FACTORS INFLUENCING THE BEHAVIOUR OF CONSUMERS IN SELECTING MODERN RETAIL STORES WITH SPECIAL REFERENCE TO GROCERY AND APPAREL STORES IN ERNAKULAM DISTRICT

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By

Shiny C.M

Reg. No: 3362

Under the supervision of

Dr. G. Antony

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COCHIN UNIVERSITY OF SCIENCE AND TECHNOLOGY
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Ph.D Thesis under the Faculty of Social Sciences

Shiny C. M
Research Scholar
School of Management Studies
Cochin University of Science and Technology
Kochi-682022
Email: cmshiny@gmail.com

Supervising Guide

Dr. G. Antony
Professor (Retd.)
School of Management Studies
Cochin University of Science and Technology
Kochi-682022

School of Management Studies
Cochin University of Science and Technology
Kochi-682022

MARCH 2015

Dr. G. Antony
Professor (Retd.)
School of Management Studies
Cochin University of Science and Technology
Kochi-682022

10/03/2015

CERTIFICATE

This is to certify that the thesis entitled **“Factors influencing the behaviour of consumers in selecting modern retail stores with special reference to grocery and apparel stores in Ernakulam District”** is a record of bonafide research work done by **Ms. Shiny C.M**., under my supervision and guidance. The thesis is the outcome her original work and has not formed the basis for the award of any degree, diploma, associateship, fellowship or any other similar title and is worth submitting for the award of the degree of Doctor of Philosophy under the Faculty of Social Sciences of Cochin University of Science and Technology.

Dr. G. Antony
(Research Guide)

DECLARATION

*I, **Shiny C.M.**, hereby declare that the thesis titled "**Factors influencing the behaviour of consumers in selecting modern retail stores with special reference to grocery and apparel stores in Ernakulam District"** is the record of the original work done by me under the supervision and guidance of **Dr. G. Antony** for the **Ph.D** programme in the School of Management Studies, Cochin University of Science and Technology. I further declare that this work has not formed the basis for the award of any degree, diploma, associateship, fellowship or any other title for recognition.*

Place: ***Shiny C. M***

Date:

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Shiny C. M

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ABBREVIATIONS

FICCI	:	*Federation of Indian Chamber of Commerce and Industry*
GDP	:	*Gross Domestic Product*
C&F	:	*Carry and Forwarding*
HUL	:	*Hindustan Unilever*
MT	:	*Metric Ton*
FDI	:	*Foreign Direct Investment*
LLC	:	*Limited Liability Company*
USA	:	*United States of America*
WTO	:	*World Trade Organisation*
URA	:	*Urban Renewal Authority*
MDTCA	:	*Ministry of Domestic Trade and Consumer Affairs*
MWC	:	*Membership Wholesale Clubs*
GRDI	:	*Global Retail Development Index*
PPP	:	*Purchase Power Parity*
CII	:	*Confederation of Indian Industries*
NCAER	:	*National Council of Applied Economic Research*
CAGR	:	*Compound Annual Growth Rate*
PDS	:	*Public Distribution System*
RPG	:	*Ram Prasad Goenka*
ITC	:	*Indian Tobacco Company*
USD	:	*United States Dollar*
MVI	:	*Management Ventures , Inc.*
BMI	:	*Business Monitor International*
TNN	:	*The National Network*
SAJMMR	:	*South Asian Journal of Marketing and Management Research*
ACRS	:	*Australian Centre for Retail Studies*
EMS	:	*Employee Services*
AFS	:	*After Sales Service*
BRIC	:	*Brazil, Russia, India and China*
MNC	:	*Multi National Company*
NTUC	:	*National Trades Union Congress*
GCC	:	*Gulf Cooperation Council*

CHAPTER - 1

Introduction

MODERN RETAILING IN INDIA – PROSPECTS AND CHALLENGES

Contents

"It is not the strength of the species that survives, nor the most intelligent, but the one most responsive to change"

Charles Darwin

1.1 ECONOMIC SIGNIFICANCE OF RETAILING IN INDIA

The retail industry is one of the sunrise sectors of the Indian economy, with enormous growth potential. India's retail market is expected to cross US$ 1.3 trillion by 2020 from the 2011 market size of US$ 500 billion (FICCI & Price Water coopers, 2011). The retail sector accounts for over 20 percent of the country's gross domestic product (GDP) and contributes eight per cent to total employment.

There has been a transition from traditional retail stores to modern retail chains in India. With a share of about 92 per cent of total revenues, traditional retailing continues to be the backbone of Indian retail industry. Over 12 million medium and small retail outlets exist in India, the highest number in any country in the world (McKinsey, 2008).

The Indian retail industry has experienced growth of 10.6 per cent between 2010 and 2012 and the annual retail sector sales are expected to increase to US$ 750-850 billion by 2015. Food and grocery is the largest category within the retail sector with 60 per cent share, followed by apparel and mobile segments. Organized retail, which constitutes eight per cent of the total retail market, will grow much faster than traditional retail. It is expected to gain a higher share in the growing retail market in India (Deloitte, 2013) The modern retail segment is estimated to increase six-fold from the 2011 level of US$ 27 billion to US$ 220 billion in 2020. Various estimates put the share of organized retail as 20 per cent by 2020 (Deloitte, 2013)

In spite of the recent developments in large format retailing in India and the immense contribution that the retail sector can potentially offer to the economy, retailing continues to be among the least developed industries in the country and the growth of organized retailing in India has been much slower as compared to rest of the world. Losses and closure of retail chains are being reported. This dismal situation of the retail sector is a major strain on the Indian economy.

1.1.1 Bottleneck in Distribution

The large number of small retail outlets in India creates a serious bottleneck in the economy (Antony, 1987). The number of levels of intermediaries in the in the distribution system in India is very large. The vertical structure of the distribution channels for consumer nondurables typically consists of super stockists (or state level distributors or C&F agents), distributors/ stockists, sub-distributors/ substockists, wholesales, sometimes semi wholesalers and finally retailers. The manufacturers add one more level to the channels by establishing a network of sales branch with depots. The distribution functions such as transporting, warehousing, loading and unloading, sales transactions and information and communications functions get repeated at each level, adding to the marketing cost and creating delay and deterioration in quality. However, any attempt to bypass some of these intermediaries would be fatal because none of them would be actually redundant.

The manufacturers are not able to bypass the intermediaries and reduce the length of the channels because of the large number of tiny stores at the retail level. Hindustan Unilever Ltd, for example, sells Lifebuoy soap through millions of retail outlets in India, most of them tiny shops. To sell directly to these retailers, HUL needs an army of sales people with lakhs of vehicles and a massive logistic system. The alternative is to divide the task among a large number of vertical levels represented by different type of intermediaries. Each intermediary in this multistage wholesale structure sells to a manageable number - say hundreds – of outlets at the next level. As long as the manufacturer sells through a large number of small retail outlets, several vertical levels of intermediaries are required.

No country in the world has such long vertical distribution structure as in India. Such a distribution system is highly inefficient, time consuming and very costly. Manufacturing and marketing are seriously handicapped. The logistics and supply chain system is mutilated. The consumer pays more for the goods they purchase. Hence the Indian distribution system creates a serious bottleneck in the economy. The large array of tiny retail stores in the country has been a serious strain on the economy (Antony, 1987).

With the emergence of large format retailing, the manufacturer and farm producers can supply directly to the retailers. This would increase production and productivity in manufacturing and agriculture and efficiency in marketing and distribution.

1.1.2 Marketing Infrastructure

For too long the country has been focusing on infrastructure for production. Creating infrastructure for production in manufacturing and agriculture has been the sole focus. Marketing infrastructure has been ignored by and large. There has been a lack of investment in the logistics, warehouses and cold chains for example, leading to an inefficient marketing system. India needs trillions of dollars to build logistic and marketing infrastructure.

India is the world's second largest producer of fruits and vegetables (about 180 million MT). However the country has a very limited integrated cold-chain infrastructure, with around 5000 stand-alone cold storages, with a total capacity of 23.6 million MT. The cold chain is highly fragmented and as a result perishable fruits and vegetables find it difficult to link to distant markets, including overseas markets, round the year. On account of inbuilt inefficiencies and wastage in distribution and storage, as much as 40 per cent of food production doesn't reach consumers (Tripathi, 2011).

In the agricultural sector, the intermediaries dominate the value chain. The mandi norms are often flouted by the intermediaries and their pricing lacks transparency. The regulated markets, functioning as wholesaler and governed by state laws, have become monopolistic and non-transparent. It has been reported that the Indian farmers realize only one third of the total price paid by the final consumer, as against two third by farmers in developed countries (Gupta, 2012).

1.1.3 Employment

In term of employment, the retail industry is one of the pillars of the Indian economy. The retail industry is the second largest employer after agriculture, employing 7 per cent of the total workforce in the country and provides employment to approximately 40 million people. Many of the stores are owner managed and therefore the type of employment is self-employment. Often the retail sector is the refuge of the unemployed. The few large traditional retail shops that employ outsiders flout all employment norms and minimum wage laws. There are hardly any career opportunities for professionals in the traditional retail sector.

The arrival of modern retailing or large format retailing is assumed to be detrimental to the survival of the traditional small retail stores. The apprehension is that traditional stores will close, leading to massive job losses (Tripathi, 2011). As Pepsi and Coke came in and wiped out all the domestic brands, large multinational retail chains will come and wipe out the ‘kirana’ stores. Corporations such as Wal-Mart will initially lower prices to dump goods and get competition out of the way; once they become a monopoly, they will raise prices.

Supporters of retail sector reforms affirm that instead of job losses, retail reforms will give a massive boost to the Indian job availability. Large format retailers will need employees. Wal-Mart employs 1.4 million people in United States alone (Wal-Mart, 2011). With the United States population of about 300 million, if Wal-Mart could create 1.4 million jobs, they could very well create 5.6 million jobs in India having a population of about 1200 million, assuming that the staffing pattern remains the same as that in the United States. Further, millions of additional jobs will be created during the building of and the maintenance of retail stores, roads, cold storage centers, software industry, electronic cash registers and other retail related industries.

The organized retail sector will need more employees than the unorganised sector. The large scale demise of the small store after opening up the sector for foreign investment is a myth.

In China, after the introduction of retail reforms employment in both retail and wholesale trade increased from 4 per cent in 1992 to about 7 per cent in 2001 (Gupta, 2012). FDI in retailing was introduced in China for the first time in 1992. Foreign retailers were initially restricted to six Provinces and Special Economic Zones. Only 49 per cent FDI was initially allowed. FDI restrictions have been progressively lifted and after China‘s entry into WTO, all restrictions on FDI was removed. Besides increase in retail sector employment, there was significant increase in the number of traditional stores, by around 30 per cent between 1996 and 2001. Despite the entry of large format retailing in China, traditional retailers retained much of the sales. For example in 2006, of the total retail sale in China of US$ 785 billion, organized retail amounted for just 20 per cent (Gupta, 2012).

The relationship between price inflation and large format retailing has been fairly established. The business strategy of Wal-Mart, for example, is ‘everyday low price’ and that Wal-Mart has been given the major credit for keeping inflation down in the US economy. Retail giants such as Wal-Mart, Carrefour, Tesco, Target and Metro are among the 350 global retail companies with annual sales over $1 billion. These international retail chains have operated for over 30 years in several countries. They have not become monopolies. Competition among these retail giants has kept prices in check. Canada credits their very low inflation rates to Wal-Mart effect (Grant, 2011).

Anti-trust laws and state regulations have prevented food monopolies from forming anywhere in the world. Price inflation in these countries has been much lower than the rate of inflation in India. The current consumer price inflation in Europe and the United States is less than two per cent, compared to the high rate of inflation in India.

1.1.4 FDI in Retail

As a signatory to World Trade Organisation‘s General Agreement on Trade in Services, which covers wholesale and retailing services, India has to open up the retail trade sector to foreign investment. International pressures have been mounting for liberalization in retailing and allowing foreign direct investment in retailing.

The organized retail is at a very nascent stage in India. The highly fragmented traditional retail sector in India still accounts for over 92 per cent of the retail sector sales. Reforms in the Indian retail sector are overdue and FDI in retailing is a necessary and sufficient condition for growth.

The major objection to FDI in retail sector is that the entry of large global retailers such as Wal-Mart would kill local shops and millions of jobs. Another apprehension is that the global retailers would initially offer low prices and once the traditional stores are closed they would conspire and exercise monopolistic power to raise prices. The monopolistic buying power of the large chains would enable them to reduce the prices received by the suppliers, both manufacturers and farm producers. Low interest rates abroad would enable foreign retailers to offer products at lower prices, compared to domestic retailers. Since lending rates are much higher in India, Indian retailers, particularly small retailers, are at a disadvantage compared to foreign retailers who have access to International funds at lower interest rates. High cost of capital forces the domestic players to charge higher prices for the products (Gupta, 2012).

No country in the world, including developing countries, has experienced any economic crisis with the arrival of foreign retail. On the other hand several countries welcome foreign direct investment in the retail sector. Several Asian countries, besides China have benefited from FDI in retail sector. Examples include Malaysia, Taiwan, Thailand and Indonesia. These countries consider foreign retailers as catalysts of new technology and price reduction; they have benefitted immensely by welcoming FDI in retail. India can also benefit by integrating with the world, rather than isolating itself (Times of India, 2011).

India needs trillions of dollars to build logistics and retail infrastructure. Retail innovations have become imperative for the Indian economy.

Besides capital, Indian retail industry needs knowledge and global integration. Global integration can potentially open export markets for Indian farmers and producers. International retailers would source and export Indian products to their chain of stores spread over several countries. It has been reported that Wal-Mart sources and export some $1billion worth of goods from India every year (Business Standard, 2010).

The retail sector is one of the weakest links in the Indian economy and is beset with several problems. AT Kearney‘s (2011) study on global retailing trends found that India is the least competitive and the least saturated market of the world. The unorganised portion of retail sector is 92 per cent, in contrast to US where it is only 20 per cent. Mckinsey (2008) study indicates that retail productivity in India is very low as compared to its international peers. The sector experiences serious shortage of talented professionals since the retail trade business in India is not considered as reputed profession and is mostly carried out by the family members who are often not academically and professionally qualified.

Reforms in retailing will bring more organization in the sector. Entry of large format retail institutions will foster healthy competition in the sector and this will create effective check on the prices and reduce inflation. International retail corporations such as Wal-Mart and Carrefour already have operations in several countries for over 30 years. Rather than becoming monopolies, they have managed to keep a check on the inflation through competitive practices. As the sector gets organized, there will be more transparency and the intermediaries operating as per mandi norms will be forced to adopt transparency in their pricing. Investment in logistic infrastructure will help to reduce wastage of agricultural produce.

Unrestricted flow of FDI into multi-brand retailing is a necessary condition for growth in the retail sector. Heavy flow of capital will bring in the massive infrastructure required for the growing population.

Until 2011, India 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 per cent ownership. Foreign direct investment (FDI) up to 100 per cent is allowed under the automatic route in cash & carry (wholesale).In November 2011, the government announced retail reforms for both multi-brand stores and single-brand stores. Foreign direct investment (FDI) inflows in single-brand retail trading during April 2000 to December 2011 stood at US$ 44.45 million, according to the Department of Industrial Policy and Promotion (Government of India, Department of Industrial Planning and Promotion)

These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Wal-Mart, Carrefour and Tesco and single brand majors such as IKEA, Nike, and Apple investing in India. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, the Indian government placed the retail reforms on hold till it reaches a consensus.

The government finally paved way for the entry of global retail giants such as Wal-Mart, Tesco and Carrefour to open independent multi-brand retail outlets in India. The Union government has allowed foreign direct investment (FDI) of up to 51 per cent in multi-brand retail (Financial Express, 2011).

In January 2012, India approved reforms for single-brand stores, welcoming global players to innovate in Indian retail sector with 100 per cent ownership, but imposed the requirement that the single brand retailer source 30 per cent of its goods from India.

1.2 RETAIL EVOLUTION AND THE STAGE OF DEVELOPMENT OF ECONOMY

The retail sector with total sales of $ 6.6 trillion is the world's largest private industry ahead of financial industries. Over 50 of the fortune 500 companies and around 25 of the Asian top 500 companies are retailers (Sen, 2013).

Countries differ in terms of their structure of retailing. Countries are at various stages in the evolution of retailing, largely in relation to their stage of economic development. While modern stores dominate the developed countries, traditional stores dominate the developing countries. In most countries there is a combination of both modern and traditional stores. The stage of development of the economy is not the single determinant of the development of modern stores. Culture and social structure are also relevant, as is evident from the slow diffusion of modern retail stores in Japan.

1.2.1 Retail Development among Countries

Large format retailing accounts for much of the retail sales in developed nations. However, developing nations are not far behind. Table 1.1 provides the relative share of sales of modern retail institutions in selected countries.

Table 1.1
Share of Sales of Organized Retail to Total Retail Sales in Selected Countries

Country	Share of Organized Retail to Total Retail
US	85%
UK	80%
Malaysia	55%
Thailand	40%
Philippines	35%
Indonesia	25%
China	20%
South Korea	15%
India	5%

Source: FICCI & PriceWater coopers (2011), The Indian Kaleidoscope: Emerging Trends in Retail

Among the developing countries, Malaysia, Thailand and Philippines have substantial share of retail sales in their modern retail stores. Even in Indonesia, the share of sales in large format retailing is quite significant – 25 per cent.

1.2.2 Theoretical Background of Retail Development

Retail markets in different countries pass through various stages of life cycle. A. T. Kearney (2009) states that countries typically pass through the stages such as opening, peaking, declining and closing and they evolve from emerging to mature markets, extending the time span from five to ten years. In the first phase, new retail players try to create awareness about the modern formats. In the second phase, market grows and more formats develop to satisfy the expectations of consumers. High market growth rate would lead to a stage where the markets become mature. This stage will be followed by stagnation stage, where retailers would explore different alternatives to survive in the market. In the developing countries, the industry is in the growing stage, which may extend up to another 25 years.

Wheel of retailing is the name given by McNair (1978) for a major hypothesis concerned with the patterns of development. In this hypothesis, new entrants in the market will have low margin, low status and low price. Gradually they will acquire more elaborate facilities and establishments, with both increased investments and higher operating costs. Finally they mature as high cost, high price merchants, vulnerable to new types, who in turn, go through the same pattern (Hollander, 1960). Hollandar concluded that this hypothesis may not be the common pattern followed in all economies.

There are mainly three theories which are helpful in understanding the retail development: environmental, cyclical and conflictual (Brown, 1987; Oren, 1989). Environmental theory says, following the Darwinian approach of the survival of the fittest, that those retailers that successfully adopt technological, economic, demographic and legal changes are the ones that are likely to grow and prosper. Retailers with a format not suitable to the environment may find decline fast. Cyclical theory mainly relates to the concept of the wheel of retailing by McNair. Conflictual theory says that retailers try to differentiate themselves from others to attract more customers. But this innovation and differentiation may result in the development of new formats. Developed countries have already seen the format revolutions.

1.2.3 Distribution and Retailing in Developing Countries

Distribution system in most of the economies is based on a dichotomy: the sector is either a modern, large-scale system, as is the United States and the United Kingdom, or an old fashioned ‘mom and pop’ store system characteristic of less mature economies, such as Japan and Italy (Nishimura & Punzo,1999). In most of the developing economies, the co-existence of large and small outlets could be seen. The India retail sector is dominated by the small stores, with the large format retailing slowly emerging.

In the past 70 years, retail supply chains have evolved to meet changing customer needs. The role played by the supply chain to enhance smooth functioning of the retail chains has been significant.

Analysis of the development of retail industry indicates that developed countries have already experienced the retail revolution and are exposed to new retail formats. Assuming that the pattern of development to a certain extent is possible in developing countries, the present study tried to understand the development of retail industry in India and Kerala.

1.2.4 Supermarket Revolution

The supermarket revolution is underway in developing countries. Reardon and Gulati (2008) have noted that urbanization and increased income have been important in the rise of supermarkets. They added that the supermarket revolution is a two edged sword. It can serve the consumers by lowering the food prices and beneficial to the farmers and processors to gain access to quality-differentiated food markets and raise incomes. On the other hand, it can challenge small retailers, farmers, and processors who are not yet equipped to meet competition from supermarkets. Modernisation has proven to be a way of reducing costs that would become tough for the traditional retailers to imitate.

The stages of retail development are country specific. The diffusion process of modern retail formats go from one country to another country and within the country from tier I cities to tier II and tier III cities. The diffusion may happen from processed to semi processed and to fresh products. Experiences of different countries which are exposed to retail development are different. The challenges and issues faced by retail sector in various countries also may be different.

The fundamental forces of long-term economic growth which may also measure spending capacity of consumers such as demographics, urbanization and rising educational levels are almost similar in developed and developing countries (Mckinsey Global Institute, 2007). These factors are found crucial in consumer decision making.

Changing economic conditions have impact on the development of retailing as a distribution system. Some markets have emerged and became stronger, while some markets in the developing countries have seriously been affected by recent recession. Most of the international and established retail players have realized that they have to be flexible and hold a broad outlook to survive in the long run. Economic and political tensions definitely may accelerate or decelerate retailers' entry and expansion decisions. For example, India and China have occupied the GRDI's top three places for several years, yet both fell in 2011. The outlook for South East Asia remains bright, with increased domestic demand and exports, stabilizing retail sales and improving consumer confidence. Grocery remains the region's most important sector, accounting for almost two-thirds of total organized retail sales. India has a suitable environment for the retail sector to flourish due to high saving and investment rate, fast labour force growth increased consumer spending with a forecasted GDP growth of 8.7 per cent through 2016(Technopak,2011).

In most developing countries food retail systems have been influenced by globalization, trade liberalization and FDI (University of Pretoria, 2008). They also found that the growth and diffusion of supermarkets and other large format stores in retailing food and non-food products in African countries have been influenced by both demand and supply side factors. Demand-side factors include population growth and urbanization, increased income and middle class and relative political stability. Supply side factors include market liberalization, foreign direct investment, introduction of new technologies, competition and market – access conditions.

Food retailing in developing countries during 1960s and 1970s have been done through traditional distribution channels, where demand and supply determined the price and the farmers were price takers. Barriers to entry and transaction cost was very low during that time. Most of the items were perishable in nature like agricultural produce. Value-adding processes have been carried out by them to ensure the quality of the products.

Foreign investments and establishment of multinationals in the developing countries have increased due to globalization, trade liberalization and the lowering of barriers to trade (Minten et al., 2005). Several studies indicate that small farmers are left behind in the supermarket-driven horticultural marketing and trade (Reardon and Barrett, 2000). The rise of supermarkets in Southern Africa has adversely affected small producers because of incompetency in quality and safety standards (Reardon et al.,2003; Weatherspoon et al., 2001, Weatherspoon and Reardon, 2003).

