

Vol 7 Issue 3 Dec 2017

ISSN No : 2249-894X

*Monthly Multidisciplinary
Research Journal*

*Review Of
Research Journal*

Chief Editors

Ashok Yakkaldevi
A R Burla College, India

Ecaterina Patrascu
Spiru Haret University, Bucharest

Kamani Perera
Regional Centre For Strategic Studies,
Sri Lanka

Welcome to Review Of Research

RNI MAHMUL/2011/38595

ISSN No.2249-894X

Review Of Research Journal is a multidisciplinary research journal, published monthly in English, Hindi & Marathi Language. All research papers submitted to the journal will be double - blind peer reviewed referred by members of the editorial Board readers will include investigator in universities, research institutes government and industry with research interest in the general subjects.

Regional Editor

Dr. T. Manichander

Sanjeev Kumar Mishra

Advisory Board

| | | |
|---|--|--|
| Kamani Perera Regional Centre For Strategic Studies, Sri Lanka | Delia Serbescu Spiru Haret University, Bucharest, Romania | Mabel Miao Center for China and Globalization, China |
| Ecaterina Patrascu Spiru Haret University, Bucharest | Xiaohua Yang University of San Francisco, San Francisco | Ruth Wolf University Walla, Israel |
| Fabricio Moraes de Almeida Federal University of Rondonia, Brazil | Karina Xavier Massachusetts Institute of Technology (MIT), USA | Jie Hao University of Sydney, Australia |
| Anna Maria Constantinovici AL. I. Cuza University, Romania | May Hongmei Gao Kennesaw State University, USA | Pei-Shan Kao Andrea University of Essex, United Kingdom |
| Romona Mihaila Spiru Haret University, Romania | Marc Fetscherin Rollins College, USA | Loredana Bosca Spiru Haret University, Romania |
| | Liu Chen Beijing Foreign Studies University, China | Ilie Pinteau Spiru Haret University, Romania |
| Mahdi Moharrampour Islamic Azad University buinzahra Branch, Qazvin, Iran | Nimita Khanna Director, Isara Institute of Management, New Delhi | Govind P. Shinde Bharati Vidyapeeth School of Distance Education Center, Navi Mumbai |
| Titus Pop PhD, Partium Christian University, Oradea, Romania | Salve R. N. Department of Sociology, Shivaji University, Kolhapur | Sonal Singh Vikram University, Ujjain |
| J. K. VIJAYAKUMAR King Abdullah University of Science & Technology, Saudi Arabia. | P. Malyadri Government Degree College, Tandur, A.P. | Jayashree Patil-Dake MBA Department of Badruka College Commerce and Arts Post Graduate Centre (BCCAPGC), Kachiguda, Hyderabad |
| George - Calin SERITAN Postdoctoral Researcher Faculty of Philosophy and Socio-Political Sciences Al. I. Cuza University, Iasi | S. D. Sindkhedkar PSGVP Mandal's Arts, Science and Commerce College, Shahada [M.S.] | Maj. Dr. S. Bakhtiar Choudhary Director, Hyderabad AP India. |
| REZA KAFIPOUR Shiraz University of Medical Sciences Shiraz, Iran | Anurag Misra DBS College, Kanpur | AR. SARAVANAKUMARALAGAPPA UNIVERSITY, KARAIKUDI, TN |
| Rajendra Shendge Director, B.C.U.D. Solapur University, Solapur | C. D. Balaji Panimalar Engineering College, Chennai | V.MAHALAKSHMI Dean, Panimalar Engineering College |
| Awadhesh Kumar Shirotriya | Bhavana vivek patole PhD, Elphinstone college mumbai-32 | S.KANNAN Ph.D , Annamalai University |
| | Awadhesh Kumar Shirotriya Secretary, Play India Play (Trust), Meerut (U.P.) | Kanwar Dinesh Singh Dept.English, Government Postgraduate College , solan |

More.....



A LITERATURE REVIEW ON IMPACT OF MODERN RETAILING/MALLS ON TRADITIONAL RETAILING IN INDIA

Dr. Vijay Grewal¹ and Jaya Kameriya²

¹Assistant Professor at Shri Vaishnav College of Commerce and
PhD Guide of DAVV, Indore, MP, India.

