.

- In the case of traditional retail customers, Knows shopkeeper, Saves Time and Convenient timing are significant and most of the traditional retailers are satisfied with these variables. But Complain and problem solving ability, Sales service, Cleanliness, Product placement, Better service, Quality of facility and equipment, Well trained employees, Home Delivery, Car parking space and Toilet Service are not significant.
- In the case of satisfaction on outlet, Cleanliness of the store is the most satisfied factor for organized retail customers, Knows shopkeeper is the least factor for organized retail customers but it is the most satisfied factor for traditional retail customers. In the case of traditional sector, Toilet Service is the least factor.

Satisfaction on Location

- With regard to location, Easy to access is the most satisfied factor for organized retail customers followed by Proximity to work place and most of the customers are dissatisfied with closer to house.
- Traditional customers have same satisfaction level on Proximity to work place and Closer to house followed by Easy to access and most of the customers are satisfied with these factors.
- The study found that traditional retail customers are more satisfied with the location of retail outlets than organized retail customers.

Satisfaction on Promotion

- On the basis of mean score, Offering discount is the most satisfied factor for organized retail customers followed by Advertisement and consumer awareness and Occasional gift and all these variables are significant.

- In the case of traditional retail customers, Offering discount, Occasional gift and Advertisement and consumer awareness are not significant.
- Most of the customers are satisfied with promotional strategies provided by organized retailers, but in the case of traditional retail sector, most of the customers are dissatisfied with promotional strategies.

Overall Satisfaction

- There is significant difference between organized and traditional retail customers with respect to satisfaction on Product, Price, Outlet, Location, Promotion and Overall Consumer Satisfaction.
- The study shows that, in the case of organized retail customers, product, price, outlet, location and promotion are significant and most of the customers are satisfied with these variables.
- In the case of traditional retail customers, product, price, outlet, location and promotion are not significant and most of the customers are dissatisfied with these variables.
- The correlation and regression result shows the relationship between customer attitude and customer satisfaction. The results of the analysis showed that, for organized retail customers attitude of product, price, outlet, location and promotion are significant relationship with different facets of satisfaction. But for traditional retail customers price is the only significant factor.
- The Structural Equation Model found that the satisfaction level of both organized and traditional retail customers is enhanced with perceived behavioural control.

Section B

7.7 Conclusion

The major conclusions drawn from the findings of the study are explained here. The study has identified the impact of organized retailers on employees, customers and profit.

Food and grocery organized retailers are adversely affected on customers and profit of traditional retailers. There was no evidence of a decline in overall employment in the traditional retail sector as a result of the entry of organized retailers. There is some competitive response from traditional retailers through improved business practices and technology up gradation. They want to change business keeping with modern times but they don't have enough resource to change. Majority of traditional retailers is wants to stay in the retail business and compete, but they against the children taking up this retail business. The gaining edge for traditional retailers seems to be better location, their personal relation with individual customer, credit facilities that they provide and along with there are additional services which for organized retailers, it is difficult to match with. Organized retail sector provide one stop shopping, good atmosphere, attractive display, ply area, different promotional strategies, pleasant sales people etc. From the study it is found that when compared between organized and traditional retail format the respondent had more satisfaction with organized retail format, the reason for the visit is not necessarily for shopping but for hedonic pleasure and for stress relieving purpose but traditional retail sector give importance to price only.

Section C

7.8 Implications

Suggestions on the basis of Demographic Factors

1. The majority of the customers of traditional retailers are males. Retailers must retain these customers and try to increase the number of customers by attracting female customers also, their needs and expectations and their wisdom of choice of merchandise should be respected in terms of quantity, color, design etc.
2. The majority of the shoppers belong to 41-50 years of age. According to the study there is a relationship between age and purchase behavior of customers. Age is an important variable when it comes to influencing the customer's purchase behavior. Every age has its own state of attitude, perception and characteristics. Retail shops must gear up to the needs, mentality, taste and expectations of all age groups.
3. According to the study, the income of a person largely affects the purchase behavior. Majority of the high income customers spend much in organized retail stores as against the one with lower income who has to make maximum purchases from the traditional retail sector. The traditional retailers can attract high income groups by adding some branded and quality products in their merchandise.
4. As per the research the majority of the traditional retail customers are housewives and are employed who shopped often. As per the research the occupation of the customer has influence on his purchase behavior. The retailer must consider their needs and expectations to retain the existing customers and develop strategies to attract other occupation groups.
5. Majority of customers belongs to the middle income group who always look for value for the money spent. The retail shops should take care to sell the goods of reliable quality at reasonable prices.d.