The retail landscape in developing countries has experienced explosive growth over past 10 years. As the population in these countries increased by 11 per cent, retail space expanded by 225 per cent, retail sales per capita increased almost 100 per cent, and internet access grew more than 400 per cent. Developing countries now represent 42 per cent of the global retail sales because of the massive middle class and explosion of organised retail. Hence, the retail giants make big investments to enter into new markets though they face success or failure (Technopak, 2011).

Domestic and multinational modern grocery retailers have expanding share of food sales in many developing countries, with potentially significant implications for food demand and trade (Tandon et al., (2011). Besides the expansion of modern food retailing, the actual gain depends on the food quality and convenience to satisfy the changing consumer demand.

The whole concept of shopping has changed in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. Modern retailing has come up with shopping centers, multi-storeyed malls and huge complexes and offer shopping, entertainment and food all under one roof. The Indian retailing sector is at an inflexion point where the growth of organized retailing and growth in consumption by Indian population is going to take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics, which are going to be strong growth drivers of the organized retail sector in India.

1.2.5 Changing Consumer Behaviour

Consumer spending levels are increasing along with the demand for a better shopping environment. The success of retail shops depends upon the creation of distinctive retail formats to a great extent. Experiences in the developed and developing countries prove that performance of organized retail is strongly linked to the performance of the economy as a whole.

Consumers in search of convenience goods and increasing car ownership have resulted in the emergence of supermarkets (Anand and Nambiar, 1998). Shopping convenience is slowly paving the way for modern formats. Urbanisation is another noticeable reason why people started purchasing goods from modern retail formats. Value added services such as home delivery, credit card system and self-service formats have redefined the whole system of distribution. The retail structure is becoming increasingly standardized. Consumers perceive meaningful differences in various store formats, because store brands are quite similar in all the shops (Usitalo, 2001).

1.2.6 World Scenario of Retailing

Retailing is a high-tech global industry. It touches every facet of our lives. Wal-Mart is the undisputed leader in the world retail industry, followed by Carrefour, Home Depot, Kroger, Metro, etc. Of all the different product categories in the retail sector, food retailing is dominating, followed by the apparel sector (McKinsey, 2008).

Out of the top retailers, 42.5 per cent are headquartered in the US, 39 per cent in Europe and 13 per cent in Japan (Nishimura and Punzo, 1999). The US distribution system has the highest retail density and greatest concentration of large retail firms. The retail firms are large in US; in contrast retail firms are smaller in Japan. European distribution system comes in the middle.

Riesman, Vu (2012) pointed out that the US is considered to be the world's largest retail market, with sales of over $3 trillion in 2010. It is observed that retail sales were totalled $16.5 trillion worldwide in 2010, equal to about 25 per cent of global GDP. But it is noticed that developing countries are growing faster than developed ones. BRIC countries have shown a growth of 9 per cent to 20 per cent between 2000 and 2010. Developing countries are attractive targets for expansion by MNCs, as they have saturated home country markets.

The world scenario is changing in terms of income and purchase power parity of consumers. A T Kearney (2011) in 'Retail Global Expansion: A portfolio of opportunities' pointed out that while the world population has grown 11 per cent, from 5 billion to 5.7 billion, retail sales per capita has risen by more than 90 per cent, from$2,000 to $3,850, and retail sales space has expanded by more than 200 per cent, from 40 million to 130 million square meters. Retail giants have experienced both success and failures, but they are slowly realising the portfolio game needed to succeed. Jin et al., (2003) noted that discount store format is a successful format used by leading retail giants such as Wal-Mart and Carrefour and they are growing faster than any other format.

In order to understand how retailing is developing in India, we have to go through the pattern of development in other countries. Retailing has already proven as the major industry in most developed countries. North America is the home of most of the world’s largest retailers, since the U.S. dominates the global retailing industry.

1.2.6.1 The United States

North America has seen tremendous change in retail industry. The US retail sector had gone through various stages of growth and development, saturation, followed by consolidation and creative destruction, which continues to the present. Stale retail models are found due to the overstoring, depression like economics, high level of unemployment and ascendancy of internet marketing (Smyyth LLC, 2011).

During the pre-modern era, i.e., pre-1945, mom-and pop stores and general stores were dominant in the country which served the need of people who lived in urban and city areas (Smyyth LLC, 2011). General stores were common and offered a variety of items that could be purchased from one place.

Because of industrialization and urbanization food retailing underwent a profound evolution in the United States during 1920-1970. Hagen (2002) studied that a new type of food retailer gained considerable market using economies of scale and market power, along with inventory and merchandising technologies to compete for business through price, assortment, advertising, reliability and customer service. It was also noticed that the modern supermarket (combination store with self-service and emphasis on high volume, low price) began in the 1920 and began to grow in popularity in the 1930s, when the depression made consumers price sensitive. Goldman called the introduction of supermarket into less developed countries one of the most important examples of a systematic effort to transfer a successful marketing technology from one environment to another.

During the period 1945-1975, retail store chains developed and bigger discount and department stores opened across the U.S. Woolworth, Sears, J.C. Penny, Wal-Mart, Montgomery Ward and Macy's were familiar to people residing in cities and towns.

Huge expansion of discounters such as Wal-Mart and Kmart, Sears and J.C.Penny took place during the period 1975-1990. The U.S had witnessed the upcoming malls, strip centers, stand-alone specialty stores, and big-box general merchandise chains. But the market was saturated and overstored during this period. The period 1990-2000 was marked by rapid retail industry consolidation, where big chains got bigger and many regional chains and mom-and-pop stores were laid to waste. This decade also witnessed the rise of supercentres' and warehouse club concepts where the consumers get everything under single roof from food to clothes to electronics to tires (Smyyth LLC,2011). These retail giants gave more emphasize to service and community and they set prices very low. As the decade progressed, vendors found the list of accounts shrinking and subsequently they lost power to negotiate with the retail giants who were very limited in number.

Despite the reality of consolidation, during 2000-2005, new concepts such as internet retailing emerged. Industry consolidation influenced the merchandising strategies, shopping patterns and suppliers. As a result, big suppliers lost their brand names and discount and mass retailers were privileged to introduce name-brand merchandise lines, while higher-price department stores were trying to lower costs and increase unit sales by developing store brands or private labels. Private labels offered consumers same quality as branded products with low price tags (Smyyth LLC, 2011).

Retailers found it much beneficial to deal with store brands due to high margins. Consumers found it advantageous to buy groceries in the same places from where they buy clothing, toys, electronics, shoes, etc. To meet the changing demand of the consumers, big-box retailers expanded their offerings to make shopping experience different. Retail consolidation was common among mass merchandisers. The year 2010-11 saw the emergence of “Flash Sale” operators such as Gilt Groupe, Ideeli and Beyond the Rack who have taken advantage of shopper’s reliance on their tablets or smart phones to reach out to consumers who shop on the run.

It is predicted by Smyyth LLC (2011) that retail industry will be dominated by even larger mass merchandisers with optimized supply and logistics channels that enable them to control costs, supported by large sources of supply. Specialty operations may bring selection and a high quality customer service and shopping experience. The internet, which has become the channel of choice for millions of shoppers, even if for limited categories of merchandise, will be more in use. In the 20 years’ history of retailing, very few have survived and in future today’s big names will no longer be in existence.

Some retail format will be acceptable in certain countries while they may not catch up in other countries. The response to supercentres in the US is a classic case. Merrill Lynch estimates that supercenters will be the fastest growing major sector of retailing with an annual growth rate exceeding 20 per cent (Barry, 1999). Although the supercentre is really a slightly altered version of a hypermarket, it has been in existence for over 35 years both in Europe (e.g. Carrefour) and North America. The hypermarkets in Europe represented a leapfrog phenomenon, replacing thousands of small neighbourhood grocery stores with total dominance on both assortment and price. While the hypermarket concept grew rapidly from 1970-99 in some European countries (particularly France and Germany), growth in North America was slow due to planning regulations. The competition from traditional supermarkets was tough. Both analysts and the trade literature suggested that supercenters would never catch on in the USA (Barry, 1999).

1.2.6.2 Japan

Retail sector in Japan is highly fragmented although it is Asia’s richest market. Most of the stores are run by small business owners. After the World War II, reconstruction of the cities were centered around railway stations; distribution centers were also developed around the railway stations, which were considered to be the best places for commercial complexes. These formats were well accepted by the urban consumers in Taiwan, Thailand and Hong Kong as well. Around 80 percent of the consumers patronise such stores.

Retail development varies across Asia-pacific. As per the report of Takhashi and Fluch (2009), there are certain retail laws in Japan to regulate the retail environment, like “Large-scale Retail Store Law” and “Anti-Monopoly Law.” Japanese stores have done remarkable contributions to the sector with technical innovations such as the point of sale system. These business strategies are accepted in Japan and consumer shopping frequency is very high today. During the long period of economic recession starting in 1985 and extending to the 1990s, and with the introduction of the consumption tax to 5 per cent led to a situation where people preferred to buy products with low prices. The discount stores became successful. At the same time there were many consumers who loved to buy luxury brands. To fulfil their needs, foreign brands opened up outlets in the country (Nikkei, 2007). Now the Japanese retail industry is undergoing changes due to decreasing and ageing population, internet society and globalization.

1.2.6.3 China

Platinum Broking (2012), in China Retail Sector Report, noted that the consumption behaviour of the Chinese population is evolving quickly, along with rapidly increasing wealth. Wage levels in China have risen steadily after the introduction of the open door policy and people are becoming more affluent. Because of this, retail sale in China is going up. Certain regulations are there to direct the whole system of retailing. China’s urban population, just 83 million in 1995, mushroomed to 665 million by 2010. The urbanization trend has government’s support, so it should continue, even in cities that already are growing.

By 2030, as reported by Chin (2012), the urbanization rate is projected to top 60per cent, which means that more than 930 million people will be living in urban areas.

The supermarkets in China increased from one in 1990 to over 60,000 stores in 2003, with estimated sales of $71 billion (Kinsey and Xue, 2005).Since the 1979 economic revolution, retail food sales in China moved from government owned roadside stores and stands to Chinese owned supermarkets in the early nineties, to partially foreign owned supermarkets in 1995 and to wholly owned supermarkets in 2005. Consumers in China expect the advantages like self-service shopping style, better sanitary conditions than other food stores, guaranteed quality, availability of customer service and availability of products from supermarkets (Gale and Reardon, 2004).

Since 1992, retail channels in China have been opened up for foreign investors. Localization other than standardization of marketing strategies turned to be effective to capture the attention of potential consumers (Lin and Chang, 2003).Rapid growth of supermarkets in China is facilitated by changes in government policies. Since 1995 large multinationals like Wal-Mart and Carrefour invested in China due to trade liberalisation and increased liberalisation of FDI policies (Xiang et al., 2004).

1.2.6.4 Singapore

Singapore has a mature retail market where rents are stable and the infrastructure attracts many foreign retailers (Smyyth LLC,2011). The Urban Renewal Authority (URA), a Government statutory board, was instrumental in the development of retailing and supervised the development of planned shopping centers and mixed use developments in the areas in the city. Retail space has increased over years. The development of the Mass Rapid Transport System further enabled the development of large format retailing in the country. The country welcomed foreign investment and enforced laws to regulate the trade. NTUC Fair price Co-operative is the largest retailer in the country. Cold storage Singapore, Robinson Group and Takashimaya Singapore are the other key retailers in the country.

1.2.6.5 Australia

The retail market in Australia is mature and saturated (Ahya and Mihir, 2007). Large format retailing is well developed in the country. The sector is being regulated by legislations like the Price Surveillance Act and the Trade Practices Act. The retail sector in Australia has been divided into three categories: food, personal and household goods and motor vehicles. Online retailing is a new addition in the field. It is to be noticed that cafes, restaurants, hotels and motels are excluded from this division.

1.2.6.6 Malaysia

Malaysia is a tourist destination and has got a very active retail environment. The wholesale and retail sector come under the purview of the Ministry of Domestic Trade and Consumer Affairs (MDTCA) through the committee on whole sale and retail trade which restricts foreign involvement (Smyyth LLC,2011). Large format retailing is developing in the country.

1.2.6.7 Middle East

The Middle East has some established shopping destinations (Smyyth LLC, 2011). The establishment of The Al Ghurair shopping mall in Dubai was revolutionary when it opened in 1981. The malls in Dubai together organize an annual month long festival called “Dubai shopping festival”, which is familiar to all. Modern shopping malls adorn the skyline in many cities in the GCC countries such as Saudi Arabia, Kuwait, Qatar, Behrain and Oman. A combination of traditional and modern stores exists in these countries. Increasingly the traditional stores are being replaced by modern retail stores.

1.2.6.8 Vietnam

With a population of 80 million and an economic growth rate of about seven per cent annually, Vietnam is considered a promising retail market (Nguyen et al., 2007). Besides the traditional stores in the country, the post war economic growth has ushered in several supermarkets, local as well as international, such as Coopmart, Maximark, Citimart, Metro, Big C, and Seiyu.

1.2.6.9 Korea

With the full liberalization of the distribution sector in 1997, many discount stores came into existence. Korean discount store retailing encompasses various formats, such as Membership Wholesale Clubs (MWC), hypermarkets and supercenters. However, the most successful discount retail format in Korea has been the “hypermarket” or “supercenter”, a center where shoppers can buy food as well as household consumer products (Jin et al., 2003). Kim (2001) observed that significant differences were found in store image perceptions and shoppers' internal orientations between multinational discount store patrons vs. Korean discount store patrons. In countries such as Korea, not only multinational, but also local discounters are competing for the market share.

Seiders (2000) focused on the impact of supercenters on traditional food retailers in four markets, including two small cities (Victoria and Gainesville) and two large cities (Columbus and Omaha). The results show supercenters can gain from 15 to 20 per cent of primary shoppers and an even greater proportion of secondary shoppers due to low price and assortment. In comparison, traditional supermarket primary shoppers were less willing to trade off locational convenience or, in some cases, quality and assortment.

1.2.6.10 Scotland

Dawson(1995) has analysed the structural changes in the consumption pattern, consumer expenditure and expectations of consumers in Scotland. Most of the aspects related to consumer behaviour are similar to the changes in India like increased car ownership, higher levels of household durable ownership, female participation in the workforce, broadening horizons due to travel and exposure to international media and steady increase in number of low income consumers.

1.2.6.11 Brazil

Brazil is the fifth largest country in the world and the largest Latin American economy. Till 1990s the country was just like any other emerging economy and was characterised by poverty and extremes of wealth. Poverty rate has been halved due to the welfare schemes introduced by the government**.** As a result more than 30 million Brazilians have risen out of poverty since 2003 to create a new middle class (McKinsey, 2011).This change in demographics favoured the development of retail sector in Brazil. About 80 percent of the population lives in urban areas.

The Brazilian consumers are more open to credit system which also boosts the retail sector in Brazil. The McKinsey (2011) quarterly report reveals that 60 percent of the people use credit in Brazil, while in China and Russia it is 24 percent and 13 percent respectively. Consumers in Brazil are price conscious and they would like to go to nearby shops for purchase. Shopping is a kind of relaxing and they would like to be treated royally.

1.2.7 Global Ranking

A. T. Kearney (2011) Global Retail Development Index (GRDI) ranks the top 30 emerging countries for retail development and identifies windows of opportunity for global player to invest in developing markets.

It is worth analysing the rank positions of countries in the GRDI to know how competitive they are when the world scenario is taken into consideration (Table 1.2).

Table 1.2

Global Retail Development Index, 2011

Country	2011 Rank	2010 Rank	Change
Brazil	1	5	+4
Uruguay	2	8	+6
Chile	3	6	+3
India	4	3	-1
Kuwait	5	2	-3
China	6	1	-5
Saudi Arabia	7	4	-3
Peru	8	9	+1
U.A.E.	9	7	-2
Turkey	10	18	+8

Source: A.T. Kearney Global Retail Development Index, 2011

India and China had occupied the top most positions in the ranking for several years in the past. However, from Table 1.4 it is evident that China and India show a drop in Retail Development Index in 2011. In 2008, India’s rank was 2. Brazil jumps to first place in ranking of top developing economies for Global Retail Expansion.

1.3 RETAIL DEVELOPMENT IN INDIA

Currently India is one of the fastest growing economies in the world and by 2030 India would be one of the top five economies in terms of GDP. The India retail market is estimated at US$ 470 billion in 2011, accounting for 35% of GDP and is expected to grow to US $ 675 billion by 2016, at the rate of 7.5 per cent. The statistics ensures significant growth opportunity for retail industry in India (Technopak, 2011).

India has the highest number of retail outlets (more than 12 million) in the world, though the per capita retail space is the lowest (CII-Mckinsey, 2000). India's retailing industry is mainly owner manned small shops. More than 60 per cent of stores measure less than 50 sq. ft. That too is proliferated with a number of brands and their offerings.

Jain (2010) observed that the 2.8 per cent of Indian consumers have the ability to spend over USD 30,000 a year (PPP terms). It is a small percentage, but when we consider the mammoth Indian population of a billion plus people, this number amounts to 30 million people, a market next only to USA, Japan and China. Further, more than 50 per cent of the population is less than 25 years of age.

The median age of an average Indian is about 25 years. There will be about 325 million people in the 25 - 35 age group by 2020 (Sinha, 2004). The largest young population in the world with over 890 million people below 45 years of age is in India. The working age population between 15 and 64 years has been estimated as 762 million by 2010 (UN population Division, 2005). This created whopping 600 million-plus effective consumers by the year 2010 (A. T. Kearny Report, 2006).

An NCAER (2005) report notes that India’s middle-income group is about 25per cent of the total population base of which, about 4 per cent are extremely rich and about 10 per cent has just graduated into the middle class and are feeling their way through the material world. The wealthy middle class is estimated at over 300 million and will go up to 400 million by 2025. The middle income group, estimated to spend $ 2.8 trillion a year, is the true potential of retail business in India. The average household income in urban areas has grown at a five per cent (CAGR) over the last decade. Nearly 37 per cent of the urban population constitutes chief earners who earn regular salaries or wages. The number of people who earn over US$ 5,000 plus per annum is growing at fast pace and this is primarily attributed to the rapid rise in the young earners (those in their mid- twenties). Over 140 million people were earning over Rupees 8, 00,000 ($18,000) a year in 2011 (NCAER, 2005).

Expenditure in urban areas accounts for 62 per cent of income compared with 56.2 per cent in rural areas. Households in the top four income categories account for about 53 per cent of the total household consumption expenditure. On an average the expenditure on consumables- food, clothing and consumer durables- by the lower income category is as high as 74 per cent while in the higher income category this forms only 57 per cent of their expenditure (NCAER, 2005). Though the percentage contribution of consumables is relatively higher by the lower class, the purchase location is predominantly traditional outlets, as compared to the higher income categories, which prefer to shop through organised outlets to a greater extent. The positive changes both in direction and magnitude in demographics and in the consumer’s increasing disposable income have been highlighted as factors that facilitate the growth of large format retailing in India.

Rapid changes in the family sizes (5.4 people), the family lifecycle and the disintegration of joint family system has led to the formation of nuclear families, tempting consumers to purchase more apparel, food and grocery. The changing composition of work force with growing number of women employees (the participation of women in the labour force and in professional and technical workforce in India is 34 per cent and 21 per cent respectively) has facilitated the market growth.

The Indian retail structure had evolved from various formats like barter system, Haats, Mandis and Melas. As the next stage, established formats like kirana stores, convenience stores, PDS, Co-operative stores etc., opened up in India. At present the country has got the presence of emerging modern formats like supermarkets, hypermarkets, multiplexes, malls etc. (Pradhan, 2009). A CII (2004) study reveals that as the corporates – Piramals, the Tatas, the Rahejas, ITC, S Kumars, RPG Enterprises and mega retailers- Crossroads, Shoppers Stop and Pantaloons- race to revolutionalise the retailing sector.

Technopak (2011) observes that retailing in India is in the process of getting more organized and professional. The Indian retail industry is the largest among all other industries. The Indian retail market is the fifth largest retail destination globally. With 1.2 billion people, India is an attractive destination.

The organized retail is gradually emerging as one of the most dynamic industries in India (Chakravarti et al., 2007). Urbanisation along with rising income of people and growing economy has fuelled the growth of retail industry in India. This change has been considered as an opportunity by various retail players, from small home grown entrepreneurs to big retail companies to invest in setting up their infrastructure in the country. Business conglomerates like Bharati, Reliance and Tata are among others who have lined up to invest billions of dollars in retail business.

This has happened for various reasons, namely demand and supply, socio-cultural, demographic, psychographic and economic factors and technology advancements. A large segment of young population, a rapidly expanding middle class, rising income levels, growing literacy, increasing number of working women and nuclear family structures in turn have created an enormous demand for consumer goods and have paved the way for modern retail formats.

The retail sector is expanding not just in major cities, but also in Tier-II and Tier-III cities. India's growing population and urbanisation opens up huge potential for organised retail. Retail demand is being driven by economic prosperity and transformation in consumption pattern. India ranks fourth among the 30 countries that were surveyed in Global Retail Development Index and ranked sixth in the 2011 Global Apparel Index.

The retail industry in India gathered a new momentum with the establishment of different international brand outlets, hyper or super markets, shopping malls and departmental stores. The organised retail segment in India is projected to be nine per cent of total retail market by 2015 and 20 per cent by 2020. Hypermarkets would be the largest retail segment, accounting for 21 per cent of the total retail space by 2013–14 (Dutta, 2006). According to Sen (2000), in case of hypermarkets main motives of preference in India in decreasing order are low prices, possibly of buying everything at the same place and ambience of the store.

The major retail formats in India are presented in Table 1.3.

Table 1.3

Major Formats of Store Retailing

Major formats of In-store retailing	Description	The value Proposition	Example
Branded Stores	Exclusive showrooms either owned or franchised out by a manufacturer.	Complete range available for a given brand, Certified product quality	Marks & Spencer ,Reebok Nike, Adidas
Specialty Stores	Focus on a specific consumer need, carry most of the brands available	Greater choice to the consumer, comparison between brands possible	Music World,Tanishq, Health and Glow Crossword
Department Stores	Large stores having a wide variety of products, mostly durable goods, organized into different departments, such as clothing, house wares, furniture, appliances, toys, etc.	One stop shop catering to varied consumer needs	Shopper‘s Stop,Pantaloon, Westside, Globus, Ebony
Supermarkets	Extremely large self-services retail outlets, selling mainly food products.	One stop shop catering to varied consumer needs	Food World , Nilgiris ,Food Bazaar
Discount Stores	Stores offering discounts on the retail price through selling high volumes and reaping the economies of scale.	Low prices	Subhiksha, Margin Free Market
Hypermart	Larger than a Supermarket, sometimes with a warehouse appearance, generally located in quieter parts of the city	Low prices, vast choice available including services as cafeterias	Big Bazaar ,Giant
Shopping Malls	An enclosure having different formats of in-store retailers, all under one roof.	Variety of shops available close to each other.	Sahara Shopping Mall, DT Mall ,Ansal Plaza, Forum , Lulu, Oberon Mall
Cash and Carry	It is a form of trade in which goods are sold from a wholesale warehouse operated either on a self-service basis, or on the basis of samples or a combination of the two.	Arrange the transport of the goods themselves and pay the goods in cash and not on credit	Metro Cash and Carry

Source:Dr.Vipul Jain (2010), Global Journal of Management and Business Research

Some observers, however, express doubts about the predicted growth in large format retailing in India. Sinha and Banerjee (2004) observe that the Indian retailing scenario seems to be driven more by euphoria. It is also noticed that the trademark of Indian retailing, the small shop with a high level of personalised service, is making shoppers reluctant to depart from traditional ways of shopping. With a multitude of small stores measuring less than 50 sq. ft in floor area, proliferated with a number of brands and their offerings, the drivers of retail store format in India are dominated by traditional stores. This may change in future when new modern formats evolve.