²Research Scholar (PhD), Devi Ahilya University, Indore (MP)
Assistant professor, Shri Vaishnav College of College, Indore (MP)

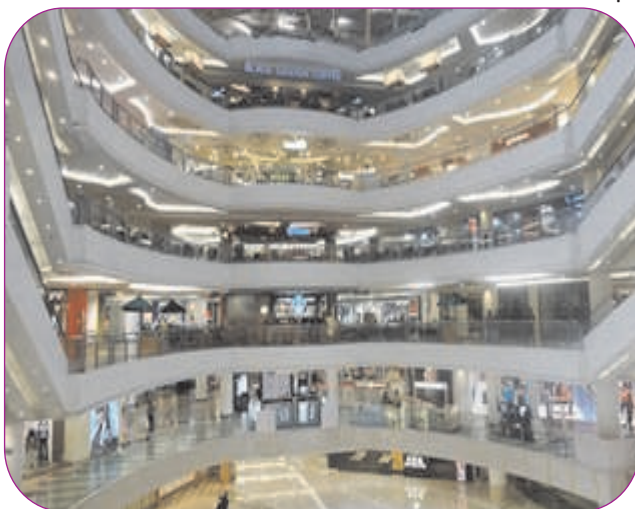
ABSTRACT: -

The retail sector of India is one of the pillars of its economy and it contributes 22% to its GDP. Indian retail market is one of the fastest growing retail markets in the world. Retailing in India has grown up in last few years. Until the 1990s, Indian retail sector was having only traditional retailing business in the form of kirana stores, small grocery shops, melas and haat bazar. After liberalization, this sector boomed by changes brought by modern retailing strategies. Traditional retail sector in India is facing problems like poor shopping experience, inability to offer wide range of products, lack of sourcing capabilities and innovative business practices which modern retailers are very well apprised with.

KEYWORDS: Productivity, Profitability, Banks, Per Employee, Per Branch.

INTRODUCTION

This evolution of modern retailing has brought in several changes in the market. It has almost removed the mediators as well as centralized the powers of the retailers. Before year 2010, the modern retailing was absent in most of the rural areas and small towns but since 2012, the federal government of India allowed 51% fdi in multi-brand retail in India, in the selected Indian cities, the customers have gradually started experiencing the quality, choice, convenience and benefits of modern retail industry, specially between 2000 to 2010. Modern retailing has entered into a retail market in India. As the government policies are becoming more favourable and the technologies facilitating operations are emerging, the future of Indian retail industry is looking more promising with growing of the market.



OBJECTIVES:

- To study various findings regarding Indian retail market
- To study the factors behind consumer attractiveness
- To study the shopping behaviour of consumers
- To study challenges to retail development in India
- To study the impact of age and gender factors on consumer preferences

RESEARCH METHODOLOGY:

The study is an analytical and descriptive one. The data is collected from secondary sources i.e. refereed print journals, online journals, books, reports etc.

REVIEW OF LITERATURE:

Evolution of shopping malls in India

For many people, organised, retail appeared in India with the launch of the „first malls“ in 1999. The launch of „ansal“s plaza“ in delhi and „cross roads“ in mumbai are hailed as the spark that led to the explosion of organized retail in the country and transformed the retail landscape in India. Today in Indian economy, the retail sector is very promising particularly organised retailing, it is spreading in the entire tier – i, ii, iii cities of India. Every year the organised retail outlets and malls are opening up in good numbers in all the cities of India. As per the study conducted by knight & frank India shows that by the year 2012, the total mall space available in India is approximately 75 million sq. Ft. The following table shows the mall space distribution in the major cities of India.(singh and tripathi, 2012)

The organized retail sector is registering tremendous growth fuelled by the unleashed spending power of new age customers who have considerable disposable income and willingness to have new shopping experience. It is emphasized that India’s top retailers are largely lifestyle, clothing and apparel stores followed by grocery stores. The paper further mentions that increasing number of nuclear families, working women, greater work pressure and increased commuting time; convenience has become a priority for Indian consumers. All these aspects offer an excellent business opportunity for organized retailers in the country.(biradar et.al., 2008)