6. People buy various goods and services over a life time and that is actually affected by the age of a person and the family life cycle stage one is in. The purchases of a bachelor may not be similar with the purchases of a couple. So retailer must design their strategy according to the needs and expectation of different groups of customers.

Suggestions on the basis of Behavioral Factors

7. The customers visit traditional retail store only for buying something. Retailers can attract more customers by giving some simple extra facilities like offer simple games, fix weighting machine, some instant food items like sweet corn. Through these types of facilities retailers can earn more profit and customers feel happy and relaxed.
8. The retail store should take care of the availability of products at all the times and no shortage of goods should be encountered. Customers visit traditional retail stores for immediate purchases. If the traditional retail store is not in a position to meet the demand of customers, they lose their goodwill and also the customers themselves. Therefore, adequate steps have to be taken to have sufficient stock to meet the customer demand.
9. Most of the traditional retail customers spent less than Rs.1000 per visit. The study found that traditional retail customers shopping is planned one and they purchase only planned merchandise unlike the organized retail customers. Traditional retailers can increase spending pattern of customers through attractive display, discounts, offers like buy one get two, spot gift, Preferred pack sizes, Preferred variants, Freedom to choose, Better service, Car parking space, Cleanliness, Quality of facility and equipment, Toilet Service, Well trained employees, Sales service etc. Sofas and such comfortable seating facilities must be provided to make people relaxed.

Suggestions on the basis of Purchase Behavior

10. The study observes that customers prefer organized retail store than traditional retail store for purchasing packaged foods and Household cleaning products. So it is good to add more branded packaged foods and cleaning products in their merchandise to retain customers.
11. The main disadvantage of traditional retailing is non availability of quantitative discounts. To solve this problem a few number of retailers can collectively purchase bulk merchandise so that they will get discount from suppliers and retailers will be able to give discount, offers, gift or any other offers to customers.
12. Another disadvantage of traditional retailing is non availability of new customers. Word of mouth from friends and neighbors were found to be very effective and the stores should promote their interests through better customer satisfaction.
13. Inside the store ambiance is poor in traditional retail stores but still they are not coming out of the mindset and still not preferring investment in the existing business. It is very important to create a good atmosphere inside the store by providing good facilities and services like POS / Computerized billing, Credit card machine, Scanning / bar-coding, Computerized accounting & inventory control etc. (Software), Electrical equipments like refrigerator, inventory, freezer, hot case etc., Air conditioning, Pleasant sales persons, Drinking water, Toilet facilities, self service facilities etc.
14. Most of the traditional retailers do not consider display of the merchandise. But this is important to persuade the customers to visit their stores. Displays and banners are important component of food and grocery retail stores and these strategies attract more customers.
15. As per research traditional retail stores are not using computers for the management of stores. The stores are not taking full benefit of computer applications in the field of accounting, management etc. It is suggested that

traditional stores start adopting computers for better management of the stores.

16. The sales person has important role to attract and retain customers. Stores must consider the education, experiences, helping nature, looks and knowledge of sales person and provide proper training.
17. Retailers should give utmost care to keep loyal customers .For the same, loyalty programs needs to be introduced like preferred customer status, free insurance, bonus points, cash back schemes and other programs which satisfy the customer.
18. Retailers can fix a complaint and suggestions box. It is very helpful to retailers to know the weakness of the store and change the shortcomings if it is necessary.
19. Good atmosphere given by the retailer helps customers stay around the store for more time. The in store atmosphere has a major influence on the customers purchase behavior. Therefore, retailers must take greatest care to create a good shopping experience in their stores. This can be done through proper lighting, air conditioning of the store, free parking, neat and clean wash rooms, elevators, cleanliness, good security and proper ventilation or even having play area for children.
20. Promotional factors do play important role deciding and choosing a store. Major promotional strategies used by the retail stores are Offering discount (price, premium, etc.), Occasional gift for consumer, Advertisement and consumer awareness, low priced products and other attractive schemes.
21. The location of a traditional retail stores is one of the significant factors in its success. Convenience goods are those commodities that consumers buy frequently, usually in small quantities and in retail stores that are easily accessible. Hence the traditional retail stores must have to take the utmost benefit of store location and offer possible sales consistent with a fair profit.