1.3.1 Growth Drivers of Organized Retail in India

Major growth drivers of large format retailing in India are mainly increasing proportion of young working population, rapid urbanisation, tremendous growth opportunities in Tier II cities and rural areas and increasing number of working women in the society. The growth in the size of the Indian retail market is furnished in Table 1.4

Table 1.4

Size and Growth of Retail Market in India

Year	Total Size –US $ billion	Organised Retail – rate of growth	% of Total market
2005	244	8	3
2006	276	11	4
2007	316	15	5
2008	362	19	5
2009	368	22	6
2010	425	28	7
2011	471	35	7
2012	528	44	8
2013	590	55	9
2014	653	69	11
2015*	725	85	12
2016*	799	106	13

**forecasts*

Source: Abheek Singhi and Amitabh Mall (2011), Building a New India: The Role of Organised Retail in Driving Inclusive Growth, Boston Consulting Group& CII

Boston Consulting Group estimates the retail market size in India as US $ 590 billion in 2013. The estimated rate of growth in the organised retail sector is quite high (55 per cent) in 2013.

The modern retail sector in India is expected to grow at a CAGR of 15 to 20 per cent. Factors driving the organised retail sector, as noted by FICCI & PriceWater coopers(2011), are several:

- India's large and aspiring middle class of 75 million households or 300 million individuals with aspiration for products that are value-driven.
- The country's 500 million people under the age of 25, with independent income, aspirations and a desire for new shopping experience.
- Increasing income among consumers, driving the purchase of essential and nonessential products
- Changing consumption patterns of Indian customers
- New technology and lifestyle trends creating replacement demand
- Rapid urbanisation
- Increase in rural income and growing trend towards nuclear families
- Easy access to credit
- Growth of modern trade format across urban, Tier I, Tier II and Tier III cities and towns

1.3.2 Grocery and Apparel Retail Segments

The Food and grocery is the second largest segment of the retail industry that constitutes 53 percent of the total private consumption expenditure (USD 154 billion) and 70 percent of total retail sales (Technopak, 2007).

According to IMAGES India (2007) Retail Report, of the Rupees 12, 00,000 crore retail market, food and grocery retail is by far the single largest block, estimated to be worth Rupees 7,43,900 crore. However, over 99 per cent of this market is dominated by the neighbourhood kirana (grocery) stores.

The food business is largely unorganized. But according to McKinsey (2008) report, the share of an Indian household's spending on food is one of the highest in the world, with 48% of the income spent on food and beverages that accounts for 74 per cent in the retail pie. The ready-made and western outfits are growing at 40-45 per cent annually, as the market teams up with international brands and new entrants making it a premium segment. The total fashion sector was estimated at Rs.1914 billion and forms about 15 per cent of the country's retail market.

A T Kearney (2011) reports that sectors with high potential include Food & Grocery (91%), Clothing (55%), Furniture (32%), Fixtures (27%), Pharmacy (27%), Durables, Footwear and Watch & Jewellery (18%). Fashion market in India is witnessing strong growth owing to a young population.

Chetan and Mihir (2006) put forward the view that major consumer spending items currently form part of the addressable market for the retail chain stores format and include food and grocery, general merchandise (such as furniture and furnishings), and apparels which show that these sectors are highly potential.

Technopak (2011) reported that food and grocery market in India was estimated at US $ 325 Bn in 2011(69 per cent of the overall retail) and was expected to grow to US $425 Bn by 2016 (63per cent of the overall retail)at five percent. The organised food and grocery sector in India was estimated at US $9 Bn in 2011 and was expected to grow US $ 34 Bn by 2016, at the rate of 30 per cent.

Apparel market in India was estimated at US $ 35 Bn in 2011 and was expected to grow to US $ 50 Bn by 2016. The organised apparel market in India was estimated a US $ 5.5 Bn in 2011 and was expected to grow to US $8 Bn by 2016, at CAGR of 8.5 per cent (Technopak, 2011)

Prasad et al., (2007) observe that the Indian food and grocery retail sector is in the transformation mode for reasons such as strong macro-economic fundamentals and the changing socio-economic scene. To satisfy the changing needs and tastes of customers, traditional retailers are transforming themselves to organized formats. The fast changing trends in food and eating habits of consumers have contributed immensely to the growth of 'Western' format typologies such as convenience stores, department stores, supermarkets, specialty stores and hypermarkets.

Fashion market in India is witnessing strong growth owing to a young population. Italian Trade Commission (2009) notes that an increase in disposable incomes, which is leading to increase in consumption may result in the rapid growth of organized retail. The report says that apparel today has the largest share of the modern organised retail in India i.e. 20per cent of the current market of Rs. 56,000 crore and this is expected to grow at a constant rate of 20per cent over the next 4 years.

1.3.3 Private Labels

An emerging trend in modern retail outlets is the presence of private labels in relatively new formats, which appear to have come in to their own now. Some factors are well noticed and discussed by Pricewatercoopers (2009) that private-label goods are performing well worldwide. India may be Asia’s most receptive market for private-label goods. Today, private-label goods account for 10-12per cent of the retail market, and leading brands are far less dominant than in other countries. In the apparel sector the top seven brands account for less than 10 per cent of the total clothing sales. Indian consumers are more loyal to retailers than to the branded products that they stock in their shop.

According CII (2004) report, 47 per cent of all Indian shoppers who shop in hypermarkets and supermarkets and are aware of private labels with 30 per cent claiming to have purchased them as well. The report reveals that 48 per cent of shoppers in India admit that they “love to try new things”, making them the most novelty seeking shoppers around region, followed by the Malaysian shoppers. This finding is crucial for the retailers and FMCG marketers as they seek to reassure themselves that India’s retail revolution is sustainable. Indian consumers are receptive to innovation and change.

1.3.4 Franchising

Franchising in India has witnessed impressive growth of around 30 per cent per annum between 2005 and 2010, with an estimated turnover of $4 billion (BMI, 2011). The country's franchise market is growing at a healthy pace, with Tier-2 and Tier-3 cities gradually getting attracted to the network of retailers and franchisers.

1.3.5 Online retailing

As online retailing surges on the back of customer incentives and product discounts, brick and mortar chain stores like Shoppers Stop Ltd, Lifestyle International (P) Ltd and The Bombay Store are reworking their internet strategies to compete with e-tailers such as flipkart.com. Moreover companies like watchmaker Titan Industries Ltd and Lifestyle, which had no presence in the e-tailing space, are also in the process of creating a niche in the e-tailing space. Similarly, futurebazaar.com—the e-commerce venture of the Kishore Biyani-led Future Group—has started selling the full range of merchandise available in its retail stores.

1.3.6 Retail in Rural India

Rural market is considered to be a major revenue generating source for many companies. This fact has forced the companies to formulate specific strategies for rural consumers. As per the report of CII-YES Bank, two third of the Indian consumers live in rural areas and almost half of the national income is generated over there.

Gupta(2011) observed that rural chains in India are focussing on hinterlands in a big way. Rural India is characterised by low per capita income, low productivity, low literacy and low rate of industrialization, along with absence of basic amenities like roads, warehouse, communication, consumer finance, etc. Rural retail market in India is dominated by kirana stores, haatts and melas.

But the interesting fact is that one out of six rural customers has got access to organized retailing. The Indian rural retail opportunity is currently estimated to be in excess of Rs.1400 billion. The figure is likely to touch Rs.2400 billion by 2015, according to CII-YES Bank study on the rural retail sector. India’s rural markets are showing a remarkable growth of double the rate of urban markets growth. The retail revolution is going to act as a catalyst in this situation. The rural per capita consumption of FMCGs will catch up with the current urban levels by 2017. The rural revolution is driven by growing purchasing power, changing consumption patterns, increased access to information and communication technology, improving infrastructure and increased government initiatives to boost the rural economy.

1.3.7 Issues and Challenges of Retail Industry in India

Studies on retail industry in India reveal that there are enormous growth opportunities for the industry. But at the same time, cases are reported on the difficulties faced by few retail chains to survive and compete in the market during highly dynamic economic conditions in India. The retail chains have to consider the varied demands of urban and rural crowd to attract them while they formulate specific strategies for different markets. Consumers are aware of the availability and benefits of different brands offered by the retail chains. The Indian retail sector is witnessing tremendous growth with the changing demographics and an improvement in the quality of life of urban people (Roy, 2011). The growing affluence of India's consuming class, the emergence of retail entrepreneurs and a variety of imported products, particularly in the food and grocery segment, have been the main drivers for the current retail boom in the domestic market.

Although some of the retail chains winding up their operations, retail giants are interested to invest in the sector. Chetan and Mihir (2006) reported that Indian retail sector continues to be one of the largest sectors attracting fresh investments from the private sector. Along with the existing players in the market, many large business groups, including Reliance Industries, Birla Goup, Bharti Enterprises have announced their intention to cumulatively invest in the sector to find a slot in the fast-growing pie of the organized retail sector.

1.4 RETAILING SCENARIO IN KERALA

Modern retail stores have been well accepted by the consumers in Kerala. Most of the retail chains established India have their presence in Kerala. Major cities in Kerala have their malls. Lulu Mall in Cochin is a classic case. This is reportedly the biggest mall in India. The anchor store in the mall – LULU Hypermarket is the biggest hypermarket in India. The Cochin city has several other malls, including Oberon Mall, Gold Souk, etc.

Several retail chains have been in existence in the state for decades, particularly in the government sector. Supplyco and Consumerfed are two well established retail chains in the public sector. Margin free Markets form another chain in the private sector. There are several other speciality chains in the state dealing in diverse such as gold jewellery and textile and garments, etc.

1.4.1 Margin Free Markets

Margin Free Markets, brain child of Mr. N. Ravikumar, have been proven successful as retail chain of Kerala origin. Margin Free Market is registered as charitable institution in 1993, currently controlled by Consumer Protection and Guidance Society. The first outlet has been started at Thiruvananthapuram in the year 1994. There are currently more than 275 franchisees of Margin Free Markets spread all over south India. The consumers are assured of quality, quantity and the fair price of the goods sold through the Margin Free Markets. These shops deal in grocery, food and non-food FMCG items, fruits and vegetables, consumer goods & household articles under single roof. Most of the consumers have got discount cards which enable them to get more discounts than others. Ajith(2008) observed that Margin Free Markets have built enormous trust in the last so many years of its existence and has become a formidable force in the retail landscape of Kerala to meet the needs of middle class.

1.4.2 Supply co

The Kerala State Civil Supplies Corporation (Supply co), is a public sector chain sore established in 1974. It procures rice, wheat products, sugar, pulses, vegetables and a range of consumer goods independently from the open market and distributes them through a network of 906 retail outlets called Maveli Stores, 370 supermarkets,19 people’s Bazaars and 14mobile Maveli vans operating on designated routes. Supplyco runs 90 medical retail outlets and 5 Medical Wholesale Divisions, one in each Region.

The Government has control over pricing in these stores. Supplyco has been used by the government to control prices in the open market. Its effects on the market are most evident during the festival seasons.

The Kerala State Civil Supplies Corporation (Supplyco) has introduced the privilege card facility in Supplyco supermarkets and Labham fair-price shops.

Consumer Fed (Kerala State Consumer Federation) is another state owned retail chain with networks of stores dealing in different categories of products, including medicines.

1.4.3. Other Retail Segments in Kerala

Jewellery retail is another major part of the retailing in Kerala. The leaders in this business include, Allappat Jewellers, Alukkas Jewellers, Josco Fashion Jewellers, etc. among manyothers. Each of these Jewellers can be considered as retail chains as they have outlets in different parts of the State, the neighbouring states and some even in the Middle East.

In the automobile segment, the state can boast of a host of retailers specialising in automobiles including big names like Indus Motors, Marikar Motors and Popular among others.

Textile retailers like Sheematti, Jayalakshmi, Kalyan, Pothys etc. play a crucial role in satisfying the needs of consumers along with other traditional small players in the industry.

The future of Retailing in Kerala is bright, with more malls and retail chains in the pipe line.

1.5 RETAIL LOSSES IN INDIA

Retail failures have been wide spread in recent years. When major U.S. retail chains like Sears, Blockbuster, The Gap, and Abercrombie &Fitch announced triple-digit store closing plans for 2012, it seemed to indicate trouble for retail sales and backwards step for the U.S. economy (Farfan, 2012).. Some of the challenges generally observed in various literatures are fragmented supply chain, multiple legislative laws, cumbersome labour laws, escalating real estate prices, complexity in tax structure, and shortage of manpower, cultural disparity and industry status.

A.T. Kearney (2011) has reported several cases of closing down or losses of their retail chains in India in recent years.

Subhiksha, an Indian retail chain with 1600 outlets selling groceries, fruits, vegetables, medicines and mobile phones shuttered down (Sathyanarayanan, 2012). It began operations in 1997, and was closed down in 2009 owing to financial mismanagement and a severe cash crunch.

German sportswear maker Adidas shut down one-third of its 900 Reebok stores in India as a part of aggressive restructuring strategy for the brand in the country (The Indian Express, 2012). Aditya Birla Retail Ltd, a unit of the $28 billion Aditya Birla Group, has shut its small store food and groceries business in some large cities and exited from Mumbai, as it embarks on a major restructuring after five years of losses.

The retailer, which runs the More shops, has shut about 50 non profitable outlets across India and plans to focus only on bigger stores (Rebello & Agarwal, 2012). Shoppers stop posted an overall loss of Rs. 4 crore in the last five years, while its debt soared to Rs.64 crore (Raj and Bailey, 2011).

Vishal retail posted cumulative losses of Rs. 550 crore (Raj & Rasul Bailey, 2011). Pantaloon's profits between 2007 and 2011 were dragged down as the company posted Rs. 68 crore losses in 2008 and 2009 (Raj& Bailey, 2011).

Koutons retail India reports net loss of Rs. 50.46 crore in the December 2011 quarter (Capital Market, 2012). Spencers' Retail had a loss of Rs.220 crore in 2009 (Press Trust of India,2009). Kerala retailer Varkeys was closed in 2011 (TNN, 2011).

These cases make the strategists to think about the reason why only certain chains face issues despite the merit of retail industry.

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1.6 CONCLUSION

The present study addresses some of the basic issues pertaining to modern retail sector. Based on the issues and challenges faced by the modern retail industry, the research has given importance to the factors, particularly demographic and store related factors influencing the store choice behaviour of consumers in Kerala, especially in Cochin. Many studies have done on the store choice behaviour of customers by various people in different countries. But a detailed study with special reference to Kerala Market is lacking.

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CHAPTER 2
Review Of Literature

Contents

2.1 EVOLUTION OF RETAIL INSTITUTIONS

Retailing is defined by Levy et al. (2010) as the set of business activities that adds value to the products and services sold to consumers for their personal or family use. Balasescu (2005) defines retail market as the consumption goods market (final consumption goods), goods that are sold either by en-gross distribution forms, or by retail distribution forms, by any forms of distribution and selling that reach the final consumer.

The term ‘modern retail’ in this study means ‘large format retailing.’ Examples include hypermarkets, supermarkets, chain stores, department stores, malls, etc. Such modern retailing institutions are characterised by large volume business, large physical space, chain store concept and provisions for food and entertainment.

The world distribution systems has evolved and progressed in a highly dynamic way (Patriche, 2003). According to him, “the commercial apparatus suffered profound mutations, implying a continuous evolution of selling methods, distribution forms, geographic expansion, company administration and so on."Modernization of organizations and commercial activities are due to the continuous growth of competition and consumer needs. Balasescu (2005) suggested that companies cannot survive without restructuring activities, and reformulating strategies.

Evolution of retail formats has been influenced mainly by the socio-economic condition of a country. Consumer demand is the major reason for the changing retail format. Kim et al., (2005) suggest that multi-channel retailing has been recognized as a new key marketing program for retailers. The multi-channel retail format includes not only physical stores and catalogues, but also online stores, kiosks, and wireless channels. Clark (1997) classified two dominant multi-channel retailers in the current online market: (1) click-and-mortars who respond consumer demand through offline and online stores (e.g. BestBuy.com, Gap.com, Barnes and Noble.com, Macys.com); and (2) catalogue firms that present their print catalogues on the web.

Retail formats are heading forward in a revolutionary manner. But when the basic format is considered, retailing involves the sale of goods and services to the final consumer. Bennet (1995) observed that forms of retailing generally are bricks-and mortar stores, non-store bases or a combination of a store and a non-store base. Retail institutions are of different types based on the products, scale of operation and mix of store attributes. There are various types of retail chains such as department store, discount store, specialty store, super markets, hypermarkets and malls.

Retail organizations can be classified into store and non-store formats based on operational, organizational and locational criteria (McNair & May, 1978).As per the U.S Bureau of Census classifications of product developed in 1924, product categories were named based on the retail institution type where they were displayed and sold.

Retail business is influenced by changing consumer demand, technological developments, competition and opening up of new markets. New retail formats are introduced frequently to satisfy the changing needs of customers. It is necessary to analyse the process of evolution of retail institutions in different countries.

The origin of retailing is as old as trade. Barter is known to be the oldest form of trade. Remains of major Greek cities are witnesses to the existence of retailing formats like agora and flea market. Over the years, these markets have existed across major cities of the world and were selling different varieties of goods (Pradhan, 2009).Trade development is closely associated with social development in different countries. Industrialisation was another reason for the emergence of retail formats. Two important developments of eighteenth century i.e., development of railroads and telegraphs, largely influenced the growth of retail industry. In 1852, the first departmental store, Bon Marche, was set up in Paris which revolutionised retailing.

Theorists believe that the department store was a format that evolved simultaneously in Paris and Philadelphia in the 1860's(Bloomfield, 1930).One of the first department stores, which opened in the US was Stewarts in New York, which was followed by Macy's after the civil war. Emergence of chain stores such as five and ten –cent stores, Atlantic and Pacific and F W Woolworth could be seen in late 1800s (Ortega, 1998).

The industrial revolution saw the retailers evolving new methods of operation. The difficulties faced by the working class customers to procure food items led to the emergence of co-operative societies in the United Kingdom. By the year 1900, these societies had achieved 6-7 per cent of the retail sales in the country (Morelli, 2003).

Twentieth century witnessed evolution of retail stores in different ways. Self-service as a concept started in 1916, when Clarence Saunders started the first self-service store ‘Piggly Wiggly’, in Memphis, Tennessee. This concept helped retailers to reduce costs, as excess workers needed to serve the customers were eliminated. Supermarkets emerged in 1930’s and shopping malls in 1980’s.

2.2 MODERN VS. TRADITIONAL RETAILING

Modernisation in retaining is imperative to satisfy the changing customer needs and preferences. Traditional retailers who cannot adopt could be replaced. This has been studied by MVI research (2007) and found that the share of traditional retailers is declining due to the increasing number of modern stores.

Romanian market, for example, has been dominated by traditional retailers. A study conducted by Silvia PUIU (2010), has observed that the traditional retailers’ share reduced from 88 per cent in 2002 to 60 per cent in 2009. Of the 40 per cent share of modern retail stores, hypermarkets hold 17 per cent, large shopping centers such as Cash & Carry 12 per cent and supermarkets and discount stores five per cent each. Modern trade is gaining attention of the consumers in the country. The transition from traditional to modern retail stores needs to have differentiation and competitive advantages to succeed in the market.

There are also instances where foreign retail chains have been unable to compete with traditional stores in developing countries. Wal-Mart in South Korea and Carrefour in both South Korea and Chile found it difficult compete with the local traditional stores. Major factors identified through the study Silvia PUIU(2010),which affect the speed and nature of market transition are consumer trends and purchasing behaviours in the market, factors related to modern retail consolidation and disruptive factors such as the economy, special interests, and government regulation .

Carpenter and Moore (2006) observe that supercenters possess several key competitive advantages in comparison to traditional supermarkets, including the ability to sell items at lower prices and the ability to offer consumers the convenience of one-stop shopping. To serve the purpose of customer satisfaction, grocery retailers are using differentiation strategies and customer relationship management (Hansen and Solgaard, 2004).

In this scenario, it would be relevant to find out the preference of consumers on the store format. Lot of research works have been conducted to find out the factors influencing the consumers to select modern stores compared to traditional stores.

2.3 CHANGING COSNUMER BEHAVIOUR

KPMG (2009) observes that customer power is increasing and the retailers have to satisfy their need by providing value based experience, fashion centric products and service models. The retailers have to consider factors like contracting global economy, advancements in technology, increasing number of shopping channels and well informed mobile consumers while setting means, modes and manner of satisfying consumers while they shop. The study predicts that malls, chain stores and big name brands will be considered as conventional way of satisfying the shoppers in future. The lifestyles of consumers are changing. They expect the companies to satisfy those needs, which will lead them to patronize certain stores.

Shopping represents a social act where symbolic meanings, social codes, relationships, and the consumer’s identity and self image may be produced and reproduced (Firat and Venkatesh, 1995). Patronizing a department store that has certain store attributes/atmospherics (or buying and using certain products) depends on how a customer wants to be seen and/or how she wants to see herself (Erdem et al., 1999; Sweeney and Soutar, 2001).

New generation consumers are already born with certain defined value terms, which the retailers must consider while providing distinct products and services. Because of the changing consumption pattern of consumers, it is very difficult to classify them based on similarity in characteristics. The advent of the online and related technologies gives exposure to more choice of products and another way of retailing. To keep pace with market movements, retailers need to maintain financial fitness and highly efficient operations.

Jones et al., (2007) in ACRS Secondary Research Report on Australian retail trends suggested that to gain customer loyalty, retailers must focus on offering the best products, service, quality, value, and innovation. Proper understanding of the current trends in market is the only way to fulfil this requirement. They should be aware of social, political, economic and cultural trends in which the retailers operate within.

The major trends in retailing from the larger retailers lie in brand, format and channel extensions as they seek growth (Mcintosh, 2007).More lifestyle retailers are coming to the market and the trends towards more sustainable retail practices are unmistakable. The push to more environmentally conscious retailing is evident in store design, sourcing, packaging, and distribution developments.

Traditional growth models with more number of stores find difficult to exist. Successful organisations are those who are able to adapt to the environment and develop new ways of serving customers, respecting the dynamics of current trends and adapting accordingly (Global Retail Development Index 2011).