The study concluded that consumers satisfied with the store’s service quality are most likely to remain loyal. Service quality is being increasingly perceived as a tool to increase value for the consumer, as a means of positioning in a competitive environment to ensure consumer satisfaction, retention and patronage. Despite its strategic importance, Indian retailers did not have an appropriate instrument to measure service quality. This study examined the retail service quality scale (rsqs) developed in the u.s for applicability to Indian retail and the scale had been found appropriate.(kaul, 2005)

Factors behind consumer attractiveness

The literature studied that why the consumers are attracted towards organized formats, some factors are identified. First factor to name is retailer’s reputation as it is specific when it applies to an assortment of products carried within the store. The reputation is a measure of product quality and further purchase from the customer point of view. Second factor may be named as brand because the same perception works here also. Sometimes brand is also a status symbol in the society. Third factor can be price because various malls and stores arrange discount sales, lottery, free gifts etc. Maximum middle class is price conscious and have limited budget. Promotional tools also act as driving factor in the favour of these new formats. These formats facilitate with parking, entertainment, fooding, shopping, safety measures and billing system etc. (singh and pandey, 2012)

Shopping behaviour of consumers

The study concluded that the origin of retailing in India is quite old. We had pds (public distribution system) chain across the country, but due to liberalization of the economy many private domestic and international players got attracted towards the sector. Along with this a drastic change took place in the demography and income of the middle class which gave a big boost to the sector. The consumers are earning considerably good and at the same time they are spending too. Moreover, the consumer’s perception towards the organized retailers is quite positive and they prefer to fulfill their daily requirements by shopping at the organized outlet rather than at the traditional shop and thereby bring out a significant point that organized retailers are replacing the traditional formats.(kamran and poddar, 2014)

Impact of age factor on consumer preferences

It was found that the factors leading to preference towards the traditional grocery stores of respondents below the age of 40 got affected for the product assortment, consumer ease and consumer services. However the preferences of respondents who were of the age of 40 and above, were not affected much when it comes to choosing traditional grocery stores for their purchase. In other words, as the age of the respondents increase,

they are not influenced by the attributes of these dimensions and hence prefer to buy their groceries from the traditional grocery stores. It might be because they have been dealing with the same store and have developed long term relationship with it. (verma and upadhyaya, 2014)

The unorganized retailing in the vicinity of organized retailers has been adversely affected in terms of their volume of business and profit. Unorganized retail has maintained employment levels perhaps as a result of competitive response. The adverse unorganized retailer tapers off over time. The major factors that attract unorganized retailers to consumers are proximity, goodwill, credit sales, bargaining, loose items, convenient timings, and home delivery. There is clear evidence of a competitive 45 response from traditional retailers who are gearing up to meet the threat from organized retailers. 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. Lower income consumers have saved more from purchases at organized outlets. (narayana k et al., 2013)

In order to compete successfully in the business era, a retailer must focus on the customer's buying experience. To manage a customer's experience, retailers should understand what .customer experience actually means. Customer experience management is not simply an old idea in a new wrapper. The result was that there are now more services and products available than at any time in the past, yet customer satisfaction are on a downward slide. (kamaladevi, 2010)

The study examined one non product related construct on consumer satisfaction with a major retail purchase. They assumed that the customer satisfaction and their product evaluation not only depend on product performance, but also on the interaction with the sales persons and their efforts. They concluded that for a firm to be successful, understanding of customer's expectations from sales personnel in their market is very critical. (goff et.al., 1997)

The researchers observed that store cards are generally much easier to obtain than most other credit systems, and are therefore, afforded less respect than, bank credit cards. Many consumers, who adopt store cards are not necessarily competent to manage the credit limits that are generously approved. Outcome of the study indicated that store cards encourage lavish spending, irrational buyer behavior, impulsive buying, and consequently increase debt. (erasmus and lebani, 2008)