22. Store layout is another main factor in retailing. Successful retailers make the fronts of their stores attractive. The agreeable external appearance of the salesman and the store, maximum store circulation of customers without barriers and high quality goods and services attract to the prospective customers that the salesman and store are successful.
23. Traditional retailers should keep in doing market research to understand the purchase behavior of customers. So retailers can easily identify with customers attitude, satisfaction and expectations.
24. Traditional retailer should keep books of accounts to arrange the expense accounts in his general ledger. So he can compare the income ad expenses, increase profit etc.
25. To keeping harmonious employer-employee relationships is a significant factor in retail store. These relations have to be maintained by giving proper remuneration and bonus.

Suggestions to Government

26. Several Government marketing agencies exist, both at the Central as well as State levels, which need to be revived and made to reinvest in modernizing infrastructure of unorganized retail outlets. Partnerships between existing Government marketing agencies and cooperatives can also be considered.
27. To prevent cornering of stocks by big players with the associated potential for speculation, there should be rules for public disclosure of stock holding levels. Public agencies should be empowered to buy food grains from the organized retailers at reasonable prices if their stocks exceed a specified level.
28. The Centre should formulate guidelines and governments should vest municipal corporations and/or panchayaths with the powers to regulate the big retailers.

29. Ensure better financial assistance at reasonable interest rates accessibility to unorganized retailers from banks and other financial institutions for modernization and expansion of unorganized retailers.
30. A committee/board/department should be set up by the urban local bodies, with representation from unorganized retailer associations, which should be empowered to grant licenses to organized retailers. It may help to control the establishment of organized retailers.

7.8 Scope for Further Study

1. The present study has covered largest three cities in Kerala; the future study may cover the other regions of India to have a comparative view of customers and retailers perspective towards emerging retail formats.
2. The study is restricted to food and grocery retailing whereas category wise analysis will provide a better understanding of the sector.
3. The study is aimed at establishing the impact on the unorganized retailers, so there is a scope for further research in impact on intermediaries, farmers and other supplier.

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Appendices

Appendix 1

Questionnaire for Traditional Retailers

Distance from organized retail outlets (in km/m):

Section 1: Owner Profile

1.1. Name of owner: _____ Age: _____

1.2. Highest education level completed:

- | | | | |
|--------------------------|---------------------------------|--------------------------|---------------------------------|
| <input type="checkbox"/> | No formal schooling | <input type="checkbox"/> | Up to 5 th standard |
| <input type="checkbox"/> | Up to 10 th standard | <input type="checkbox"/> | Up to 12 th standard |
| <input type="checkbox"/> | Graduate | <input type="checkbox"/> | Post graduate |

Section 2: Outlet Type

2.1. Name of outlet:

2.2. Year of starting:.....

2.3. Type of outlet: Grocery store General store
 Fruit / Vegetable seller

2.4. Type of Business: Only retail Retail cum wholesale

2.5. Size of store: sqr feet

Section 3: Employee and Customer Profile

Q. No.	Question	Now	Before 5 years
3.1	Number of personnel working in this outlet?	Hired personnel	Hired personnel
		Family Members	Family Members
		Total	Total
3.2	If decreased, give main reason /s? (Ask only if number of customers 'now' is less than 'before' in Q.3.1)	Less profit	
		Change to organised retail stores	
		Change to traditional retail stores	
		Demand more remuneration	
3.3	How many customers generally visit your shop on an average per day?	Number _____	Number _____
3.4	If decreased, give main reason /s? (Ask only if number of customers 'now' is less than 'before' in Q.3.3)	Change to organized retail stores	
		Change to other traditional retail stores	
3.5	How many customers are regular customers?	Number _____	Number _____
3.6	What is the socioeconomic profile of most of your customers?	Upper class	Upper class
		Middle class	Middle class
		Lower class	Lower class