Taking into consideration the requirements of consumers, retailers should find out various influences that lead up to the purchase of goods and services. While considering the socio-economic condition of the consumers in India, most of them come under middle class. Retail in western countries has evolved in the form of formats. In India it is a very recent phenomenon. Understanding the reasons for the consumers to choose traditional and modern retail formats is a major concern of retailers. This study concentrates on understanding the store selection behaviour of consumers and how demographic factors and store related factors influence them in patronizing modern stores.

2.4 DEMOGRAPHIC FACTORS INFLUENCING MODERN RETAIL STORE CHOICE BEHAVIOUR

We are witnessing a transformation in the consumption pattern of consumers in India. The driving forces behind this change are reportedly the socio-economic factors and changing demographic factors. Role of women in the society, evolving family structure, changing income profiles, credit facility available, age factor- all are influencing the consumption pattern in India. It will be relevant to analyse the impact of demographic factors on the decision making of consumers.

Demographic profile includes age, gender, income, education, occupation and marital status of consumers. Several researchers have conducted studies on the relationship between demographic profile of consumers and their store choice and purchase behaviour. While some of the demographic factors have significant association with the store choice behaviour of consumers, some other factors are found to be irrelevant in store choice.

Kim (2001) noted that selection of the store is not only affected by external store attributes and shoppers internal motives, but certain demographic characteristics are also highly influential.

If the retailers find that the consumer shopping motives and demographic profiles are related, they could easily segment the market based on that. But Jin (2003) observed that the findings of prior studies on the relationship between shopping motives and demographic variables have been rather inconsistent. Westbrook and Black (1985) found that six shopper types grouped by shopping motives did not significantly differ in demographic variables, such as age, marital status, occupation, and the level of income and education. Groeppel-Klein et al., (1999) also discovered no significant difference in demographic characteristics among the three shopper clusters that had different shopping motives.

Age of the consumers plays a significant role in store choice and store loyalty, according to a study by Moschis et al. (2004). Joyce and Lambert(1996) found that shopper's age significantly affected perceptions of store image. Younger consumers feel more positive about both store characteristics and salesperson attributes than older shoppers.

The relationship between consumer demographics and brand choice and store choice was studied by Baltas and Papastathopoulou (2003) and they found that these factors were related.

Some of the previous researches show that brand loyalty was largely not influenced by demographic variables. Lin and Chang (2003) reported this while investigating earlier researches on the role of demographics in predicting brand loyalty. Brody and Cunningham (1968) found these variables had no direct effects on loyalty; but the findings of a study by Homburg and Giering (2001) indicate a moderating effect on the satisfaction-loyalty relationship from three demographic variables- "gender", "age", and "income". Among all the demographic factors, "age" and "household income" have a positive influence, while male gender and educational achievement have negative effects on habitual behaviour towards the purchase of leading brands.

In contrast, in the Dawson et al., (1990) study, shopping motives were found to differ by shoppers' demographic variables. They ascribed the result to the fact that shoppers who are relatively older and more familiar with what the market has to offer exhibit more purposive product shopping motives.In a study conducted among Korean shoppers, no empirical evidence was found to prove the relationship between Korean discount shoppers' shopping motives and demographic variables. If the motives of Korean discount shoppers differ with respect to demographic variables, international retailers could direct their marketing efforts more to capture exact segments.

The extent of influence of demographic profile may vary based on countries. Consumer behaviour is now considered as a result of social change (Wood, 2002).Sociologists, while they conducted studies on the relationship between social change and technology, found age as an influential factor.

When applying determinant attribute model of Myers and Alpert, Lumpkin et al., (1985) found that while differences can be found across age groups, the elderly generally base their patronage decisions on the same attributes as their young counterparts.

It was noticed by Oates et al., (1996) that while formulating some consumer promotion offers, the age group has been taken as the basis for classification. Lumpkin et al., (1985) reported that elderly people do not perceive the attributes like performance, parking, and location as the determinant factors in store choice. It is true that they always want to be comfortable, but that is not the primary consideration. However, it was noticed in the studies of Lowe and McCrohan (1988) that these attributes are important to the elderly.

Carpenter et al.,(2006) identified demographic groups who frequently visit supercenters and examined patronage motives(e.g. value, one-stop shopping convenience, brands, product assortment) as drivers of supercenter shopping behaviour. This kind of a research may give supercenter retailers an idea about patronage motives driving cross-category shopping in supercenters.

Some studies have noted that mature consumers are looking for more interesting shopping experience rather than buying items from the stores(Oates, 1996).Lumpkin et al., (1985) in their study on retail store attributes and shopping patterns imply that store attributes and shopping patterns of the elderly are based on their perceptions of how the retailers meet their wants and needs. Mason and Bearden (1978) suggest that elderly consumers often shop for reasons other than buying goods.

Nguyen (2007) observed that several researchers have posited the demographic characteristics of customers which affect their purchasing behaviour (Wood, 1998), however, this relationship is considered unclear as research findings have been found to be controversial (Jin and Kim, 2001). The difference between the demographic variables: gender; age; income levels of consumers are examined to verify their impact on the transitional market.

Otieno et al., (2005) found that women stated reasons why they enjoyed shopping: fashion trends, price, it's fun, for browsing, they felt special, and thought they looked good, claimed to be "shopoholic", bored of old clothes, variety, socialized with friends, enjoy spending ("it's a girl thing"), retail therapy, forget other problems, creates individuality, search for my size and their love for clothes.

Few academic studies have focussed specifically on the demographic characteristics of supercenter shoppers (Carpenter. 2008). Fox et al., (2004) examine the effect of demographics on retail patronage behaviour across grocery stores, mass merchandisers, and drug stores and found weak relationships between household size, income, level of education and store choice. In addition Stone (1995) compares the demographic profiles of supermarket shoppers and warehouse club shoppers, finding that warehouse club members are younger; more educated, and have higher incomes. Arnold (1997) finds significant differences between the demographic profiles (e.g. age, education, household size) of large-format department store shoppers as compared to non-shoppers.

Retail strategy for one country cannot be followed by other countries without modifications. DeMooij (2002) pointed out that converging technology and disappearing income differences across countries will lead to heterogenisation of consumer behaviour due to cultural differences.

Females are reported to have different expectations from shopping environment compared to the males. While they select apparels of different sizes, most of the women are dissatisfied and unhappy due to the lack of availability of correct measures of clothing (Otieno et al., 2005).

Kargaonkar et al.,(1985) suggested that shopper typology can be of economic consumers, personalizing consumer, ethical consumers, and apathetic consumers. Shoppers can be divided into dependent shoppers, compulsive shoppers, individualistic shoppers, indecisive shoppers, and independent shoppers.

Data obtained from a survey of elderly food shoppers using hybrid conjoint measurement model highlighted the importance of interactions among determinant store attributes and suggested the existence of clearly defined benefit segments offering unique opportunities for differentiated retail strategies (Tanti Wong et al., 1985).

The review of literature on demographic factors shows that the result of relationship between demographic factors and shopping behaviour is vague. In some of the studies no clear association has been found between these variables. But consumer demographics is a major concern of retailers in different countries. Literature shows that it is country specific. What demographic profile best explains the shopping pattern of consumers in India? As per the literature referred major demographic factors considered are age, gender, income, education, occupation, marital status and number of family members.

2.5 PRICE AND STORE CHOICE

Several studies have been conducted by researchers on pricing to find out the influence of price on consumer choice decisions. Moore and Carpenter (2006) noted that price related behaviours represent an important area of focus within the stream of research on patronage behaviour (Dawar and Parker, 1994). Considering the rapid evolution of retail formats (e.g. emergence of electronic retailers, and growth of discounters, value department stores and off-price retailers), it appears that retailers are focusing on elements of price and quality to lure consumers into their stores.

The idea that consumers use price as an indicator of quality for products, brands and retailers, has been examined in depth in the literature (Zeithaml, 1988). Although researchers tend to agree that consumers perceive price as a surrogate for quality, the price/ quality schema has been shown to differ across purchasing situations and among individual consumers (Monroe and Krishnan, 1985).

Lichtenstein et al., (1993) pointed out that price is central to consumer behaviour due to its presence in all purchasing situations. The literature suggests that consumers perceive price in both positive and negative roles that ultimately influence purchasing behaviour .The literature identifies two primary constructs that represent price in its positive role including the price/quality schema and prestige sensitivity. The price quality schema is defined as a consumer's general belief that levels of price are positively related to levels of quality.

The literature also identifies a number of constructs that represent price in its negative role including: price consciousness, sale proneness, value consciousness and price mavenism. Lichtenstein et al., (1993) define price consciousness as the degree to which consumers focus exclusively on paying low prices. Sale proneness is described as an increased propensity to respond to a purchase offer when the price is presented in a sale form (Lichtenstein et al., 1990). Value consciousness represents a more complex construct, defined as a consumer's concern for the price paid versus the quality received.

Past research into retail patronage behaviour has considered the impact of price through various conceptions. Over the years a number of researchers have focused on examining different elements of price as a determinant of store choice (Bell and Lattin, 1998). Among this stream of literature, price is depicted as pure monetary cost and as an element of broader concepts such as store image (Finn and Louviere, 1996) and consumer value (Sweeney and Soutar, 2001).

Fox et al., (2004) examined the relationship of price to grocery shopping behaviour and found that price was less important in driving consumer spending than promotions and store assortment. Seiders and Costley (1994) found price to be a major determinant of store choice in the grocery shopping context. They also reported that consumers had accurate perceptions of market pricing related to the stores that they considered in their study. Yavas (2003) reported price as an important driver in store choice among a battery of patronage motivations. Studies have also linked the pricing policies of an organization to consumer value perceptions and ultimately shopping intentions (Biswas et al., 2002).

Carpenter and Moore (2006) pointed out that the price competitiveness attribute appeared to be most important among shoppers in the traditional supermarket format and the supercenter format. While many of the studies revealed that the grocery industry is strongly driven by price competitiveness the results suggest that product selection and courtesy of personnel are also very important in determining format choice.

Several researchers have carried out study on relevance of retail pricing. Retail pricing is a part of import decisions of retailers (D'Andrea et al., 2006) .All supermarkets are highly involved in formulating suitable pricing strategies. In fact, retail pricing strategy is consistently viewed by practitioners as the one of the "top five priorities in retail management" (Progressive Grocer, 1992). Supermarket managers, in particular, stress that "nothing is more important in business than getting the pricing strategy right". Pricing strategies are not simple, but it requires attention to all product categories. This may be the reason why consumers are not satisfied with one store, but approaching various stores to buy different items. Price is also a very important product attribute for the consumer (Desai and Talukdar, 2003).

Study by Kukar-Kinney et al., (2007) show that large refund offers built consumer patronage intentions, while simultaneously exerting a negative impact on patronage by reducing believability of the price-matching promise. Store format choice is being influenced by price. Price consciousness and sale proneness have positive influence on patronage of retail formats that implement low cost strategies, while prestige sensitivity and price/quality schema tend to positively impact patronage of retail formats that implement higher price (Moore and Carpenter, 2006).

Carpenter(2008) reports that pricing, product assortment, and customer services are thought to be important factors in determining patronage of store formats (Arnold, 1997). Seiders et al., (2000) compare supercenter shoppers with traditional supermarket shoppers, reporting that supercenter shoppers identify low prices and range of product assortment as the primary reasons for their patronage of the format. Similarly, Brown (2004) identifies low prices, product assortment, and quick checkout as influential patronage motives among loyal supercenter shoppers. Studies published in the trade literature reflect similar results, identifying product assortment, availability, convenience, and pricing as significant drivers of format choice (Chain Store Age, 2004)

2.6 STORE ATTRIBUTES AND STORE CHOICE BEHAVIOUR

Retail store choice decision of consumers is similar to the brand choice decision. There are certain motivating store attributes which influence the consumers in decision making. The success of retail industry lies in satisfying the needs and wants of consumers. To identify these motivating factors is a difficult task for the retailers. Much difference could be observed between the traditional and modern retail stores. What factors influence the consumers to select modern stores to purchase groceries and apparels would make the decision makers and strategists to set proper strategies to attract and retain the consumer. This is the reason why more and more initiatives are being taken by retailers. Studies have been conducted by researchers on various factors which influence the consumers and create store image and loyalty among the consumers.

Most research related to consumer choice of retailers emphasizes retailer attributes and consumer characteristics. Gehrt et al.,(2004)found that since many retail formats, including online retailing, have emerged in recent years, knowledge of how consumers select retail formats must be updated. They have identified that situational factors have impact on the shopping behaviour of consumers.

Store attributes are viewed as part of the overall image of a store (Bloemer and de Ruyter, 1998). Store attributes can be defined as the ‘‘summation of all attributes of a store as perceived by the shoppers through their experience of that store’’ (Omar, 1999).

It is important for international retailers to understand the evaluations of shoppers on discount store attributes based on their shopping motives. Based on these evaluations, retailers could formulate relevant marketing strategies to capture local customers' shopping motives. Considerable research efforts that have been directed to identifying important store attributes that affect consumers' store choice and store patronage (Lindquist, 1975).

Retail patronage includes store choice and frequency of visit to the stores. Pan et al.,(2006) suggest that various predictors (e.g., service, product selection, quality) are strongly related to shoppers' retail choice, whereas others (e.g., store attitude, store image) are important antecedents of shopping frequency.

Retail business is greatly affected by the patronage behavioural orientations of shoppers. Erdem et al., (1999) pointed out that understanding the orientations can assist retailers in developing appropriate marketing strategies to meet the needs and wants of consumers. One important factor affecting consumer behavioural orientations is the store image, an image shaped by store attributes.

It is crucial for the modern retail formats to re-examine their customer base and set appropriate strategies to satisfy their needs. Carpenter (2008), in light of the considerable growth of the supercenter format suggested that understanding consumer shopping behaviour within the format will be important for the success of retailers operating in the industry.

According to Gehrt and Yan(2004), store attributes may influence consumers' shopping decisions. An early study by Hansen and Deutscher(1977-1978) investigated the relationship between store attributes and patronage behaviour and found that different attributes affected consumers' retail store selection. A similar finding by Woodside and Trappey III (1996) suggested that the evaluation of relative attributes affects the consumers' decision to shop at a particular store. In the context of grocery shopping, it was concluded that store price format affected consumers' store choice.

Nicholls et al., (2002) suggested that an understanding of consumers' needs and behaviour is essential to develop effective overall marketing strategies, which help the retailers and mall marketers to meet today's challenges. As per their study, consumer behaviour is being influenced by demographic factors and situational variables. Birtwistle et al., (1998) conducted a conjoint analysis to examine the impact of store attributes and perception on purchase decision of consumers and found quality as the most important attribute considered by consumers.

2.7 STORE ATTRIBUTES UNDER STUDY

Retail store features play a very important role in creating profit and maintaining customer loyalty (Haelsig and Swoboda (2007).Martineau (1958) advised that the stores should develop positive, clear and favourable features in order to be an alternative choice in customers' minds. Understanding the impact of product brand image, and how a store should be positioned, is extremely important in building the features of a store (Ailawadi et al., 1995).

Three reasons were hypothesized by Tauber (1972): personal motives, social motives and impulse buying. Jones (1999) supported the notion that shopping is an entertaining activity comprising two groups: retailer factors (selection, prices, store environment and salespeople) and customer factors (social, task, time, involvement and financial resources).

Location of the store is an important factor which attracts the shoppers to the shopping place. This was explained in the theory for store selection i.e., central place theory studied by Kim (2001).Consumers have a tendency to go to nearby shops. But some situations are noted among the Korean shoppers who do not patronize the nearby stores. This shows that apart from proximity related factors there are other factors like value which influence patronage decisions.

Erdem et al., (1999) support the link between the important judgments of consumer values and store attributes. Shopping decisions are the result of shoppers emotions and shoppers appraisal of store characteristics. Repatronage intentions are influenced by the positive emotion of the consumers towards the store. That means if the shoppers are satisfied, they will visit the store again (Kim, 2001).

Building a store image is essential in creating store loyalty and store choice decisions (Smith and Burns, 1996). Service quality appears to be more influential in building strong retail brand (Haelsig and Swoboda, 2007).Brand name can be a motivating factor while the consumer takes decision on stores. Retailers possess the status of a separate brand.

Researchers investigating the relationship between perceived quality and loyalty have invariably identified a positive link. Cronin and Taylor (1992) studied the relationship between service quality, consumer satisfaction and purchasing intentions, finding that perceived quality had an effect on satisfaction, which, in turn, influenced purchasing intentions. Similar results on the direct link between quality and loyalty were obtained by Oliva et al.,(1992).

Siu et al.,(2001)demonstrated the practicality of measuring the retail service quality perceptions and its impact on future consumption behaviour. Among the service dimensions physical appearance and policy have more impact on consumer choice. Yun and Good(2007) also pointed out the need of understanding the impact of service-encounter constructs such as service quality and the array of services on behavioural intentions of consumers. They have referred that besides the enormous amount of support in the service quality literature for a link with customer loyalty and future purchases (Zeithaml et al., 1993), the idea that customers prefer greater service quality is intuitive, particularly if price and other cost elements are held constant. Several research studies have been carried out to find out the determinants of store loyalty such as store atmosphere, store images, store satisfaction, service quality, perceived value, and attitudes toward a store (Nguyen, 2007) .

Store attributes are evaluative criteria consumers have toward the store (Jin, 2003). Among nine attributes put forward by (Lindquist, 1975), product-related considerations (e.g. assortment, quality and price) appeared to be the most critical dimensions. Accordingly, the importance of different store attributes varies by store format and customer base (Kim and Kang, 1995). A study by Erdem et al., (1999) yielded three store attributes – status, merchandise, and price. For apparel shopping, status was the most important store attribute.

The importance of different store attributes varied depending on the purpose of shopping.

Van Kenhove et al., (1999) confirmed that store attribute saliencies differed significantly by task definitions (i.e. urgent purchase, regular purchase, get ideas, etc.) In the case of urgent purchases, proximity of the store, quick service and availability from stock were valued most. In a furniture store context, Groeppel-Klein et al., (1999) found that store assessment depended on their pre-existing shopping motives.

The store choice attributes seems to be store format dependent. Amine and Cadinet(2003) found that high product quality and freshness of products were ranked by specialty food stores' consumers at the first two places; assortment was number three, whereas low prices have been ranked 17 out of 29 factors. According to Martineau (1958) the store's image is the first factor which influences the shopping behaviour.

Finn and Louviere (1996) showed that among a list of nine store image attributes, wide assortment and lower prices accounted for 86 percent of the variance in share of choice. Mazursky and Jacoby (1986) identified the factors which are most decisive in choosing a retail outlet like price, assortment range, convenient location, perceived product quality and customer service.

Store image researchers have conceptualized image and store patronage to include store attributes. A plethora of studies have been conducted on the meaning and measurement of image (Kunkel and Berry, 1968; Lindquist, 1974-1975) and attribute importance in retail store selection (Hansen and Deutscher, 1977- 1978). The Journal of Retailing, Special Issue, Winter 1974-1975, attempts to examine the relationship between individual terminal and instrumental values and the degree of importance attached to salient store attributes- class of clientele, fairness on adjustments, convenience of location, general level of prices, helpfulness of salespeople, quality of merchandise, degree of selection, credit arrangements, physical attractiveness of store, reputation for fashion, brands carried by store and special sales or promotions.

Nguyen (2003) found in the literature varying conceptualizations of store attributes. Lindquist (1974-1975) suggested nine key attributes: merchandise, services; clientele; physical facilities; convenience; promotion; store ambience; institutional factors and post-transaction satisfaction. Ghosh (1990) introduced eight elements: locations; merchandise; store atmosphere; customer services; price; advertising; personal selling; sales incentive programmes. Koo (2003) proposed seven components: store atmosphere; location; convenient facilities; value; employee services (EMS); after sale services (AFS) and merchandising. In addition, the results of a recent study, conducted by Nguyen and Nguyen (2003), of supermarkets in Vietnam indicate that supermarket atmosphere, locations, and convenient facilities were conceptually distinct but empirically unidimensional.

Palmer (1997) studied that though the store formats have limited working hours, the flexibility of payment options and faster delivery available in store formats are found to be beneficial to the customers. Jin et al., (2003) observed that in countries with different cultures, tastes, and living habits, international service companies need to be adaptive to local needs (Hofstede, 1980).

Park et al.,(2003) has noted that merchandising includes product-related characteristics such as assortment, variety and product information. Rich product assortment can increase the probability of satisfaction of customers.

The cognitive processing model for store choice proposed by Woodside and Trappey (1992) identified location as critical for attracting store traffic, because shoppers would prefer a store that is easy to get to. The positive and statistically significant coefficient in the present estimation confirms proximity to home/work as a desirable feature.

Multipurpose and multistop shopping opportunities also influence consumers' store choice patterns. (Arnold et al. , 1983) derived determinant attributes for the grocery shopping sector as location/convenience, lowest overall prices, assortment/variety of merchandise, friendly, courteous service, fast checkout, quality of meat and produce and store environment. Miranda et al., (2004) in their study on the store attributes which influence the store selection found that the process of being satisfied with a specific store is a function of the store's characteristics and the consumer's shopping patterns.

The marketing literature has identified several factors that influence store satisfaction while shopping. Store attributes embraces the following: location of store (Woodside and Trappey, 1992);.nature and quality of assortment stocked (Claxton and Brent-Ritchie, 1979);.in-store promotions (Urbany et al., 2000; Kumar and Leone, 1988);. Sales personnel (Ma¨gi, 2003);.physical attributes (Chain Store Age Executive, 1987);. “atmospherics” (Kotler, 1973-1974; 1990; Babin and Darden, 1996); and loyalty cards (Magi, 2003).

Kim(2001) noted that store image has been shown to be the most important determinant of retail patronage .Martineau (1958) suggested that store image could be defined in the consumers' mind as a combination of the store's functional qualities and an impression of the store's psychological attributes. A study by Erdem et al. (1999) identified three key store attributes for clothing shopping: (1) status; (2) merchandise; and (3) price.

Dynamic retail environment creates considerable challenges to the marketers. Moore and Carpenter (2006) observed that over the past two decades, changes in the competitive landscape of retailing have led consumers to develop patronage behaviours.

Astudy conducted by Sinha and Banerjee (2004) about store choice drivers found that for routine purchases such as grocery items and for essential purchases such as medicines, utilitarian dimensions such as proximity to residence and convenient timings would drive choice. However, for more hedonic categories, choice drivers should include in-store service dimensions such as merchandise, ambience, service and attractiveness of the physical layout.

In a study of the Greek grocery market (Baltas and Papastathopoulou, 2003) product assortment, quality, store brands and location were found key drivers of choice(Carpenter and Moore, 2006).Dodge and Summer (1969) found that store choice has also been found dependent on socio-economic background of consumers, their personality and past purchase experience.

Kahn and Schmittlein (1989) has found store choice dependent on the timing of shopping trips as consumers may go to a local store for short “fill-in” trips and to a more distant grocery store for regular shopping trips. Both these decisions are influenced by shopper characteristics and consumption patterns (Kim and Park, 1997).Hutcheson and Mutinho (1998) found that shoppers used a combination of the quality of staff and “the occurrence of low prices and the frequency of promotions” in choosing a store.