The results of the study depict that infrastructure, economic growth and changing demographics of consumers are the major driver of organized retail in India. The location of the retail store, management style and adequate salaries to personnel enhance the effectiveness of retail business and are important factors for retailers' success. The study further reveals that younger generation, emerging retail formats, increasing awareness and innovation in new products are the strengths and opportunities of organized retail in India. On the other hand, demographic changes, shrinking of markets, high real-estate cost and increasing price competition among retailers are some of the threats and weaknesses of Indian retail industry. Hence, there is an urgent need to overcome the threats and weaknesses and grab the opportunities by retailers for the success of retail sector in India. (jhab and kiran, 2011)

This study shows that these decision making styles are price consciousness, quality consciousness, recreational, confused by over choice, novelty consciousness, and variety seeking. This study does not confirm four dimensions proposed, i.e., fashion consciousness, brand consciousness, impulsiveness, and brand loyalty. These dimensions of decision making styles were reported in the study of sproles and kendall (1986). this study shows that the average Indian shoppers in our sample were not very brand conscious, but were quite price and quality conscious. It is found that single consumers are more price conscious than married consumers. Indian consumers are recreational in their shopping. Shopping is funny activity for them. Young consumers between the age group of 11-20 years are most recreational in their shopping. Above all Indian consumers are confused by over choice, novelty conscious, and variety seekers. (ravindran, g. Ram and kumar.g, 2009)

The research studied that the Indian retail sector is estimated to have a market size of about \$180 billion, but the organized sector represents only 2% share of this market. Liberalization of the Indian economy has brought an opening for consumer goods and this has helped many mnc's to serve with a wide variety of choices to Indian consumers. Consumers have shifted their demands towards foreign brands like pizza hut, mc donald's

and so on. The internet has also been a tool for this revolution as Indian consumers are more accessible to the growing influences of domestic and foreign retail chains. (pirakatheeswari ,2010)

In this study it is observed that consumers prefer to buy from a place where the accessibility is higher and where they can buy everything under one roof. This has brought the concept of malls. Also with the opening of the super markets and hypermarkets in malls consumers get variety of product at competitive prices. Consumers not only treat malls as a place to shop but they treat it as a picnic place where can enjoy using the recreational facilities like multiplexes, gaming zones and can even go for window shopping. Facilities like spa, gyms, eating joints are all found in the malls. All this adds on to their shopping experience. (vashisht, wadhwa and uppal, 2014)

The study results that the overall Indian retail sector is expected to grow 9 per cent in 2012-16, with organized retail growing at 24 per cent or three times the pace of traditional retail (which is expected to expand at 8 per cent), according to the report by booz & co and rai. Deloitte also seconds this forecast and expects that organized retail, which constitutes eight per cent of the total retail market, will gain a higher share in the growing pie of the retail market in India. Various estimates put the share of organized retail as 20 per cent by 2020. There is ample growth for retail sector though some tough challenges exist. Retail can overcome these challenges by grabbing the opportunities available. (sudame and sivathanu,2013)

This research shows that India at the crossroads with regard to the retail sector. Several emerging market economics have gone ahead and reaped the benefits of modern retail. The hue and cry created by unorganized sector against reliance fresh, wal-mart especially in u.p., jharkhand etc. Is not appreciable, it is the major hindrance in the growth of retail sector. There is need of balanced approach to retail & govt. Has to play a very vital role in shaping the future course. Though tradition retail has been performing a vital function in the economy, but it has to shed off its shortcomings and inefficiencies and this is actually happening. Thus, the organized sector is not only impacting the other sectors positively but also it has benefited its own competition i.e. unorganized sector. So, organized sector becomes the growth mantra of retail sector.(handa and grover, 2012)

The study explained that brand identities were designed to reassure a public anxious about the whole concept of factory produced goods. Brands have transformed the process of marketing into one of perception building, so, image is now everything. Consumers make buying decisions based around the perception of the brand, rather than the reality of the product. Perception is a fragile thing. India is lucky to have international brands, but the Indian consumer is very choosy in selecting the brands and especially in the consumable sector. The research brings out that importance of taste is one the important factor for the success of a brand. (menon, 2011)