Section 4: Turnover and Profit

Q. No.	Question	Now	Before ____5 years
4.1	What is / was your average daily turnover?	Rs. _____	Rs. _____
4.2	If decreased, give main reasons? (Ask only if average monthly turnover 'now' is less than 'before' in Q.4.1)	Competition from organized retailers	
		Competition from traditional retailer	
4.3	What is / was profit do you earn on an average every month?	Rs. _____	Rs. _____ -
4.4	If decreased give main reason (Ask only if percentage profit 'now' is less than 'before' in Q4.3)	Competition from organized retailers	
		Competition from traditional retailer	

Section 5: Facilities and Services

5.1	Please tell us about the technological facilities and services that you currently use, and the once which you plan to use in the near future		
	Facilities	Currently using	Plan to use
A.	POS / Computerized billing		
B.	Credit card machine		
C.	Scanning / bar-coding		
D.	Computerized accounting ,inventory control etc. (Software)		
E.	Electrical equipments like refrigerator, inventory, freezer, hot case, etc.		

F.	Air conditioning		
G.	Electronic weighing machine		
Services			
H	Do you accept credit cards?	-	
I	Do you give cash credit to your customers?		
J	Do you give home delivery?		
K	After sales service		

6. Please indicate your reaction to the following items by using the scale below: SD - Strongly Disagree, DA -Disagree, SWA -Somewhat agree A - Agree , SA -Strongly Agree.

No:	Questions	SD	DA	SWA	A	SA
6.1	Market Trend					
A	A supermarket/large self-service store is the way to be in the future.					
B	Supermarkets/large self-service stores are temporary phenomena – they will not last over a period of time.					
C	Supermarkets/large self-service stores are good, but I am fine in my own business format. I do not need to change					
D	My set of customers are different from those of modern/large self-service stores so there will not be any effect on my business.					
E	I have a set of loyal/regular customers that will not change even if new, more modern stores come in.					

6.2	Dealing with the Competition					
F	I would like to change my business in keeping with modern times					
G	I do not have the resources to change my business in keeping with modern times					
H	We have always been doing this business in a certain way. I do not see any reason to change that					
6.3	Attitude towards Children Taking up Business					
I	I would definitely like my children to continue with the same business.					
J	I would like my children to get into my business but will leave the choice to them.					
K	I would insist that my children take up anything other than this business.					

Section 7: Survival Strategies

7.1 Has there been any change in your business after any new, big store opening nearby?

Yes No (If yes, describe)

	Some small retailers have done a few things to compete with the large retailers. Have you done any at these strategies?(if yes,describe)	
A	Product Related	
	Increased packet items	
	Added new product lines	
	Discontinued some product lines	
	Increased number of brands	

B	Price Related	
	Reduced Price	
	Reduced expenses	
	Reduced Staff	
	Discount, offers	
C	Distribution Related	
	Improved home delivery	
	Convenient timing of operation	
	Introduced self service	
	Extension of credit facility	
	Training staffs for Politely service.	
D	Promotion Related	
	After sales service	
	Varieties of products	
	Attractive appearance of retail shops	
	Advertisement	

THANK YOU

Appendix 2

Questionnaire for Organized Retailers

1. Outlet Profile

1.1. Type of outlet: Super market/ Hyper market Discount stores

1.2. The year of establishment

1.3. Total floor area (sq. ft.):

1.4. Type of product: Branded Unbranded
 Private Label All Categories

1.5 Where do you buy your goods?

Whole-sale Dealer Local distributor
 Directly from Company C

2. Customer Profile

2.1. General age group of the customers that are the most frequent visitors

15-25 26-30 31-45
 46-50 51-55 56 &above

2.2. What is the socio economic profile of most of your customers ?

Lower Class Lower Middle Class Middle Class
 Upper Middle Class Lower High Class High Class
 Upper High Class

2.3. Your frequenting customers usually prefer to come with:

Spouse Families Friends Relatives
 Alone

2.4. How many customers generally visit your shop on an average on a week?

Now

Before.....