Elderly shoppers were less price conscious compared to young shoppers as per the suggestion of Lumpkin et al., (1985) and they found that proximity of residence to store was not an important factor for them. They considered shopping as recreational activity and selected the stores based on the high entertainment value. Angela(2003) also conducted a study on the elderly shoppers and the determinant attributes of store choice behavior of elderly consumers .

Dick et al.,(1997) identified overall quality, ingredients, and taste as important “intrinsic” attributes and price, brand name, advertising, and packaging as important “extrinsic” attributes. Hansen and Solgaard (2004) identify product assortment as the most influential patronage motive across discount stores, hypermarkets and conventional supermarkets.

The above review of the literature indicates several store attributes which are important and influential in consumer decision making and the pertinent among them include quality, variety, location, price, more number of brands, ambience, recreational and other facilities, parking facility and assistance of sales person.

2.8 STORE ATMOSPHERICS

Store environment can be influential in purchase decision of consumers. Burns et al., (2006) found that a store's environment can have the ability to attract customers, to entice purchases, and to attract customers back to the store for repeat purchases. Store environment can have different elements like music, colour illumination etc. These elements are also called atmospherics. Store atmospherics can be defined as: . . . the means by which a consumption environment engenders emotional reactions in customers, encouraging them to stay in the setting, browse evaluate and purchase; or, discouraging any of these activities. Atmospherics are facets of environmental design which influence consumer behaviour by creating attention, by communicating a store image and level of service to potential buyers, and by stimulating affective responses (Foxall, 1997).Store atmospherics has the ability to emotionally influence the consumers which may end up in purchase of products and improved perceptions (Babin and Darden, 1996).

In- store atmosphere play a major role in the perceptions of consumers about the store (Haelsig and Swoboda, 2007). Store's shopping environment plays an important role in providing information and shopping guides to customers, and is the key feature in building the store image. The in-store environment, particularly physical features such as merchandise pricing, quality and store design and layout, as well as social service facilities such as employees' service and friendliness, and also food-court service can influence customers' perceptions of economic and psychological shopping behaviours (Baker et al., 2002). Parker et al., (2003) find that store environment plays a major role in providing informational cues and signals to customers about the type of merchandise and service they should expect. Merchandise quality and service quality are key variables in influencing store image.

Baldwin (1998) considered the effects of the shape of supermarket retail floor space on patronage turnover in Hong Kong and found that there is no significant relationship between the complexity of shape and the patronage turnover of a store.

Apart from basic necessary store attributes, consumers are looking for entertainment in retail environment. Arnold (2003) notes the increasing importance of entertainment as a retailing strategy and identifies a comprehensive inventory of consumers' hedonic shopping motivations. The presence of music found stimulating the purchase intention of consumers as explored by Morin, et al., (2007) .The findings of Bellizzi et al.,(1983) pointed that colour can physically attract shoppers toward a retail display and have certain perceptual qualities that affect store and merchandise image.

Kupke (2004) studied that when rational factors are not important in store choice, the property attributes which shape the store atmospherics play an influential in decision making.

Seiders et al., (2005) found that intense competition that spurs price promotions may increase switching behaviour and overall purchase volume, or new firms entering the marketplace may steal customers and market share from entrenched competitors.

The consumers will have some preference to certain stores. Malhotra (1983) proposed that the degree of preference for a store may be affected by several variables, the more important ones being the salient image characteristics.

Len et al., (2006) studied the influence of cues, stimuli and environment conducive to enhancing consumer empowerment and found that they are influential.

2.9 MOTIVATION, PERCEPTION AND ATTITUDE OF CONSUMERS

2.9.1 Motivational Factors in Selecting Modern Retail Store

Apart from the demographic factors certain other factors like personal, cultural, social and external environmental factors influence the consumer store choice decisions. It is important to identify what brings the consumers towards the market place and select a particular store to purchase the items they require.

Motives are "forces instigating behaviour to satisfy internal need states" (Westbrook and Black, 1985). Shopping motives could be defined as the drivers of behaviour that bring consumers to the marketplace to satisfy their internal needs. Thus identifying shopping motives may provide an important base to understand local consumers' needs and segment target markets. Jin et al.(2003) points out that ever since Tauber's (1972) seminal work on "why do people shop", numerous studies have been conducted to identify shopper's underlying shopping motives and its relationship to shopping behaviour (Babin et al., 1994; Dawson et al., 1990; Lotz et al., 1999; Westbrook and Black, 1985).

Tauber (1972) hypothesizes six personal motives for shopping (i.e. role playing, diversion, learning about new trends, self-gratification, physical activity, and sensory stimulation) and five social motives (i.e. social experiences outside the home, communication with others who have a similar interest, peer group attraction, status and authority, and pleasure of bargaining) based on in-depth interviews.

Literature indicates that motives underlying consumers' shopping activities could be measured by level of satisfaction. If the level of satisfaction is high, they would revisit the stores. Lotz et al. (1999) put forth the view that intrinsic shopping motives (i.e. experiential motives) explain future patronage intention better than extrinsic motives, and that extrinsic motives indirectly affect patronage intention via shopping participation. However, in Dawson et al.’s (1990) study, only product motives, not experiential motives, had a significant positive relationship with future intentions.

Time and money spent during a shopping trip are related to shopping motives. Dawson et al., (1990) found that shopping motives influence the duration of time in the store as well as the desire to explore the shopping environment. He also found consumers with strong product motives were significantly more likely to purchase or intend to purchase, while consumers with strong experiential motives were significantly less likely to do so.

Nguyen(2007) suggested that, shopping motivations have been generally categorized into two key aspects: utilitarian and hedonic. The utilitarian shopping behaviour is characterized by task related, product-oriented, rational, and extrinsic motivations (Babin et al., 1994) and the hedonic shopping behaviour refers to recreational, pleasurable, intrinsic, and stimulation-oriented motivations.

Consumers also view a store as a place not only for shopping but also for other activities such as socializing with friends or browsing without purchasing products (Bloch et al., 1994). The multiple motives in a single shopping trip indicate the entertaining capabilities of shopping (Ibrahim and Ng, 2002).Therefore, the entertainment aspect of retailing is viewed as a key competitive tool (Arnold and Reynolds, 2003), and retailers have shifted their focus on improving the entertainment dimension of their outlets.

Product brand images or advertisements based on an understanding of consumer motives have been viewed as an effective means to communicate product benefits (Park et al., 1986). Similarly, a retail store image should be developed to satisfy consumer's shopping motives. Shoppers may choose a particular store that can satisfy most important motives for an intended shopping experience. Literature suggests a variety of shopping motives (Lotz et al., 1999). Westbrook and Black (1985) put forward three categories of shopping motives: (1) product-oriented; (2) experiential; and (3) a combination of product and experiential.

Lotz et al., (1999) focus on extrinsic and intrinsic motivations. Extrinsic motivation is associated with purposive shopping (Tauber, 1972), while intrinsic motivation is associated with recreational shopping (Bellenger and Korgaonkar, 1980).Consumers' shopping motives are also known to be influenced by cultures (social values) and socioeconomic conditions of the market.

Consumers have both personal and social motives for shopping. Sirgy (1985), in a study examining congruence between self-image and store image, posited that individuals use goods and services, including shopping behaviour patterns, to construct and maintain their social realities.

Most of the motivation researches focused on shopping malls in the US or the European countries. Shopping motives may be a function of cultural, economic or social environments. It is shopping motives that drive consumers to the marketplace, consumers' evaluation of a store's attributes and subsequent shopping outcomes, such as shopping satisfaction (Jin et al., 2003). In order to understand shopping motives, one has to consider the satisfaction provided by both shopping activities and the utility derived from the merchandise (Rintama¨ki, 2006).

Tauber (1972) concluded in his study: "If the shopping motive is a function of only the buying motive, the decision to shop will occur when a person's need for particular goods becomes sufficiently strong for him to allocate time, money, and effort to visit a store. However, the multiplicity of hypothesized shopping motives suggest that a person may also go shopping when he needs attention, wants to be with peers, desires to meet people with similar interests, feels a need to exercise, or has leisure time".

Researchers have found that decision-making in Asian societies is entirely different from the West Jin (2003). Collectivistic behaviours are highly valued in East Asian cultures as compared to the West. Individualism represents the preference for a social framework in which people put themselves or immediate families first, as opposed to collectivism, which puts the extended family or social group first. This is one fundamental cultural difference that may be reflected in people's shopping motives.

Kim(2001) proposed that shopping excitement, shopping satisfaction and re-patronage intentions are interrelated. The shopping excitement measure consisted of five items :(1) exciting;(2) stimulating;(3) sensational;(4) interesting; and(5) appealing . These were adopted from Wakefield and Baker (1998) plus an additional item, pleasant. Shoppers' utilitarian motives seem to be related to Korean shoppers' discount store choice in those shoppers who sought more value for the money tended to go to the Korean discount store. This utilitarian preference for the Korean discount store is apparent even though the shoppers perceived more difficulties and inconveniences due to congestion in parking, shopping and checking-out in the Korean discount store. Shoppers with less strong utilitarian motives tended to choose the multinational discount stores because of better facilities with a clean and spacious atmosphere.

By using values in marketing studies, it may be shown that a combination of values, motivations, and personal goals could prove to be useful (Erdem et al., 1999). Other researchers have argued that values were indirectly related to behaviour (Kahle, 1986).

Seiders et al., (2005) examined involvement of consumers, as a motivational resource, and household income, as a monetary resource. More involved consumers may be more likely to search and potentially identify more preferred alternatives in the market, regardless of their level of satisfaction. LeBlanc and Turley (1994) in their study found significant association between the retail offerings to form evoked sets and to make purchase choices from these evoked sets.

2.9.2 Consumer Perception and Store Choice

Consumers' perception on the store and the attributes may lead to the store satisfaction and store choice decisions. Proper understanding on what do the consumers perceive about the stores and what factors influence the perceptions may help retailers set proper strategy aiming at the target market to attract them towards their shops. Perceptions about stores are, driven substantially by tangible characteristics of stores, such as format, distance of store from home, and intangible factors like the environment of the store (Sinha and Banerjee, 2004).

Four key factors as suggested by Shergill (2008) that exert critical influences on customers' perceptions: in-store customer service, brand images, physical features, and price and promotion.

Varied opinions of researchers were studied on influence of store name on perception of consumers on price and quality. Moore and Carpenter (2006) find that store name can influence consumer perceptions of price and quality. However, Rao and Monroe (1989) found that store name has little influence over consumers' perceptions of value, quality and intention to purchase. Dodds (1995) finds that store name does not influence consumer perceptions of value, but does influence their perceptions of quality, price and the intention to buy. Dodd concluded that both price and store name influence consumer evaluation of products.

Kim (2001) observed that perception of the shopping costs is one of the dimensions that should be taken into consideration to understand shoppers' store selection. Ingene (1984) observes that a pleasant shopping atmosphere positively affects the shopping time and the money that customers spend in a store, as well as the emotion of shopping. Kim (2001) also referred that that prestige or the appealing displays of retailers can lead shoppers to go further to more distant stores. These examples suggest that consumers shop at the stores where they can maximize their satisfaction (i.e. efficiency) considering both retail attributes and shopping costs. An empirical study by Jin (2003) finds that shoppers consider all aspects of shopping efficiency including shopping costs (money, time, and energy) and functional utility (e.g. convenience, low price, a variety of merchandise) and experiential aspects of shopping (e.g. pleasure, prestige) in a specific outlet. Paulins and Geistfeld (2003) observed that store attributes have strong influence on store choice and purchases made by the consumers.

Andrea et al., (2005) in their research reports that consumers' perceptions of variety and satisfaction are dependent upon how the assortment is organized, both internally by the consumer and externally by the retailer. The results of the studies indicate that for familiar categories, congruency between a consumer's internal categorization structure and the external store layout leads to higher perceptions of variety and higher satisfaction with product choices, while for unfamiliar product categories, congruency between shopping goals and external structure leads to lower perceptions of variety but increased satisfaction with the store's assortment. However, if retailers institute external category filters congruent with consumers' internal shopping goals that allow them to bypass products, consumers have both lower variety perceptions and satisfaction with the assortment offering.

2.9.3 Attitude of Consumers towards Modern Retail Stores

Attitude of consumers vary according to the individuals. Building a positive attitude may draw the consumers toward the retail stores. Attitude can be built up among the consumers by mixing proper elements which internally and externally satisfy the consumers. Kaufman (1995) conceptualised that people are thought to hold attitudes toward themselves, which can reflect their actual, ideal and social selves.

Consumers' decisions regarding where to shop are based on their attitude toward a store's merchandise mix as well as on the shoppers' own internal orientations, such as motives, needs or values (Finn and Louviere, 1996). Kim (2001) referring this view has included two external factors: (1) discount store attributes; and (2) shopping costs and two internal orientations: (1) shopping motives; and (2) personal values in their study. It was hypothesized that patrons of multinational vs Korean discount stores would differ in their shopping outcomes, such as excitement, customer satisfaction, and repatronge intention, and in their socio-demographic characteristics.

In a more recent study, Sivadas and Baker-Prewitt (2000) found that the consumer attitudes which drive this congruence between self-image and store image are linked to store satisfaction, but have no direct effect on store loyalty. Bloemer and De Ruyter (1998)contend that the relationship between perceptions of the store and store loyalty is mediated only by store satisfaction.

Kim and Park (2005) noted that those who were likely to have a positive attitude toward the retailer exhibited a positive attitude toward the advertisement. This implied that the prior attitude toward the retailer might amplify the effective communications between consumer and the retailer. Balabanis and Reynolds (2001) found the effect of a prior attitude toward the traditional retailer on the attitude toward the online version of the retailer.

2.10 STORE LOYALTY

In today's competitive environment the biggest challenge of marketers is to create loyal customers. Bloemer et al. (1998) defined store loyalty as the biased (i.e. non-random) behavioural response (i.e. revisit), expressed over time, by some decision-making unit with respect to one store out of a set of stores, which is a function of psychological (decision making and evaluative) processes resulting in brand commitment. There is some evidence that store loyalty may be (positively) related to store image (Mazursky and Jacoby, 1986; Osman, 1993). Customers' patronage behaviour towards a particular store is dependent on their image of that particular store (Osman, 1993).

The ultimate goal of most retailers is to have loyal customers. Loyalty can be an outcome of customer satisfaction (Oliver, 1997). It is most likely that satisfied customers will be more loyal to their main store. In a review of earlier studies, there was a positive significant correlation between satisfaction and repeat-purchase in 15 of the 17 correlations studied (Szymanski and Henard, 2001).

In a case study on revolution in retail, Infosys (2012) discussed that loyalty programmes have given some organizations an edge in helping retain customers and maintain market share. The report added that retailers are looking for loyalty programmes to be more insightful and tailored. Expectations are rising and the bar is getting tighter.

Miranda et al., (2005) put forth the view that an increase in store satisfaction has positive effect on store loyalty. But the findings of study conducted byAllen and Meyer, 1990 shows that factors with a significant influence on store satisfaction have little in common with others that impel shoppers to remain loyal to one store. Indeed, there was no evidence in this study that shoppers' overall satisfaction was by itself a significant influence on continued patronage. Miranda et al., (2005) added that consumers try to reduce the risk of disappointment while they go for shopping. Retailers should have the understanding of what factors make the consumers more loyal towards their stores like augmented services, including their financial implications.

In a study of retailing in the UK, Knox and Denison (2000) highlighted the importance of developing a corporate retail strategy to manage customer loyalty and prevent shoppers from switching stores. Reichheld and Sasser (1990) reports that increased rates of retention lead to increased profitability. According to Rhee and Bell (2002), the strength of allegiance or loyalty of customers to a store is an important indicator of store health. Studies conducted by Mitchell and Kiral (1998), Garton (1995) and Bloemer and De Ruyter (1998) were unable to substantiate a strong relationship between store loyalty and store attributes. Mitchell and Kiral (1998) believe that explanations of store loyalty remain largely speculative. The question unanswered by the literature is whether or not the same retail elements that contribute to generating store satisfaction in their primary store are also able to sustain the shoppers' continued patronage in the face of ongoing inducements from a competitor

A study of store loyalty has used the "arousal trigger" stimulus (MacKenzie and Lutz, 1989), to reflect the shopper's positive or negative predisposition to switch to a value added offer. Woodside and Trappey (1992) believe that this attitude is the outcome of an automatic cognitive processing of consumers' personal and social motives that are a precursor to behaviour: stay loyal, or switch allegiance.

Satisfied customers will be store loyal. So the retailers must be providing good retail service and the store as a brand should be able to satisfy the customers (Martenson, 2007). Customers are satisfied when the store is neat and pleasant and when they feel that the store understands their needs. A general assumption in the branding literature is that a favourable brand image will have a positive impact on consumers' behaviour towards the brand. The related benefits include the opportunity to command premium prices, buyers who are more loyal, and more positive word-of-mouth.

Garton (1995) holds that the only true measure of successful differential congruence is store loyalty. Thus the objective of management becomes the creation of differential congruence. Samli states that differential congruence results from the interaction of the consumer's self-image and the store's image, as perceived by the consumer.

Important differences were seen between primary store loyal customers' perception of their store and secondary store-loyal customers' perception of that store (Mitchell, 1998). For example, primary-loyal customers of Tesco perceived quality, convenience and value factors in that order of importance, whilst primary-loyal Kwik-Save customers perceived quality, value and convenience factors when considering Tesco. It shows that the perceptions of loyal and non-loyal customers are different. Loyal customers would have a more detailed knowledge of their own store's attributes than non-loyal customers as observed by Reynolds et al.'s (1995).

Customer retention is the priority of all firms so as to improve the profitability (Yun, 2007). It is found that loyal customers visit the stores more times compared to non-loyal customers. Perceptions of store image are typically generated over time: regular use of goods, services, and stores generates customer perceptions of store image, which determines whether or not customers develop a sense of loyalty to a good/service or retailer (Donovan and Rossiter, 1982; Mazursky and Jacoby, 1986). Although Reynolds et al. (1974) viewed customer loyalty as the tendency for a person to continue, over time, to show similar behaviours in situations similar to those previously experienced. Mere willingness to repurchase and even actual repurchasing does not, however, directly predict true loyalty. Positively perceived store image attributes give rise to a favourable store image, which may enhance customer loyalty (Kunkel and Berry, 1968).

Loyalty is considered to be an essential asset of service industry(Bloemer and Ruyter, 1998). Gounaris and Stathakopoulos (2004)believe that there are primarily three different perspectives of loyalty: attitudinal, behavioural, and reasoned action. The attitudinal approach hypothesizes that loyalty is based on psychological commitment, purchase intention, and word-of-mouth recommendations. It is expected that an increase in attitudinal loyalty should lead to an increase in behavioural loyalty. The behavioural approach conceptualizes loyalty in terms of repeated purchases (Huddleston et al., 2004). The reasoned action approach, derived from Fishbein's (1980) theory of reasoned action, views that one may have a favourable attitude towards a brand but does not necessarily purchase it. Therefore, loyalty is based merely on brand belief, not on brand experience (Oliver, 1999).

As observed by Oates et al., (1996), the shopping patterns of the elderly support the perception that the elderly possess store loyalty. The retail shops offering discounts and such schemes re mainly aiming at the elderly class of consumers. In an article "A revolution of retail" Infosys (2012) reported that loyalty schemes have given some organisations an edge in helping retain customers and maintain market share. Retailers are looking for loyalty programmes to be more insightful and tailored. Brand loyalty and store loyalty are interrelated (Transberg and Hansen, 1986). Michael T. Ewing (2000) suggested that brand loyalty can be measured by examining actual past behaviour and its impact on future behavioural intentions.

Firms are more interested to give offers to lifetime customers. The loyalty schemes like loyalty cards are aimed at that kind of people who repeatedly purchase from the same stores(Meyer-Waarden et al., 2007).

Wallace et al., (2004) strongly supported the view that with an increasingly competitive retail environment and decreasing customer switching costs, customer retailer loyalty is a critical goal for all types of merchants. Their results show that multiple channel retailing can be used as a strategy for building customer retailer loyalty.

2.11 STORE IMAGE

Overall impression of the store can be created in the minds of consumers based on the suitable attributes which would satisfy the functional and psychological requirements of consumers. Studies reveal that store image and store attributes are closely linked. Success of a retail business depends on how they build a positive image in the minds of consumers. Effort can be taken by the retailers, if they have a clear understanding of the attributes which create positive store image.

Martineau (1958) was the first researcher to offer the following description of store image: “it is … the way in which the store is defined in the shopper’s mind, partly by its functional qualities and partly by an aura of psychological attributes”. The more favourable the image, the more likely it is that the consumers would shop and buy at the store.

Store image is defined as the way that consumers view the store, i.e. their impression or perception of the store (Martenson, 2007). Several studies demonstrate that corporate image affects consumer product judgments and responses in a positive manner (Dacin and Brown, 1997). A French study showed that the store image offers recognition, familiarity, confidence, and other associations that make it easier for consumers to make the decision to try the product (Dimitriadis and Langeard, 1990). Consumers try store brands because of the store image they carry in their mind.

Store image is conceptualized as an overall impression of a store as perceived by a consumer (Yun and Good, 2007). Retail store images have been viewed as a composite, a total impression, an idiosyncratic cognitive configuration and a gestalt (Lindquist, 1974/1975; Mazursky and Jacoby, 1986). There are several measurement approaches for the store image construct, but as a number of complicated issues remain unclear, it has resulted in inconsistencies between the conceptualization and operationalisation of store image (Chowdhury et al., 1998; Keaveney and Hunt, 1992).

Lindquist (1974/1975) described that store image means “a structure of some sort that is tying together the dimensions that are at work.” Though a clearly defined construct is not available for retail store image, we can safely assert that the attributes of specific goods, services, and stores work together to create a shopping experience for customers. This shopping experience affects the perceptions of the store image customers have about a particular store (Kunkel and Berry, 1968).

Several studies have been conducted by researchers to find out what are the store image attributes which affect consumer perceptions (James et al., 1976; Mazursky and Jacoby, 1986). Three types of store image attributes (i.e. merchandise attributes, service attributes, and store shopping atmosphere attributes) are consistently used by customers to evaluate the overall retail shopping quality and provide an overall impression of a store. Merchandise related aspects include cues such as product quality, selection or assortment, styling or fashion, guarantees, and pricing. Service related aspects of store image include salesclerk service, presence of self-service, ease of merchandise return, and delivery service. Retail store shopping atmosphere is related to the ambience of a retail store like physical facilities, shopping convenience, congeniality of staff, and pleasantness of shopping. Store image concept goes well beyond store attributes (Yun and Good (2007). It may influence the cognitive perceptions and emotional responses.