The research explains how do consumers decide whether to buy a durable good, and how much they are willing to pay for it? They conclude that relative usage frequency is an important determinant of consumer attitudes and purchase intentions. They also conclude that typical frequency for a product is high may actually reduce consumers' interest in acquiring the product. They suggested that consumers' perceptions of a product's value are, therefore, a function not only of how often they will use the product themselves but also of whether they believe this is relatively high or low compared to other people.(hamilton, ratner and thompson, 2010)

CONCLUSION:

The study concludes that the modern retailing is impacting on traditional retail sector of India. The study showed various findings relating Indian retail market and explained the factors behind consumer attractiveness. The shopping behaviour of consumers effects on retail sector in different ways as well as the study reveals that challenges to retail development in such as high cost of real estate, high stamp duties, lack of adequate infrastructure etc. The study also shows the impact of age and gender factors on consumer preferences. Thus, it fulfils objectives of the research title.

REFERENCES:

- Singh, satish kumar and tripathi, pratyush (2012). The growth of organized retailing through shopping malls in India, current trends in technology and science 2(1), 146.

- Kaul, subhashini (2005). Measuring retail service quality ; examining applicability of international research perspectives in India, Indian institute of management ahmedabad- research and publication 2(2), 12-14
- Singh, bhagwan and pandey, anjaney k. (2012). A literature study on trends in retail practices and their impact on traditional retailing in India, international journals of management research and development 2(1), 46-49
- Kamran, quazi md. And poddar, pawan kumar (2014). Retail in India: “trendy malls gradually replacing traditional retail stores in big cities of maharashtra”, international journal of research and development - a management review (ijrdmr) 3(1), 43-45
- Verma, ram and upadhyaya, ajit (2014). Effect of age on consumer preference for traditional grocery stores, svim e-journal of applied management 2(2), 48
- Narayana, lakshmi k, samal, ajata shathru and rao, p nagaraja (2013). A study on consumer buying behaviour towards organized and unorganized retail stores in bangalore city, international journals of management research and business strategy 2(3), 36-37
- Kamaladevi, b. (2010). Customer experience management in retailing, business intelligence journal 3(1), 42-44
- Jhab, deepika and kiran, ravi (2011). Organized retail in India - drivers facilitator and swot analysis, asian journal of management research 2(1), 270-275
- Ravindran, sudharani d., g. Ram, hari sundar and kumar.g, reji (2009). Study on decision making styles of consumers in malls, ims manthan 4(2), 105-108
- Vashisht, anubha, wadhwa, bharti and uppal, aakanksha (2014). Study of attitude of delhi shoppers towards mall shopping experience, abhinav national monthly refereed journal of research in commerce & management 3(10), 43-46
- Sudame, prafulla and sivathanu, brijesh (2013). Challenges affecting the organized retail sector, arth prabhand: a journal of economics and management 2(8), 106-108
- Handa, vidushi and grover, navneet (2012). Retail sector in India: issues & challenges, zenith international journal of multidisciplinary research 2(5), 249-251



Dr. Vijay Grewal

Assistant Professor at Shri Vaishnav College of Commerce and PhD Guide of DAVV, Indore, MP, India.



Jaya Kameriya

Research Scholar (PhD), Devi Ahilya University, Indore (MP)
Assistant professor, Shri Vaishnav College of College, Indore (MP)

Publish Research Article

International Level Multidisciplinary Research Journal For All Subjects

Dear Sir/Mam,

We invite unpublished Research Paper, Summary of Research Project, Theses, Books and Books Review for publication, you will be pleased to know that our journals are

Associated and Indexed, India

- ★ Directory Of Research Journal Indexing
- ★ International Scientific Journal Consortium Scientific
- ★ OPEN J-GATE

Associated and Indexed, USA

- DOAJ
- EBSCO
- Crossref DOI
- Index Copernicus
- Publication Index
- Academic Journal Database
- Contemporary Research Index
- Academic Paper Database
- Digital Journals Database
- Current Index to Scholarly Journals
- Elite Scientific Journal Archive
- Directory Of Academic Resources
- Scholar Journal Index
- Recent Science Index
- Scientific Resources Database

Review Of Research Journal
258/34 Raviwar Peth Solapur-
413005, Maharashtra
Contact-9595359435

E-Mail-ayisrj@yahoo.in/ayisrj2011@gmail.com