3. Facilities and Services

What are the facilities and services provided by you to your customers?

Facilities		
1	ERP system	
2	CRM system	
3	Bar coding & Scanner	
4	SAP/Tally	
5	Information/Automated security	
Services		
6	Free home delivery	
7	Warranty	
8	Payment by Credit card	
9	Credit facilities	
10	Repairs/Exchange facilities	

4. Have you developed methods to contact and follow up customers on regular bases?

Yes

No

5. If yes, what are the methods followed by you?

Print media

Outdoor advertising (Banner/Hoarding)

Electronic media

Internet

Distribution of pamphlets

6. How do you communicate with your customers?

Sms

Email

Website

7. Promotional Schemes

Which of the following promotional schemes do you offer?		
1.	It offers Coupons / discounts	
2.	It offers Good bargains / deals	
3.	There are Special exhibits	
4.	There are Knowledgeable and pleasant sales people	
5.	There is availability of Store schedule information	
6.	There are good Customer service center (where he can obtain list of current sales, discount coupons, activities schedules etc)	
7.	There are Regular Event promotions / Activities / Concerts / Live performances etc	
8.	There are Loyalty Schemes for return / repeat trip	
9.	There are Frequent shopper card	
10	The customer is able to use his / her choice of Credit cards	
11.	There is a no hassle Return policy (Ease and convenience of returning merchandise)	
12	There are Gift vouchers	
13	There are Coupon payment	
14	There are Sim application	

8. Below are some attributes that relate to promotional strategies offered by organized retailers. Give marks between 1-5 to each attribute, (1 = Least Important/Insignificant, 5 = Extremely Important)

o	Question	1	2	3	4	5
	Promotional strategies play a significant role in purchase decision making.					
	The store personnel should be skill trained by an expert, on tips on promotional strategies and tools.					
	Discounts / Price cuts influence the footfalls in this shop.					

9. How do you select your employees?

- Applications
- Family member
- Advertisement
- Agency
- Personal contacts
- Psc

10. Do you consider experience of employees in unorganized retail shop at the time of recruitment?

Yes No

11. If yes, number of employees working in your shop in such manner:
Number.....

THANK YOU

Appendix 3

Questionnaire for Customers of Organized and Traditional Retail Customers

- 1.1 Gender: Male Female
- 1.2 Age:
- 1.3 Education:
- Illiterate Up to high School plus two
 Bachelor Degree Master Degree
- 1.4 Occupation:
- Student Housewife Professional
 Employee Entrepreneur Government Official
 Other
- 1.5 Monthly Income
- 1.6 Marital Status: Single Married Divorce
- 1.7 What is the approximate distance of your residence from this retail outlet?.....km/m?

2. Behavioral Factors

- 2.1 When do you go shopping? (You can mark more than one box)
- When I need to buy something When I have extra money
 While I am on the way When I accompany friends
 When I am free When I feel lonely
 Other

2.2 How did you come to this outlet in this visit?

By walk Bicycle Bus

Auto ScoBike Fwheeler

2.3 How often you visit the store: weekly 1 2 3 4 5 6 7

Monthly 1 2 3 4 5

2.4 How long does average shopping time last?

2.5 How much money do you generally spend per a shopping?

Rs.....

3 Which of the following categories did you buy in this visit?

Items	Please mark	Do you also buy this product category from modern /small retailers?(yes/no)	How much do you spend at supermarket and small retailers in a week?	
			Small shop	Supermarket
Staples (rice/ atta/ wheat)				
Other foodgrains/ flours Cooking oil/ ghee/ vanaspati				
Milk/ bread/ egg				
Other packaged foods				
Toiletries/ Cosmetics				
Household cleaning products				
Fruit & vegetables				

Attitudinal Statements

What are the main reasons for buying from this outlet? Please indicate your extent of importance or unimportance with them by placing appropriate number in the given blank space.(1- Not at all important , 2- Somewhat important , 3- Neutral, 4- Quite important , 5- Extremely important)