Retailers create positive image by adding value to the services offered to the consumers (Haelsig and Swoboda, 2007).The range of offers and services make the customers happy and satisfied. The greater the perceived assortment is, higher the level of customer satisfaction with the store, and this significantly influences the store image and the store choice (Ailawadi and Keller, 2004). Developing a selection, range of styles and favourable categories of branded products are the most important keys to increasing customer perceptions of store image (Dreze et al., 1994). Diversification of flavours, size and colours within branded products can satisfy a variety of customer needs and wants and make customers' choices much more flexible and convenient (Kahn and Lehmann, 1991).

It is noted in the study of (Jacoby and Mazursky, 1984) that if the retailer wants to increase market share, the images of brands and stores have to be strong enough in the current saturated retail environment. If the brand carried by the store is weak, it would be difficult to create store image.

Brand images are important because they create value for manufacturers in at least five ways. First, brand images help consumers retrieve and process information (Aaker, 1991). Second, brand images provide a basis for differentiation and positioning of a product. Third, brand images involve product attributes and customer benefits that give consumers a reason to buy and use the brand. Fourth, brand images create associations that produce positive attitudes and feelings that are transferred to the brands. Finally, brand images provide the basis for product extensions, by creating a sense of fit between the brand and the new product, or by giving consumers a reason to buy the new product.

Brand image is one of the most important determinant factors of customer perceptions of shopping choices (Shergill, 2008). Loyal customers may hold strong and positive images of a brand that are hard to change and leads to long-term sales revenue (Wyner, 2003). Positive brand image makes the consumers less price sensitive. This gives retailers hopes, so that if they create favourable brand image, they can build long-term relationship with consumers. Parker et al., (2003) also recommended that good brand imagery would lead to good sales revenue. The greater the breadth of the different products and services offered by a store, the greater the number of customers will be who frequently patronise the store, as the variety of product categories provided in the store makes the shopping experience much more convenient for customers (Messinger and Narasimhan, 1997)

2.12 OTHER FACTORS INFLUENCING STORE CHOICE

2.12.1 Situational Aspects Influencing Buyer Behaviour

Consumers are flexible and adapt their behaviour to the situation (Stoltman et al., (1999). In a study conducted by Mattson (1982), it was found that situational attributes, such as time pressure and gift-versus self-shopping, may influence store choice and attribute salience. It is also indicated that the situational influence needs have to be evaluated for every visit and hence some shoppers may change their choice because of situation specific motives (Sinha and Banerjee, 2004).

Roslow et al., (2000) identified the significant differences in the purchasing behaviour of shoppers in two seasons and the effect of situational and demographic factors on shopping behaviour during these seasons.

The shopping situation can be evaluated on the basis of fixed and variable costs involved in shopping (Bell et al, 1998). The variable cost is related to the list size and is likely to change with every trip. The fixed costs, such as location of the store or the price format would remain unchanged over list size. They suggest that these costs can be converted into utilities for each of the shoppers by the store.

2.12.2 Value

Rokeach (1973) defined value as an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite mode of conduct or end-state of existence. Rokeach declared that “values are determinants of attitudes and behaviour that are substantially or logically related to them”. Values were standards that guided and determined, among others: actions; attitudes toward objects and situations; ideology and presentation of one’s self to others; evaluations; judgments; justifications; comparisons of self with others; and, attempts to influence others. Concerning the consequences of values, Rokeach indicated that “values are guides and determinants of social attitudes and ideologies on the one hand and of social behaviour on the other”.

Rokeach conceptualized two kinds of values: instrumental values and terminal values. According to Rokeach, instrumental values represented general beliefs concerning desirable modes of conduct, whereas terminal values represented enduring beliefs concerning desirable end states of existence.

Holbrook (1996) identifies three constitutive axes of value that can be “extrinsic” or “intrinsic”, “self-oriented” or “other-oriented”, “active” or “reactive” and views these axes as “a continuum of possibilities from one extreme to another”. By crossing these three dimensions Holbrook obtains eight types of value: (1) efficiency; (2) play; (3) excellence; (4) aesthetics; (5) status; (6) ethics; (7) esteem; and(8) spirituality.

Erdem et al.,(1999) put forth that from the literature studied above, we are led to think that the utilitarian value of shopping is essentially obtained through easy access to products or information: according to Babin et al., (1994), the utilitarian value depends on the way the consumption need leading to the shopping act has been fulfilled.The hedonic value is more subjective and more personal because it reflects an emotional experience.

Gutman (1990) found that there was a connection between personal values and desired consumer benefits. This research also indicated that some values could take on different meanings depending on the consumer benefits to which they were linked. Therefore, marketing managers needed to take into consideration these findings and the principle that values could be used as guides in developing business strategy. Keng (1993) examined the relationship between value choice and demographics. Results confirmed that consumers who choose different personal values differ notably in their demographic makeup. Wolfe (1994) stated that as people develop into adulthood, their thinking becomes more objective, and cues originate increasingly from the external world.

According to Wolfe (1994), as people develop into adulthood, their thinking becomes more objective, and cues originate increasingly from the external world. The author added that five key values form the base motivations of mature consumers:1) autonomy and self-sufficiency; (2) social and spiritual connectedness; (3) altruism; (4) personal growth; and (5) revitalization.

Personal values have significant implications for marketing theoreticians and practitioners alike. Values have been shown to be theoretically important for studying consumer behaviour (Vinson et al., 1977). This view that values play an important role in consumer behaviour has been widely accepted. Values are helpful in explaining consumer behaviour (Scott and Lamont, 1977) because they influence consumer behaviour pertaining to their choices with regards to product classes, brands, store outlets, etc. Employing the Rokeach paradigm, researchers (Gutman and Vinson, 1979) have investigated various aspects of consumer behaviour. Corfman et al., (1991) developed a conceptual model that characterizes the relationships among consumer values, utility, and ownership of durable goods. Sheth et al., (1991) developed and empirically tested a theory of consumption values. The theory was operationalised by identifying five consumption values effecting consumer choice behaviour (i.e. functional, social, emotional, epistemic, and conditional).

2.12.3 Trust

Dixon et al., suggested that trust is 'a feeling of security held by the consumer that the [store] will meet his/her consumption expectations'. This involves the retailer's reliability or competence and their intended compassion towards the customer (Morgan and Hunt, 1994). Trust, primarily involves dependability and competence (Delgado-Ballester and Munuera-Alema´ n, 2001); however, customers should feel secure in their transactions with the store (Delgado-Ballester and Munuera-Aleman, 2001; Sivadas and Baker-Prewitt, 2000), and feel that they are valued more than the retailer's profits (Reichheld, 2001).

2.12.4 Relationship

Dixon et al., (2005) observed that relationship worth comes from the benefits a customer perceives he / she receives from an ongoing relationship with a retailer above the value of the core product (Kerin et al., 1992; Reynolds and Arnold, 2000; Sirdeshmukh et al., 2002; Storbacka et al., 1994). Similar to the concept of value, the customer weighs these benefits against the cost of the purchase to derive a subjective measure of relationship worth (Ravald and Gro¨ nroos, 1996).

Relationship worth can arise when customers believe that the store understands their needs (Sivadas and Baker- Prewitt, 2000; Wong and Sohal, 2002), and that the store is genuinely committed to their satisfaction (Delgado-Ballester and Munuera-

Aleman, 2001; Hess, 1995) and when they are given individual attention by employees (Sivadas and Baker-Prewitt, 2000).

2.12.5 Emotions

Burns et al.,(2006) suggested that emotions, affect, and mood are related, though distinct constructs are often confused. Consequently, clarifying these concepts seems to be in order. Affect is a general or umbrella construct that can be defined as a general descriptor of a valenced feeling state (Cohen and Areni, 1991). Bagozzi et al., (1999) state that “affect might be considered a general category for mental feeling processes, rather than a particular psychological process, per se.” More specific mental processes, such as emotions, moods, and attitudes, are regarded as various facets of affect.

Consumers’ emotions and their evaluations have been shown to be strongly related and emotions have been shown to be able to predict consumer activity (Allen et al., 1992). Moreover, Bagozzi et al., (1999) suggest that emotions play a significant role in the choices of consumers. Roest and Pieters (1997) view the affective dimension as influencing consumers’ purchase intentions, and Oliver (1980, 1993, 1996) has demonstrated the effect of emotions on satisfaction. Consumer behaviour is also a highly social activity, often involving direct social interactions between consumers and sellers (Hatfield et al., 1994; Howard and Gengler, 2001). Within this context, it is logical to expect that consumers’ emotions will also be affected by the emotions expressed by sellers (Ellsworth, 1994).

Although numerous factors affect retail choice or preference, consumer’s emotion experience during a shopping trip is receiving growing attention (Jin, 2003). A consumer’s emotion has many underlying dimensions, such as pleasure, excitement, pride, and anger (Bagozzi et al., 1999). Among these, excitement is one of the emotions considered as a key experience that attracts customers to a shopping mall (Lotz et al., 1999).

Excitement is defined as a positive emotional state that consists of high levels of pleasure and arousal (Russell, 1980), and relates to retail outcomes such as satisfaction (Dawson et al., 1990), repatronage intention (Lotz et al., 1999), desire to stay (Wakefield and Baker, 1998), and consumer spending level (Babin and Darden, 1996). In a regional mall setting it was found that both intrinsic and extrinsic shopping motives affect mood (i.e. excitement), but intrinsic motives had a stronger effect than extrinsic ones. Dawson et al. (1990) reported that consumers with higher experiential motives felt higher arousal and pleasure than consumers with lower experiential motives in outdoor craft markets. These findings suggest that intrinsic motives have stronger effects on shoppers' excitement level than extrinsic motives.

2.13 PRIVATE LABEL

The changing needs and wants of consumers still find a gap between what they expect and what they get. This realization made the retailers offer private label or store brands to fulfil the needs of consumers and transform them to loyal customers. Private labels are available for any kind of items ranging from apparel to grocery. Introduction of the private label is beneficial to both consumers and retailers.

Dick et al., (1997) observed that store brands provide consumers with a competitive alternative to national brands. Store brands offer lower prices owing to their lower manufacturing costs, inexpensive packaging, minimal advertising and lower overhead costs.

More and more own label products are being offered by supermarkets which are changing the "rules of the game" when managing fast moving consumer good products(Cleopatra et al., 2004). The reason is consumers believe that that private label products can offer the same or even better quality than national brands, but at a lower price(De Wulfand Leuven,2005).Balan (2013)also noted that private labels help retailers to earn more profits.

In the developed nations supermarkets sell store brands in a big way. This is gaining enormous popularity in Europe. Dick et al.,(1997) observed that in the UK, the market share of store brand packaged goods is more than 35 per cent of total sales. In Spain, DIA's private label brands comprise 50 per cent of this chain's annual turnover. Likewise, in France, Carrefour has become the industry leader through the strength of its products line of private label brands. The study conducted by them reveals that the consumers who prefer store brand and non-store brands exhibit different kind of perceptions about quality and reliability of products.

Several studies have been conducted by the researchers on the perception of store brands over the manufacturer's brand(De Wulfand Leuven (2005). National brands are found to be superior to store brands and to generic grocery items on attributes such as overall quality, taste, aroma, and reliability (Bellizzi et al., 1981). National brands provide hedonic utility and quality (Sethuraman, 2000), whereas store brands are generally lower priced, poorly packaged, lack strong brand recognition, and are rarely advertised at the national level (Cunningham et al., 1982). National brands are more convincing and reliable to consumers due to the extensive advertising, strict quality controls and superior extrinsic cue effects (Richardson et al., (1994). Store brands usually lead to higher unit margins and allow the retailer to cover the "low-price" tier within the range of goods (Pauwels and Srinivasan, 2004).

Most own labels are not actually produced by the retailer but some manufacturers may be selected to produce own-label products for retailers in order to achieve scale economies in production and distribution, utilization of excess capacity, sales increase without marketing cost, and the possibly of price discrimination (Baltas, 1997). Usually, private labels are 10 to 30 percent cheaper than national brands in grocery product classes. When all cost and revenue items are taken into account, store brands are often less profitable than branded goods (Martenson ,2007).

Preference for private label varies across countries. For example, customers living in Scotland are more likely to buy own label products than customers living in Greece. British researchers (Livesey and Lennon, 1978) have reported that English consumers like to serve national brand tea to guests in social settings but are more inclined to consume store brand tea when such behaviour is not observed by anyone else. Perceived risk of consuming store brand may be a reason for such behavioural pattern. Dick et al.,(1997)emphasized that the best predictor of the willingness to purchase own label products is the importance customers give to the fulfilment of expectations when choosing private labels, followed by the importance of price, the purchase frequency and the perceived quality of own label products and the importance of quality of own labels when choosing these products. The successful French chain Carrefour may provide a model that American retailers may wish to adopt. Carrefour actively markets its private label lines and positions these products as high quality alternatives to national brands. Martenson (2007)referred that the value of the European store brand market is estimated to be US$ 100 billion. Store brands have been much more successful in Europe than in the USA, and researchers as well as practitioners attribute the difference to the higher quality of European store brands (Erdem et al., 2004).

Consumers' willingness to buy store brands was studied by Zielke (2007) and found that it differs between different product groups. If high social risk is there, customer willingness will be low. It shows that there will be demand for store brands with premium quality and high price. Customers' attitude towards specific store brands also plays a major role in selecting store brands. The results encourage retailers to position store brands also in premium segments, especially for product groups where social acceptance is relevant. Baltas and Argouslidis (2007) noticed that the quality of products plays a significant role in selecting the store brand.

Branding is a strategic parameter in the minds of decision-makers in manufacturing businesses and service industry (Grunert, 2006). In food retailing, retailer’s brands play an important strategic role (Burt, 2000). Furthermore, intensifying competition in food retailing has made food retailers focus on whether they offer the “right” assortment to consumers (Amine and Cadenat, 1999)Retailers have readjusted their assortments, delisted many manufacturers’ brands that were deemed to be under-performing and have included more retailer brands in an attempt to differentiate themselves by offering goods only available in their stores.

Cleopatra et al., (2004) defined that the term “brand” is perceived to be extremely rich and meaningful in context, not only from academia, but also from the business world. In 1990, 54 per cent of Tesco’s sales were own label and in 1993 Sainsbury’s, Britain’s leading retail chain and the leader in own label products, had 8,000 own label lines, which accounted for two-thirds of sales (Ogbonna and Wilkinson, 1998). However, overall the own labels account for almost 30 per cent of the total retail sales over a period of years (Key Note, Market Review, 2001).

2.14 CUSTOMER SATISFACTION ON MODERN RETAIL STORES

Customers have their own expectations about the product they buy and the stores they visit. If the expectation meets the actual, the consumers will become satisfied. Satisfaction is not the end, but the retailers try to make them more delighted. Loyalty programmes introduced by the retailers are mainly aiming at making the consumers delighted.

Customer satisfaction can be seen as a fulfilment of consumers' consumption goals as experienced and described by consumers (Oliver, 2006). Satisfaction is consumers' "judgment that a product or service feature, or the product or service itself, a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment". A review of 50 empirical studies on customer satisfaction showed that the antecedents to satisfaction varied between studies (Szymanski and Henard, 2001). Usually expectations, disconfirmation of expectations, performance, affect, and equity were used to model buyers' level of satisfaction.

The relationship between customer satisfaction and service quality has received a good deal of attention in the literature (Bolton and Drew, 1994). Anderson and Fornell (1994) indicate that the literature is not very clear about the distinction between quality and satisfaction. Rust and Oliver (1994) suggest that customer satisfaction or dissatisfaction is a ``cognitive or affective reaction'' that emerges as a response to a single or prolonged set of service encounters. Satisfaction is a ``post consumption'' experience which compares perceived quality with expected quality, whereas service quality refers to a global evaluation of a firm's service delivery system (Parasuraman et al., 1985). Using experimental design and qualitative techniques, in an empirical study of this relationship, Iacobucci et al., (1995) conclude that the key difference between service quality and customer satisfaction is that quality relates to managerial delivery of the service while satisfaction reflects customers' experiences with that service. They argue that quality improvements that are not based on customer needs will not lead to improved customer satisfaction.

Retail satisfaction consists of three categories: shopping systems satisfaction which includes availability and types of outlets; buying systems satisfaction which includes selection and actual purchasing of products and consumer satisfaction derived from the use of the product (Westbrook, 1987). Dissatisfaction of consumers with any of the three aspects could lead to customer disloyalty, decrease in sales and erosion of the market share. Customer satisfaction has three stages: the pre-sales stage when expectations are about the product, service, benefits, price and availability; the sales period when the customer experiences the environment, the product, type of service, delivery, quality and redress from buying; the after-sales stage when the customer expects support or advice, replacement or refund, repair or uses the complaints procedures.

Bolton and Drew (1994) point out that customer satisfaction depends on pre-existing or contemporaneous attitudes about service quality. Anderson et al., (1994) also point to this link by suggesting that improved service quality will result in a satisfied customer and suggest that to a large extent this relationship is intuitive.

Sivadas and Baker-Prewitt (2000) reports that service quality influences satisfaction with retail stores and marketing research firms now specialize in customer satisfaction measurement. Some companies base the remuneration given to their employees on customer satisfaction. Several companies invest very heavily in customer loyalty programs. For example, the Sheraton frequent traveller program costs between \$30 million and \$50 million annually. In the retail sector, Sears, Roebuck and Company attributes its turnaround to a model focusing on employee and customer satisfaction (Rucci et al., 1998).

Cognitive evaluation and emotional reaction were found to explain the level of satisfaction experienced in a retail setting (Burns et al., 2006). Cognitive evaluation was found to be more important than emotional reaction in explaining customer satisfaction. When the individual treatment levels were examined, anger/delight and shame were observed to be significant only for the third treatment level (high expectations/poor performance). The findings of his study suggest that retailers whose customers possess high expectations will need to give explicit attention to their customers' emotions. If a performance is deemed as negative, not only will the negative performance affect level of satisfaction, but also the negative emotions associated with the poor performance will affect level of satisfaction.

In- store promotions are aiming at the satisfaction of consumers (Miranda et al). These promotions improve the confidence level of customers (Kumar and Leone, 1988). Their studies indicate that retail stores regularly have price specials for limited periods of time on selected items, and shoppers are plainly grateful for the opportunity to enjoy additional value for money or to buy an item that they would not normally afford.

Store ambience/layout has a significant influence on store satisfaction (Miranda et al., 2005). As suggested in a number of studies, including Kotler (1973-1974), and Babin and Darden (1996), store atmospherics is known to lift the mood of the shoppers and may impel them to buy more, to be more adventurous and to try other brands /products. These studies have identified various factors that can contribute to store ambience, namely the configuration of the store, lighting and store colour scheme.

2.15 VARIABLES UNDER STUDY

Several studies have been conducted by researchers in the field of consumer buying decision making. Modern retail stores are emerging in the state of Kerala and consumers especially in urban centers are exposed to the new retail formats. The state has one of the biggest malls in the country and many cities and towns have modern malls with anchor supermarkets or hyper markets. However most of the modern stores in Kerala are too small to be considered as modern store in terms of space and turnover. Although small in size, these stores are considered as modern stores either because they are part of a retail chain or because they are located in malls. Many of the modern shops in the malls are specialty stores selling single brands or few brands. They qualify to be called modern store since they are located in modern malls.

These are the indicators of the fact that the state of Kerala is at the early stages of evolution of the modern retail stores. At this stage of development of modern retail formats, the study attempts to identify the factors influencing store choice behaviour of consumers with different demographic profiles.

The important factors influencing store choice have been derived from the survey of literature. The demographic factors, store related factors and motivational factors have been identified for descriptive analysis as well as hypotheses testing. The objectives of the study and the hypotheses have been by and large derived from the review of literature.

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CHAPTER - 3
Research Design and Methodology

Contents

3.1 STATEMENT OF THE PROBLEM

Large format retailing has become the dominant mode of retailing in most developed countries and in several developing countries. Evolution of modern retail institutions is a recent phenomenon in India.

The Indian population is witnessing a significant change in its demographics, which are going to be strong growth drivers of the organized retail sector in India. The whole concept of shopping has changed in terms of format revolution and consumer buying behaviour, resulting in a revolution in shopping scenario in India. Modern retail has come up with shopping centers, multi-storeyed malls and huge complexes offering shopping, entertainment and food, all under one roof. The Indian retailing sector is at a turning point where the growth of organized retailing and growth in consumption by Indian population is going to take a new direction.

Though the consumer spending levels are increasing along with the demand for a better shopping environment, the experience of developed and developing nations shows that performance of the organised retail sector is very much linked to the performance of the economy. Hence it is crucial for the retailers to evolve strategies to ensure that India's retail revolution is sustainable, though the Indian consumers are receptive to new ideas.

In India large format retailing did not make any headway in the twentieth century. At the turn of the century, modern retailing began to take roots in the country. International business consultants and investment groups predicted that there would be substantial growth in the large format retail segment in India from the first decade of the 21st century and the Indian business community expected such growth and began to invest in the sector. However, the anticipated growth in the sector did not materialize and recent years have seen unexpected slowdown in the growth rate in sales, with heavy losses or closure of many retail chains.

Distribution system in most of the economies is based on the dichotomy: the coexistence of a large array of small stores in the traditional sector along with modern large format retailing and the predominance of the latter varies in different countries. The sector is either a modern, large-scale system, as is the United States and the United Kingdom, or an old –fashioned 'mom and pop' store system characteristic of less mature economies, such as Japan and Italy. In most of the developing economies, the co-existence of large and small outlets is the norm. The Indian distribution system is plagued by multitude of small stores. The consumers will have to bear the cost of inefficiencies arising out of such a system.

The slow pace of growth of large format retailing in India could be partly on account of the slow response of the consumers and partly on account of the strategic gap in adapting the western formats to the requirements of the Indian consumers. In this context it is imperative for the corporate planners and policy makers to understand the perceptions, attitudes and motivations of the Indian consumers in respect of modern retailing and to identify the factors influencing the store choice behaviour of consumers.

Modern retail stores are emerging in the state of Kerala. The state has one of the biggest malls in the country and many cities and towns have modern malls with anchor supermarkets or hypermarkets. Predominantly, however, the modern stores in Kerala are too small to be considered as modern store in terms of retail space,sales turnover, merchandise mix and brands available, price advantage and many other retail services. Although small in size, these stores are considered as modern stores either because they are part of a retail chain or because they are located in malls. The consumers in Kerala are by and large exposed to the new retail formats, particularly in the urban areas.

There are the indicators of the fact that the state of Kerala is at the early stages of evolution of the modern retail stores. No study has been undertaken in Kerala to understand the responses of consumers towards the emerging new retail formats as well as the factors that influence consumers to choose the modern retail stores.

The Research Problem:

The pace of growth of modern retail format in the country has not been as good as expected and some of the chain stores have been closed down and several are incurring losses. The responses of consumers in Kerala towards modern retail formats have not been studied and the factors that influence consumers in choosing the modern stores have not been identified.

Hence, the study propose to analyse the response of consumers towards modern stores andidentify the demographic and store related factors influencing store choice behaviour of consumers, with special reference to grocery and apparel.

3.2 SIGNIFICANCE OF THE STUDY

Since the sluggish growth of the modern retail sector is a major economic issue and affects a large number of investors as well as the business community, studies addressing the issues related to consumer behaviour in selecting retail stores would be relevant to the industry, economy and society. No major research study has been reported in India on the factors influencing store choice behaviour of consumers. Nor has any serious research study been carried in Kerala on the subject.

As the modern retail industry in the country is yet to take off and is facing challenges, it is relevant to find out the responses of consumers towards modern retail formats and to analyse the factors influencing consumer store choice behaviour.

Findings of this study will help retailers to define their target customers and to develop strategies. The study attempts to elicit general information on responses to modern retail formats and specific information on grocery and apparel retail stores. The study will provide better understanding of the retail store formats preferred by customers as well as the expectations of customers from these stores. The outcome of the study will include information on relative advantages of modern retail stores over the traditional stores and the satisfaction level of consumers. Significant association between demographic as well as store related factors and store choice behaviour has been tested in the study. The study gives information on attitude of consumers towards the private label and store loyalty. Another outcome would be information on the reasons why the consumers are not satisfied with modern retail formats. The findings of the study will have importance in designing new formats according customer preferences. The study traces the developmental pattern of retail industry in developed countries and the current position of India in the retail development. The study has also discussed the issues and challenges faced by Indian retail industry.

3.3 OBJECTIVES OF THE STUDY

The present study entitled "**Factors Influencing the Behaviour of Consumers in Selecting Modern Retail Stores with Special Reference to Grocery and Apparel Stores in Ernakulam District**" is undertaken with the following broad and specific objectives.

The broad objective of the study is to analyse consumer response to modern retail outlets and to identify the factors influencing the behaviour of consumers in selecting modern retail stores.

The specific objectives include:

1. Study whether consumers find any relative advantage in modern retail formats compared to traditional stores
2. Find the level of satisfaction of consumers with modern retail formats, particularly with reference to grocery and apparel
3. Identify the demographic factors that affect the retail format selection
4. Find the store related factors that influence the store choice behaviour of consumers
5. Analyse the perceptions and attitudes of consumers in choosing modern retail outlets
6. Study the factors influencing store loyalty
7. Find the response of consumers towards private labels

3.4 HYPOTHESES

Several hypotheses have been developed for the study based on the specific objectives of the study as well as the review of literature. The list of hypotheses(Null) is given in **Appendix. 1**, annexed to this chapter. However some of the major null hypotheses are given here:

1. Type of modern retail format selected to purchase grocery and apparel does not vary among respondents with different demographic profiles.
2. Store choice decision is not being influenced by variety, quality and price of items available in modern stores
3. Store related attributes which attract the consumers do not vary between modern and traditional stores while the consumers choose grocery and apparel retail stores.
4. Perception on modern retail store and store satisfaction are not correlated
5. Demographic variables of respondents and preference of a particular store are not significantly associated
6. Frequency of visit to the modern retail stores do not vary among respondents with different demographic profiles
7. Store satisfaction and grocery retail store choice decision of consumers are not significantly associated

3.5 OPERATIONAL DEFINITIONS OF VARIABLES

3.5.1 Modern Retail

The term modern retail in this study means large format retailing such as hypermarkets, supermarkets, chain stores, department stores, malls etc. These retailing institutions are characterised by large volume of business, large physical space, following chain store concept and provisions for food and entertainment. Opinion general to all modern retail stores and information particular to modern grocery and apparel retail stores have been collected in the study.

3.5.2 Store Choice Behaviour

A complete transformation in consumption pattern of consumers can be seen in India due to the changing role of women in the society, evolving family structure, changing income profiles, urbanisation, credit facility available, young population etc. The driving forces behind this change are the socio-economic factors and changing demographic factors. Modernisation of trades to satisfy the consumers and the difficulty faced by the traditional stores to provide the facilities similar to modern stores lead the consumers to prefer modern stores. Information on type of retail format selected by the consumers, occasions during which they go to modern stores more frequently, preference of a particular store and private label, possession of membership cards, frequency of visits etc. are collected as part of the store choice behaviour of consumers.

3.5.3 Perception

Perception is the awareness, comprehension or understanding of something. In this study the perception or mental grasp of respondents on various qualities of modern retail stores has been measured. Consumers' perception on the store and the attributes may lead to the store satisfaction and store choice decisions. Information on the distinguished features of modern retail stores such as quality, variety, price, facility to inspect items directly and promotional offers given in the stores are collected in the study for the analysis.

3.5.4 Attitude

Attitude of consumers vary according to the individuals. Building a positive attitude may draw the consumers toward the retail stores. Consumers' decisions regarding where to shop are based on their attitude toward a store's merchandise mix as well as on the shoppers' own internal orientations, such as motives, needs or values (Finn and Louviere, 1996). Hence opinion on modern retail stores has been collected from respondents who are familiar with local, national and international retail stores.

3.5.5 Store Attributes

Store attributes are evaluative criteria consumers have toward the store (Jin, 2003). Store image is being created by these store attributes. Building store image is essential in creating store loyalty and store choice decision (Smith and Burns, 1996). Though there is relation between store attributes and store choice decision, it is found to be store format specific. Information on the store attributes such as aesthetic/ambience of the store, display of items, opportunity for self service, availability of service staff, convenient location of stores, fast billing, parking space facility, home delivery, clean and less crowded store , facilities for recreation and other facilities like ATM/ Internet Cafe etc., are collected from the respondents to find out the influence of these variables on store choice decision on consumers.

3.5.6 Motivation

Motives are “forces instigating behaviour to satisfy internal need states” (Westbrook and Black, 1985). Shopping motives could be defined as the drivers of behaviour that bring consumers to the marketplace to satisfy their internal needs. Thus identifying shopping motives may provide an important base to understand local consumers’ needs and segment target markets. Consumers may have personal and social motives for shopping. Hence information on personal motives such as influence of members to select modern retail stores, shopping occasions, distance to the store as a limiting factor, facility for entertainment etc. have been collected.

3.5.7 Demographic Factors

Demographic profile includes age, gender, income, education, occupation and marital status of consumers. Several researchers have conducted studies on the relationship between demographic profile of consumers and their store choice and purchase behaviour. While some of the demographic factors have significant association with the store choice behaviour of consumers, some other factors are found to be irrelevant in store choice. In this study gender, age, education, occupation and income are considered as the major demographic variables.

3.5.8 Store Loyalty

Since customer retention is the priority of the firms to improve the profitability (Yun, 2007), the ultimate goal of most retailers is to have loyal customers. Loyal customers visit the store more frequently. Loyalty can be an outcome of customer satisfaction (Oliver, 1997). It is most likely that satisfied customers will be more loyal to their main store. In a case study on revolution in retail, Infosys (2012) discussed that loyalty programmes have given some organizations an edge in helping retain customers and maintain market share. The report added that retailers are looking for loyalty programmes to be more insightful and tailored. Expectations are rising and the bar is getting tighter. Hence information on the frequency of visit to the stores, preference of a particular store, possession of membership cards, preference of private label goods are collected to draw an image on store loyalty of consumers.

3.5.9 Store Satisfaction

Customer satisfaction can be seen as a fulfilment of consumers' consumption goals as experienced and described by consumers (Oliver, 2006). In-store promotion, store ambience, loyalty programmes etc. are provided by the retailers to satisfy the consumers. If the consumers are satisfied and happy, they visit the store more frequently. Information was collected on the level of satisfaction of respondents. Factors dissatisfying the consumers also are collected since they are relevant to the strategic decision makers. Since the consumers are exposed to different formats in various countries, their expectation s also will be very high.

3.5.10 Private Label

The changing needs and wants of consumers still find a gap between what they expect and what they get. This realization made the retailers offer private label or store brands to fulfil the needs of consumers and transform them to loyal customers. Dick et al., (1997) observed that store brands provide consumers with a competitive alternative to national brands. Store brands offer lower prices owing to their lower manufacturing costs, inexpensive packaging, minimal advertising and lower overhead costs. Information is collected on the preference of consumers on the preference of private label goods available in modern retail stores.

3.6 RESEARCH METHODOLOGY

3.6.1 Research Design

The present study is descriptive as well as analytical in nature. Data for the study have been derived from both primary and secondary sources Based on review of literature and secondary data, research objectives and a set of hypotheses have been developed and they were tested using primary data.

3.6.2 Consumer Survey

For primary data a sample survey has been conducted among consumers. The respondents were drawn from among male and female consumes of all age group.The household was the sampling unit. One family member from each household was included.

3.6.3 Sampling and Sample Selection

The survey was conducted in Ernakulum district. The sample size was 300 respondents, drawn from 300 households. Stratified random sampling has been used to select the respondents, drawing the sample households from corporation, municipalities and panchayat areas in the district. Fifty percent of the samples were drawn from urban areas and another 50 percent from rural households.

Representing urban areas, 15 wards have been selected from the Cochin corporation and three municipalities in the District (Trippunithura, Aluva and North Parur).Three wards each from the municipalities and six wards from the Corporation were selected. Ten respondents/ families were selected from each ward.

Representing the rural consumers, fifteen Panchayat wards were selected from five Panchayats, having three wards from each Panchayat. Ten respondent families have been selected from each ward.

On the whole 30 wards were selected from the urban and rural areas. The wards from the Panchayats, municipalities and corporation were selected in such a way that there was representation for three categories of areas; areas with predominantly upper middle class, middle class and lower class families. From each ward, households were identified with the help of the ward members in such a way that these families were from three economic categories: high income, middle income and low income.

From each household one family member was identified as the respondent. Only people who had reasonably good exposure to modern retail store were selected as the respondents. If no one in the family had exposure to modern retail outlets, the next household with similar economic background was contacted. Care was taken to ensure that people of different genders, age groups and income groups were included among the respondents.

3.6.4 Secondary Data

Secondary data were collected from national and international journals, magazines, newspapers, websites, research reports published by leading research agencies and other published materials.

3.6.5 Exploratory Study

Initially an exploratory study was conducted among experts to understand the issues related to retailing and retail management. Semi-structured discussions were held with experts. The experts included mall mangers, senior executives of major retail chains and marketing managers. Discussions were also conducted with some enlightened customers. The problem definition and research design were based on the exploratory study as well as the literature survey.

3.6.6 Research Instrument

A research schedule was prepared for primary data collection. The schedule was pretested among five percent of the sample size (15 respondents). Modifications were made in the schedule after testing. The pretested research schedule is given in **Appendix 2.**

3.6.7 Data Collection

Personal interviews were conducted for data collection, using the structured research instrument. Most of the interviews were conducted personally by the researcher. Trained investigators were also engaged to collect data in some wards.

3.6.8 Tools used for Data Analysis

The data collected through the survey have been tabulated and analysed. SPSS package has been used for data analysis. Simple statistical tools were used for data analysis. The statistical tools employed, particularly for hypothesis testing includeMann-Whitney test, Kruskal Wallis test, Chi- square test, ANOVA, t-test, regression and Spearman correlation. Descriptive statistics were also used for the analysis.

3.7 LIMITATIONS OF THE STUDY

- The consumer survey has been limited to Ernakulum District. Generalisations based on the findings are constrained to that extent.

- Only respondents who are familiar with modern stores have been included in the survey, and such respondents could be predisposed towards modern stores to some extent.

- As the study is based on an opinion survey, there is possibility for bias on the part of respondents.

- There could be limitations and bias in the selection of samples.

- Although the issues and challenges confronting modern retail institutions are many, the issues covered by the study are limited.

3.8 SUGGESTIONS FOR FURTHER RESEARCH

As the major objective of the study was to find out the factors influencing modern retail store choice , the researcher has considered only few dimensions such as demographic factors, store attributes, store satisfaction , store loyalty and only few psychological aspects which are relevant to the study i.e., perception, motivation and attitude. It cannot be generalised from the study that these are only factors which influence the consumers’ decision on the selection of retail format. But there is further scope to conduct a detailed study on psychographic factors which may define why the consumers prefer a particular retail store to purchase various items. Another suggestion is to conduct detailed study on demographic factors, place of residence, store loyalty, customer satisfaction and price separately. As the researcher could find a difference among the preference of grocery and apparel retail stores among the consumers, it can be assumed that consumers may show different patterns of purchasing behaviour for different products. Hence there is scope for research in various retail segments.

3.9 CHAPTER SCHEME

The thesis is presented in five chapters.

The first chapter is titled **“Introduction: Modern Retailing in India- Prospects and Challenges,”** brings out the various aspects of retail development in India and discusses the opportunities and challenges.

Chapter two, "**Review of Literature"** provides a compressive review of literature on modern retailing and the store choice behaviour of consumers. The status of modern retailing in India, evolution of the retail industry in developed and developing countries, demographic factors influencing store choice, store related factors influencing store choice, psychological factors affecting format selection, etc., are among the topics discussed.

Chapter three, "**Research Design and Methodology"** discusses the research problem, objectives and hypotheses, consumer survey and sample selection, statistical techniques for data analysis and limitations of the study.

The chapter four provides "**Data Analysis.'** Descriptive analysis and hypotheses testing based on primary data are discussed in details.

Chapter five provides the **"Summary of Findings and Recommendations."**

Appendix 1

<u>HYPOTHESES</u>

H1: The members influencing store choice do not vary among respondents with different demographic profile

H2: There is no significant association between demographic variables and occasion of shopping

H3: There is no significant association between distance to the stores and selection of modern grocery retail store

H4: There is no significant association between distance to the stores and selection of modern apparel retail store

H5: Type of modern retail format selected to purchase grocery does not vary among respondents with different demographic profiles.

H6: Type of modern retail format selected to purchase apparels does not vary among respondents with different demographic profiles.

H7: Store choice decision is not being influenced by variety, quality and price of grocery and food products available in modern stores

H8: Store choice decision is not being influenced by variety, quality and price of apparels available in modern stores

H9: Store related attributes which attract the consumers do not vary between modern and traditional stores while the consumers choose grocery retail stores.

H10: Store related attributes which attract the consumers do not vary between modern and traditional stores while the consumers choose apparel retail stores

H11: Perception on price do not have influence on type of grocery retail format selection

H12: Perception on price do not have influence on apparel retail format selection

H13: The influence of store attributes does not vary among respondents with different demographic profile.

H14: Frequency of visit to the modern retail stores do not vary among respondents with different demographic profiles

H15: Frequency of visit to the modern grocery retail stores do not vary among respondents with local, national and international exposure.

H16: Frequency of visit to the modern apparel retail stores do not vary among respondents with local, national and international exposure

H17: Demographic variables of respondents and preference of a particular store are not significantly associated

H18: Demographic variables of respondents and Possession of membership cards are not significantly associated

H19: Perception on modern retail stores does not vary among respondents with different demographic profiles

H20: Perception on modern retail store and grocery store satisfaction are not correlated

H21: Perception on modern retail store and apparel store satisfaction are not correlated

H 22: Store satisfaction and grocery retail store choice decision of consumers are not significantly associated

H 23: Store satisfaction and apparel retail store choice decision of consumers are not significantly associated

H24: Significant difference does not exist among retail store selection based on factors dissatisfying respondents while selecting grocery retail stores

H25: Significant difference does not exist among retail store selection based on factors dissatisfying respondents while selecting apparel retail stores

H26: There is no significant difference in the opinion on size of retail stores in Cochin among the respondents with different level of exposure to modern retail stores.

H27: There is no significant difference on opinion on ambience of retail stores in Cochin among the respondents with different level of exposure to modern retail stores.

H28: There is no significant difference in the opinion on variety of grocery available in modern retail stores among respondents with different levels of exposure.

H29: There is no significant difference on opinion on price of grocery available in modern retail stores among respondents with different levels of exposure

H30: There is no significant difference on opinion on quality of grocery available in modern retail stores among respondents with different levels of exposure

H31: There is no significant difference in opinion on variety of apparel available in modern retail stores among respondents with different levels of exposure

H32: There is no significant difference in opinion on price of apparel available in modern retail stores among respondents with different levels of exposure

H33: There is no significant difference in opinion on quality of apparel available in modern retail stores among respondents with different levels of exposure

CHAPTER - 4
Data Analysis

Contents

INTRODUCTION

A consumer survey has been conducted among 300 respondents in Ernakulum district. Stratified random sampling was used for selection of respondents from urban and rural areas. The purpose of the study was to analyse their responses and attitude to modern retail stores as well as to identify the factors that influence their store choice behaviour. The demographic factors, store related factors and motivational factors have been identified for descriptive analysis as well as hypotheses testing. Particular attention has been given to the store choice behaviour in relation to the purchase of grocery and garments, two product categories which account for much of the sales in modern retail stores in India.

SECTION 4.1. DEMOGRAPHIC PROFILE OF THE SAMPLE

Respondents have been drawn from urban and rural areas. Respondents have been selected carefully to get sufficient samples from each stratum, since stratified random sampling method has been used for selection of respondents. Different strata are identified based on place of residence.

The demographic variables considered include gender, age, income, education, etc.

Gender

Data on gender-wise breakup of respondents are presented in Table 4.1.1

Table 4.1.1

Gender - wise break up of respondents

Gender	Frequency	Percent
Male	150	50.0
Female	150	50.0
Total	300	100.0

Out of 300respondents, 50 per cent were males and 50 per cent females. The respondents were stratified based on place of residence i.e., urban male, urban female, rural male and rural female. Equal numbers were selected to provide representative samples from both genders.

Urban Vs Rural

Data on the number of respondents drawn from urban and rural areas
are furnished in Table 4.1.2

Table 4.1.2

Urban – Rural composition of respondents

Place of residence	Frequency	Per cent
Urban	150	50.0
Rural	150	50.0
Total	300	100.0

Respondents from corporation and municipality were considered as urban and respondents from Panchayat areas were considered as rural. Fifty per cent of the respondents were from urban area and fifty per cent from rural area.

Age

Age is considered to be one of the most important demographic factors which may influence the selection of retail stores. Sufficient numbers of respondents from all age groups were selected to make the study more meaningful and to get representative samples from different age groups.

Table 4.1.3

Age-wise break up of respondents

Age Group	Frequency	Per cent
Below 20	31	10.3
20-30	84	28.0
31-40	63	21.0
41-50	58	19.3
51-60	44	14.7
Above 60	20	6.7
Total	300	100

Data shows that sufficient numbers of respondents of representative samples were selected from all age groups for the purpose of analysis. More number of samples were selected from age ranging from 20-60, assuming that they would like to go for shopping more than the respondents above 60 years and below 20 years. Respondents in the age group of 15 to 20 years were also included in the study to find out their attitude towards modern retail stores.

Income

Income is considered to be highly influential in consumer decision making. Respondents were asked to provide information on their monthly income. Data on income-wise classification of respondents are given in the Table 4.1.4

Table 4.1.4

Income- wise classification of the respondents

Monthly Income(in Rs.)	Frequency	Percent
Below 10000	14	4.7
10000 - 20000	43	14.3
20001 - 40000	83	27.7
40001 - 60000	73	24.3
60001 - 80000	38	12.7
80001 - 100000	19	6.3
100001 - 200000	16	5.3
Above 200000	14	4.7
Total	300	100

Data reveals that people from all income groups were represented in the sample. Majority of the respondents were in the income group Rs. 20000 to Rs. 60000.

Religion

Data from different respondents belonging to different religious groups were collected. The religion wise breakup of the respondents is given in Table 4.1.5.

Table 4.1.5
Religion- wise break up of respondents

Religion	Frequency	Per cent
Hindu	163	54.0
Muslim	28	9.3
Christian	109	36.3
Total	300	100

People from three dominant religious groups are represented in the sample.

Educational Qualification

Educational qualification of the consumers plays an influential role in retail store decision making. The educational qualification-wise break up of respondents is given in the Table 4.1.6

Table 4.1.6
Educational qualification- wise break up of respondents

Educational Qualification	Frequency	Per cent	Cumulative per cent
Below 10th	23	7.7	7.7
10th passed	23	7.7	15.4
Plus 2 / PDC	34	11.3	26.7
Diploma/ Technical	20	6.7	33.4
Graduation	92	30.7	64.1
Post-Graduation	108	36.0	100
Total	300	100.0	

Source: Consumer survey data.

People from all educational groups were included in the sample.

Number of members in the family

Number of family members may have influence on decision making regarding the type of retail store they select. Break up of number of members in the family of respondents is given in the Table 4.1.7

Table 4.1.7

Break-up of number of total members in the family of respondents

No. of family members	Frequency	Per cent
2	17	5.7
3	53	17.7
4	135	45.0
5	66	22.0
6	23	7.7
7	5	1.6
8	1	.3
Total	300	100

People who have family members starting from two to eight were represented in the sample. Data indicates 45 per cent of the families have 4 or less members. The maximum number of respondents had four member families.

Occupation of the respondents

Occupation is another important demographic variable which influence the attitude of a consumer towards retail stores. Occupation-wise breakup of the respondents is given in the Table 4.1.8

Table 4.1.8

Occupation-wise break up of respondents

Occupation	Frequency	Per cent
Business	36	12.0
Self employed	13	4.3
Govt. employee	27	9.0
Pvt. employee	81	27.0
Professional	49	16.3
NRI	1	.3
Home maker	26	8.7
Farmer	2	.7
Student	60	20.0
Others	5	1.7
Total	300	100

People with different occupations were represented in the sample.

Occupation of the head of the household

The respondents may not be the principal income earner in the family, as students and home makers also were surveyed. Since occupation of the head of the household may have influence on modern store selection. The occupation-wise classification of the principal income earner is given in the Table 4.1.9.

Table 4.1.9
Occupation -wise break up of head of household in the family of respondents

Occupation	Frequency	Per cent
Business	84	28.0
Self employed	21	7.0
Govt. employee	57	19.0
Pvt. employee	70	23.3
Professional	42	14.0
NRI	11	3.7
Planter	1	.3
Farmer	5	1.7
Others	9	3.0
Total	300	100.0

Data shows that respondents have been included from families headed by people with different occupations.

SECTION 4.2 FAMILIARITIES WITH MODERN RETAIL STORES

Sub-section 4.2.1 Familiarity with Modern Retail Stores

Only respondents who were familiar with modern retail stores were included among the samples. Though general opinion on modern retail stores was collected, specific were familiar with modern stores, but a certain percentage of them visit modern stores regularly to purchase grocery and apparel.

Type of Retail Stores Selected

Type of grocery and apparel retail stores selected by the respondents to purchase grocery and apparel are given in the Table 4.2.1.1.

Table 4.2.1.1

Type of retail store selected by the respondents to purchase grocery and apparel

Type of retail store	Grocery		Apparel	
	Frequency	Per cent	Frequency	Per cent
Modern stores	192	64.0	199	66.3
Traditional stores	108	36.0	101	33.7
Total	300	100	300	100

Data reveals that majority of the respondents select modern retail stores to purchase grocery and apparels – 64 % for grocery and 66 % for apparel.

Opinion on Modern Retail Stores

Respondents were asked to compare modern stores with traditional stores and their opinion is given in the Table 4.2.1.2.