Statement	5	4	3	2	1
1.Customer Attitude on Product					
Choice of preferred pack sizes					
Choice of preferred variants					
Better product quality					
Fresh/new stock					
Freedom to choose					
Choice of taking loose items					
Specific product is available at this shop only					
2. Customer Attitude on Price					
Bargain is possible					
Lesser price					
Credit availability					
Reasonable price					
3.Customer Attitude on Out let					
Better service					
Convenient timing					
Car parking space and service					
Cleanness of the store					
Quality of facility and equipment					
Product placement					
Toilet Service					
Well trained employees					
Saves Time					

Knows shopkeeper					
Home Delivery					
Sales service					
Complain and problem solving ability					
4.Customer Attitude on Location					
Closer to my house					
Proximity to my place at work					
Easy to access					
5.Customer Attitude on Promotion					
Offering discount (price, premium, etc.)					
Occasional gift for consumer					
Advertisement and consumer awareness					

Perceived Behavioral Control and Subjective norms

Please mark in a cell for each statement that matches with your attitude. Please indicate your extent of importance or unimportance with them by placing appropriate number in the given blank space (1- Not at all important, 2- Somewhat important, 3- Neutral, 4- Quite important, 5- Extremely important).

Statement	5	4	3	2	1
Perceived Behavioral Control					
I perceive performance risk when chosen store not delivered the expected benefits.					
I perceive financial risk when I have to pay more than necessary.					
I perceive psychological risk when chosen store provides unpleasant store shopping experience and low social status.					
I perceive physical risk when chosen store delivers unsafe products and unsafe shopping experience.					
I perceive time and convenience risk when it takes more to time to find and purchase a product.					

Subjective Norms					
I do not have certain plans to purchase my groceries.					
Me and my family feel a strong commitment in incorporating grocery shopping from this type of shop into our weekly routine.					
Incorporating grocery shopping from this type of shop in my family routine would be negative.					
Incorporating grocery shopping from this type shop in my family routine would be inefficient.					
Shopping groceries through this type shops is attractive to me and my family's' daily life.					
Purchasing groceries from this type shops is well suited to the way me and my family normally tends to shop groceries.					
Most people who are important to me and my family think that we should incorporate grocery shopping from this type shops to our everyday lives.					
People whose opinions my family value would increase if my family incorporated grocery shopping from this type shops.					
Most families that are important to my family have incorporated grocery shopping from this type shops to their everyday lives.					
People that influence me and my family would feel positive if we purchase groceries from this type shops.					
Incorporating grocery shopping from this type shops within my family routine would be difficult					
Incorporating grocery shopping from this type of shop within my family routine would be difficult to arrange.					
Most of the friends who influence the behaviour of me and my family at the time of grocery shopping.					
My friends think this type shop is not good for me and my family for grocery shopping.					

Consumer Satisfaction Level

5 = Very Satisfied, 4 = Satisfied, 3 = Neutral, 2 = Dissatisfied, 1 = Very Dissatisfied

Statement	5	4	3	2	1
1.Consumer Satisfaction on Product					
Choice of preferred pack sizes					
Choice of preferred variants					
Better product quality					
Fresh/new stock					
Freedom to choose					
Choice of taking loose items					
Specific product is available at this shop only					
2. Consumer Satisfaction on Price					
Bargain is possible					
Discounts / lesser price					
Credit availability					
Reasonable price					
3.Consumer Satisfaction on Out let					
Better service					
Convenient timing					
Car parking space and service					
Cleanness of the store					
Quality of facility and equipment					
Product placement					
Toilet Service					
Well trained employees					
Saves Time					
Knows shopkeeper					
Home Delivery					
Sales service					

Statement	5	4	3	2	1
Complain and problem solving ability					
4.Consumer Satisfaction on Location Related					
Closer to my house					
Proximity to my place at work					
Easy to access					
5.Consumer Satisfaction on Promotion					
Offering discount (price, premium, etc.)					
Occasional gift for consumer					
Advertisement and consumer awareness					

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