Table4.2.1.2

Opinion of respondents on retail stores

Opinion of respondents	Frequency	Per cent
Modern stores are better	248	82.7
Traditional stores are better	52	17.3
Total	300	100

Data shows that majority of the respondents (83%) are of the opinion that modern retail stores are better than traditional stores.

Frequency of Visit to Modern Retail Stores

the frequency of their store visit also was checked. Frequency of visit to modern retail stores is given in the Table 4.2.1.3.

Table 4.2.1.3

Frequency of visit to modern retail stores

Frequency of store visit	Frequency	Per cent
Very often	27	9.0
Often	151	50.3
Sometimes	83	27.7
Once in a while	25	8.3
On rare occasions	14	4.7
Total	300	100.0

Data reveals that 60% of the respondents visit modern stores often or very often. It is noted that frequency of visit is very less only for 13 per cent of the respondents.

Sub-Section 4.2.2.Members Influencing Store Choice Behaviour of Consumers

The sources influencing consumers in choosing particular stores may vary. The influencers could be family members, friends, neighbours, peer groups and relatives. The influence of these variables on store choice decision of consumers is given in the Table 4.2.2.1.

Table4.2.2.1

Members influence respondents to initially visit modern retail store

Influencers	Frequency	Percent
Friends	123	41.0
Peer groups	22	7.3
Neighbours	44	14.7
Family Members	101	33.7
Relatives	10	3.3
Total	300	100

Friends and family members are the dominant sources of influence. While 41 per cent of the respondents reported as being influenced by friends, 33.7 per cent indicated family members as the main source of influence.

Demographic Variables and Sources of Influence: Hypothesis Testing

Hypothesis is set to test the difference in members influencing store choice among the respondents with demographic variables such as gender, age, educational qualification, occupation, income and area of residence.

H1: The members influencing store choice do not vary among respondents with different demographic profile

T-test has been done to find out the variation of members influencing store choice between male and female respondents and respondents residing in urban and rural areas . Test result is given in the Table 4.2.2.2

Table 4.2.2.2

Result of t-test on variation in the members who influence store choice decision among different genders and urban and rural respondents

Demographic variables	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value
Gender	300	1.5000	.50084	.02892	51.875	299	.000
	300	2.5100	1.39633	.08062			
Area of residence	300	1.5000	.50084	.02892	51.875	299	.000
	300	2.5100	1.39633	.08062			

Result of analysis shows P-value for gender and area of residence are less than .05. Hence null hypothesis have been rejected. Hence it can be concluded that the members who influence vary among male and female and between the respondents residing in urban and rural areas.

ANOVA has been done to find the difference in members who influence the store choice decision of consumers with different age, educational qualification, occupation and income.

Test result is given in the Table 4.2.2.3

Table 4.2.2.3

Result of ANOVA to find out variation in the members who influence store choice decision among different demographic groups

Demographic variables		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	45.948	4	11.487	6.008	.000
	Within Groups	564.052	295	1.912		
	Total	610.000	299			
Educational Qualification	Between Groups	24.967	4	6.242	2.456	.046
	Within Groups	749.699	295	2.541		
	Total	774.667	299			
Occupation	Between Groups	130.465	4	32.616	3.772	.005
	Within Groups	2550.771	295	8.647		
	Total	2681.237	299			
Income	Between Groups	36.977	4	9.244	3.314	.011
	Within Groups	822.819	295	2.789		
	Total	859.797	299			

Result shows that P-value is less than .05 for age, educational qualification, occupation and income. Hence null hypotheses set for all these demographic variables are rejected.

Hence it can be concluded that members influenced to choose a retail store vary among respondents with different demographic profile.

Store Visits

Response to whether the children/youngsters and senior members like to go to modern retail stores is given in the Table 4.2.2.4

Table 4.2.2.4

Whether children/ youngsters and senior members in the family like to go to modern stores

Response	Children/Youngsters		Senior Members	
	Frequency	Per cent	Frequency	per cent
Like	286	95.3	192	64.0
Do not like	14	4.7	108	36.0
Total	300	100	300	100

Data shows that majority of the children / youngsters and senior members in the families like to go to modern stores. However, the reference to go to modern stores is more among the youngsters (95 %).

The respondents were asked to comment whether children/youngsters encouraged other family members to go for shopping in modern stores and the responses are given in the Table 4.2.2.5.

Table 4.2.2.5

Whether children/youngsters in the family encourage others to go for shopping in modern stores

Response	Frequency	Per cent
Encourage	261	87.0
Do not encourage	39	13.0
Total	300	100

Data shows that the children/youngsters in the family encourage others to go to modern stores for shopping.

Information on what occasions do the respondents go to modern stores was collected and it is given in the Table 4.2.2.6

Table 4.2.2.6

Occasions during which respondents go to modern retail stores

Response	Frequency	Per cent
On special shopping occasions	127	42.3
On festivals	41	13.7
On regular basis	132	44.0
Total	300	100

Data shows that 44 per cent of the respondents go to the modern stores on a regular basis, 42 per cent on special shopping occasions and 14 per cent on festivals.

Hypothesis has been set to check the association of occasion during which respondents visit modern retail stores and demographic variables. Chi-square is used to test the s significant association. Age, religion, educational qualification, income and area of residence are considered for testing. Result is furnished in the Table 4.2. 2.7

H2: There is no significant association between demographic variables and occasion of shopping

Table 4.2. 2.7

Result of Chi-square test on association between demographic variables and occasion of shopping

Demographic variables	Chi-square	df	P-value
Age	19.664[a]	10	.033
Religion	11.662[a]	4	.020
Educational qualification	21.720[a]	10	.017
Income	28.138[a]	14	.014
Area of residence	14.107[a]	2	.001

Result of analysis shows that all the variables tested are significantly associated with shopping occasions since the p –values of all the variables are less than .05. Habitual shopping behaviour is being exhibited by the respondents while selecting modern retail stores. Difference in this habitual behaviour could be seen among respondents with different demographic profile.

Preference of Private Label

As per the literature review on modern retailing, most of the leading retailers offer their own brands called private labels. . They make profit by offering private labels. But his is a new concept to Indians. They are not aware of the advantages and disadvantages of private label products offered in retail stores. Hence data on the preference of private label is collected. Data is shown in the Table 4.2.2.8.

Table 4.2.2.8

Preference of Private Label

Preference	Frequency	Per cent
Prefer private label	49	16.3
Do not prefer private label	251	83.7
Total	300	100.0

Data shows that Majority of the respondents do not prefer private label products.

Sub-section 4. 2.3 Distance to the Store and Retail Store Choice

Most of the consumers select the modern retail stores near to their place of residence due to convenience. Hence, it was relevant to check whether distance to the store was significant in modern retail store choice. Hypothesis was set and significant association between distance to the stores and selection of retail stores was tested using Chi-square.

H3: There is no significant association between distance to the stores and selection of modern grocery retail store

Distance to the store and grocery store selection was considered as the variables. The result of chi-square test is given in the Table 4.2.3.1.

Table 4.2.3.1

Distance to the store and grocery retail store choice decision- Chi-square test

Distance to the store	Type of retail store		Total	Chi-square	df	P-value
	Modern	Traditional				
Distance to the store is a limiting factor	65 (50.78%)	63 (49.21%)	128 (100.0%)	16.932	1	0.000
Distance to the store is not a limiting factor	127 (73.83%)	45 (26.16%)	172 (100.0%)			
Total	192 (64.0%)	108 (36.0	300 (100.0%)			

Chi-square test is used to find out the significant association between the distance and modern store choice. Analysis shows that out of 300 samples 128 have the opinion that distance to the modern store is a limiting factor. Out of these 128 respondents 50.78 per cent go to modern stores to purchase grocery and food items. And out of 172 respondents who do not find the distance as a limiting factor, 74 per cent go to modern stores to purchase grocery and food items.

Test result shows that p- value is .000, which is less than the significance level .05. Hence null hypothesis is rejected; significant association exists between distance to the store and selection of modern grocery retail store.

Association between distance to the store and apparel store selection was also tested using Chi-square. The hypothesis set is given below.

H4: There is no significant association between distance to the stores and selection of modern apparel retail store

The result of chi-square test is given in the Table 4.2.3.2.

Table 4.2.3.2.

Distance to the store and apparel retail store choice decision –Chi- Square test

Distance to the store	Type of retail store		Total	Chi-square	df	P-value
	Modern	Traditional				
Distance to the store is a limiting factor	72 (56.25%)	56 (43.75%)	128 (100.0%)	10.164	1	0.001
Distance to the store is not a limiting factor	127 (73.83%)	45 (26.16%)	172 (100.0%)			
Total	199 (66.3%)	101 (33.7%)	300 (100.0%)			

Analysis shows that out of 300 samples 128 have the opinion that distance to the modern store is a limiting factor. Out of these 128 respondents 56.25 per cent go to modern stores to purchase apparels. And out of 172 respondents those who do not find the distance as a limiting factor, 73.83 per cent go to modern stores to purchase apparels. Chi square test is used to find out the significant association between the distance and modern apparel retail store choice.

Test result shows that P- value is .000, which is less than significance level .05. Null hypothesis is rejected, and can be concluded that significant association exists between distance to the store and selection of modern and apparel retail store.

SECTION 4.3 INFLUENCE OF DEMOGRAPHIC PROFILE ON SELECTION OF MODERN RETAIL STORES.

Sub -section 4.3.1Demographic profile of groups who prefer modern stores for purchasing grocery and apparel

It would be relevant for the decision makers to get an idea on the demographic profile of consumers who prefer modern retail stores compared to traditional stores. Frequency was taken to see the distribution of various demographic groups, mainly gender, age, religion, educational qualification, occupation, income and place of residence. Details of the specific demographic groups who prefer modern stores for grocery and apparel are given in Table 4.3.1.1.

Table 4.3.1.1

Demographic groups who prefer modern stores for grocery and apparel

Demographic factirs	Modern grocery store	Traditional grocery store	Total	Modern apparel store	Traditional apparel store	Total
Gender						
Male	103	47	150	101	49	150
Female	89	61	150	98	52	106
Total	192	108	300	199	101	256
Age						
Below 20	22	9	31	24	7	31
20-30	46	38	84	57	27	84
31-40	42	21	63	47	16	63
41-50	42	16	58	34	24	58
51-60	26	18	44	26	18	44
Above 60	14	6	20	11	9	20
Total	192	108	300	199	101	300
Educational Qualification						
Below 10th std	11	12	23	13	10	23
10th std passed	13	10	23	16	7	23
Plus 2/PDC	17	17	34	18	16	34
Diploma/technical	7	13	20	10	10	20
Graduation	41	50	91	64	27	91
Post-graduation	69	40	109	78	31	109
Total	158	142	300	199	101	300
Occupation						
Business	16	20	36	19	17	36
Self employed	4	9	13	5	8	13
Govt.employee	14	13	27	17	10	27
Pvt.employee	40	41	81	52	29	81
Professional	37	12	49	39	10	49
NRI	1	0	1	1	0	1
Home maker	11	15	26	18	8	26
Farmer	2	0	2	2	0	2
Student	29	31	60	42	18	60
Others	4	1	5	4	1	5
Total	158	142	300	199	101	300
Income						
Below 10000	5	9	14	5	9	14
10000-20000	20	23	43	22	21	43
20001-40000	45	38	83	45	38	83

40001-60000	54	19	73	55	18	73
60001-80000	27	11	38	32	6	38
80001-100000	17	2	19	17	2	19
100001-200000	14	2	16	12	4	16
Above 200000	10	4	14	11	3	14
Total	192	108	300	199	101	300
Area of residence						
Urban	101	49	150	114	36	150
Rural	57	93	150	85	65	150
Total	158	142	300	199	101	300

Data shows that more men prefer to go to modern retail stores compared to women. People in the age groups 20-50 years prefer to go to modern stores, compared to other groups. Income groups with monthly income of Rs. 20,000 to Rs. 60,000 prefer modern stores, compared to other income groups. Students, professionals and private employees prefer modern stores. Urban people prefer modern stores. Data also reveals that more the people are educated, the more they prefer modern stores.

Sub-section 4.3.2Influence of Demographic Profile and Retail Format Selection

Respondents were asked to mention the type of retail stores they visit regularly to purchase grocery and apparels. The type of retail stores visited regularly by the respondents to purchase grocery is given in the Table 4.3.2.1.

Table 4.3.2.1

Type of retail store regularly visited by the respondents to purchase grocery

Type of store	Grocery		Apparel	
	Frequency	Per cent	Frequency	Per cent
Modern store	192	64.0	199	66.3
Traditional store	108	36.0	101	33.7
Total	300	100	300	100

Data shows that almost two third of the respondents visit modern stores regularly to purchase grocery and apparel stores.

Based on previous studies, major demographic variables which are considered as independent variables in the choice of retail stores include gender, age, religion, educational qualification, occupation of the respondents, monthly income and place of residence. Variation of the type of retail stores selected to purchase grocery and apparel among different demographic profile groups was analysed. Hypotheses set are given below.

H5: Type of modern retail formats selected to purchase grocery does not vary among respondents with different demographic profiles.

H6: Type of modern retail formats selected to purchase apparels does not vary among respondents with different demographic profiles.

Gender and Retail Store Selection

The hypotheses are set to find out difference in store choice among different demographic groups.

Only slight difference could be seen between male and female respondents in selecting retail stores. This difference could be further substantiated using the t-test. The gender is the independent variable and type of retail store selected is the dependent variable. The test result is shown in the Table 4.3.2.2

Table 4.3.2.2

Gender-wise differences in selecting type of retail stores to purchase grocery(T – test)

Gender	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value
Male	150	1.3133	.46540	.03800	1.686	298	.098
Female	150	1.4067	.49286	.04024			

T-test has been done to find out the difference among genders in the selection of grocery retail stores. The result gives a p-value of .098, which is more than the significance level of .05; hence null hypothesis is accepted. This means that significant difference does not exist between male and female in selecting retail stores to purchase grocery.

In the same way difference among genders in the selection of apparel retail stores is tested using t-test. The result is shown in the Table 4.3.2.3

Table 4.3.2.3

Gender wise differences in regularly visiting modern retail stores to purchase apparel (T-test)

Gender	N	Mean	Std. Deviation	Std. Error Mean	t	df	P-value
Male	150	1.3267	.47057	.03842	-.365	298	.715
Female	150	1.3467	.47750	.03899			

T-test has been done to see significant difference between genders in the selection of the apparel retail stores.

Result shows that p-value is more than the significance level .05, and hence null hypothesis is accepted. Gender wise differences do not exist in apparel retail store selection too.

Age and Retail Store Selection

To test the difference in selection of grocery retail stores among different age groups, ANOVA has been used as a statistical test. Test result is given in the Table 4.3.2.4

Table 4.3.2.4

Age-wise differences in selecting modern retail stores to purchase grocery (ANOVA)

Age	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	df	F	P-value.
Below 20	22	9	31	1.2903	.46141	.08287	5	1.305	.262
20-30	46	38	84	1.4524	.50072	.05463			
31-40	42	21	63	1.3333	.47519	.05987			
41-50	42	16	58	1.2759	.45085	.05920			
51-60	26	18	44	1.4091	.49735	.07498			
Above60	14	6	20	1.3000	.47016	.10513			
Total	192	108	300	1.3600	.48080	.02776			

Data shows that respondents in the age group of 20-30, 31-40 and 41-50 prefer modern stores to purchase grocery. ANOVA is being done to find out difference among different age groups on their grocery retail store choice. As the p -value is greater than .05, null hypothesis is accepted. Hence, it can be concluded that the type of modern grocery retail format selected to purchase grocery does not vary among different age groups. Almost all age groups have the same preference for grocery retail store.

In the same way difference among different age groups in selecting apparel retail stores were tested. Test result of ANOVA is shown in the Table 4.3.2.5

Table 4.3.2.5

Age-wise differences in regularly visiting modern retail stores to purchase apparels

Age	Modern	traditional	Total	Mean	Std. Deviation	Std. Error	df	F	P-value
Below 20	24	7	31	1.2258	.42502	.07634	1.498	5	.190
20-30	57	27	84	1.3214	.46983	.05126			
31-40	47	16	63	1.2540	.43878	.05528			
41-50	34	24	58	1.4138	.49681	.06523			
51-60	26	18	44	1.4091	.49735	.07498			
Above 60	11	9	20	1.4500	.51042	.11413			
Total	199	101	300	1.3367	.47336	.02733			

Descriptive statistics (percentages) shows that majority of respondents in 20-30, 31-40 and 41-50 age groups prefer to go to modern stores to purchase apparels. To test a significant difference between different age groups, ANOVA testwas used. Result shows that p value is .190; hence null hypothesis is accepted. It can be concluded that type of modern retail formats selected to purchase apparels does not vary among different age groups.

Educational Qualification and Retail Store Selection

To test the difference in selection of grocery retail stores among different educational groups, ANOVA has been used as a statistical test. Test result is shown in the Table 4.3.2.6

Table 4.3.2.6

Educational qualification - wise differences in selecting type of retail stores to purchase grocery (ANOVA)

Education	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	F	df	P-value
Below 10th std	12	11	23	1.4783	.51075	.10650	3.523	5	.004
10th std passed	16	7	23	1.3043	.47047	.09810			
Plus 2/PDC	18	16	34	1.4706	.50664	.08689			
Diploma /technical	10	10	20	1.5000	.51299	.11471			
Graduation	51	40	91	1.4396	.49908	.05232			
Post graduation	85	24	109	1.2202	.41628	.03987			
Total	192	108	300	1.3600	.48080	.02776			

Analysis shows that post graduates and graduates prefer modern stores compared to others. All others with different qualifications have almost similar kind of preference on modern and traditional retail store. To find out the significant difference in store selection ANOVA test has been used. Since the p- value is .004, null hypothesis is rejected. This means that the type of modern retail stores selected to purchase grocery vary among respondents with different educational qualifications.

Difference among various educational groups in selecting apparel retail stores is tested using ANOVA. Test result is shown in the Table 4.3.2.7

Table 4.3.2.7

Educational qualification - wise differences in selecting type of retail stores to purchase apparels (ANOVA)

Education	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	F	df	P-value
Below 10th std	13	10	23	1.4348	.50687	.10569	1.445	5	.208
10th std passed	16	7	23	1.3043	.47047	.09810			
Plus 2/PDC	17	17	34	1.5000	.50752	.08704			
Diploma/technical	12	8	20	1.4000	.50262	.11239			
Graduation	63	28	91	1.3077	.46410	.04865			
Post graduation	78	31	109	1.2844	.45321	.04341			
Total	199	101	300	1.3367	.47336	.02733			

The analysis shows that majority of the respondents in different educational groups prefer modern apparel retail stores. It means respondents do not show differences in their store choice despite their educational qualification. But more number of respondents with higher qualifications prefers modern stores. ANOVA test is used to test the significance.

Since the p-value is .208, null hypothesis is accepted. There is no significant difference among respondents with different educational qualifications in the type of modern retail formats selected to purchase apparels.

Occupation and Retail Store Selection

To test the difference in selection of grocery retail stores among different occupational groups, ANOVA has been used as a statistical test. Test result is shown in the Table 4.3.2.8

Table 4.3.2.8

Occupation - wise differences in selecting type of retail stores to purchase grocery (ANOVA)

Occupation	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	F	df	P-value
Business	20	16	36	1.4444	.50395	.08399	1.812	9	.066
Self employed	6	7	13	1.5385	.51887	.14391			
Govt.employee	20	7	27	1.2593	.44658	.08594			
Pvt.employee	48	33	81	1.4074	.49441	.05493			
Professional	40	9	49	1.1837	.39123	.05589			
NRI	1	0	1	1.0000	.	.			
Home maker	13	13	26	1.5000	.50990	.10000			
Farmer	2	0	2	1.0000	.00000	.00000			
Student	38	22	60	1.3667	.48596	.06274			
Others	4	1	5	1.2000	.44721	.20000			
Total	192	108	300	1.3600	.48080	.02776			

Analysis shows that difference among the respondents was found in selecting grocery retail stores according to the occupation. Private employees and professionals prefer to go to modern stores to purchase grocery. It was found that students, who are the representatives of youth, also prefer modern stores more than traditional stores.

ANOVA has been used to test the significance. Since the p- value is .066, null hypothesis is accepted. Hence it can be concluded that differences do not exist among respondents representing different occupations in selecting grocery retail stores.

In the same way difference among different occupational groups in selecting apparel retail stores is tested using ANOVA. Test result is shown in the Table 4.3.2.9

Table 4.3.2.9

Occupation - wise differences in selecting type of retail stores to purchase apparels (ANOVA) Descriptive

Occupation	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	F	df	P-value
Business	20	16	36	1.4444	.50395	.08399	1.886	9	.054
Self employed	5	8	13	1.6154	.50637	.14044			
Govt.employee	14	13	27	1.4815	.50918	.09799			
Pvt.employee	51	30	81	1.3704	.48591	.05399			
Professional	38	11	49	1.2245	.42157	.06022			
NRI	1	0	1	1.0000	.	.			
Home maker	19	7	26	1.2692	.45234	.08871			
Farmer	2	0	2	1.0000	.00000	.00000			
Student	45	15	60	1.2500	.43667	.05637			
Others	4	1	5	1.2000	.44721	.20000			
Total	199	101	300	1.3367	.47336	.02733			

Analysis shows that almost majority of respondents with different occupations regularly visit modern retail stores to purchase apparels. It is to be noted that textile shops such as Sheematti, Jayalakshmi, Chennai Silks etc. also were considered by the respondents as modern stores. ANOVA is used to identify significant association that exists between different occupational groups. Since the p value is .054, null hypothesis is accepted. Test result shows that there is no significant difference in the selection of modern retail formats to purchase apparels among respondents with different occupations.

Income and Retail Store Selection

Literature review suggested that the income of consumers play a major role in consumer behaviour. To test the difference in selection of grocery retail stores among different income groups, ANOVA has been used as a statistical test. Test result is shown in the Table 4.3.2.10

Table 4.3.2.10
Income - wise differences in selecting type of retail stores to purchase grocery (ANOVA) Descriptives

Income	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	F	df	P-value
below 10000	5	9	14	1.6429	.49725	.13289	4.211	7	.000
10000 - 20000	20	23	43	1.5349	.50468	.07696			
20001 - 40000	45	38	83	1.4578	.50125	.05502			
40001 - 60000	54	19	73	1.2603	.44182	.05171			
60001 - 80000	27	11	38	1.2895	.45961	.07456			
80001 - 100000	17	2	19	1.1053	.31530	.07234			
100001 - 200000	14	2	16	1.1250	.34157	.08539			
above 200000	10	4	14	1.2857	.46881	.12529			
Total	192	108	300	1.3600	.48080	.02776			

Analysis shows that when the monthly income increases, respondents prefer to buy from modern retail stores. Starting from income groups below Rs. 20,000, people prefer traditional apparel retail stores. Those who have income above Rs.20,000 prefer modern apparel retail stores. Hence monthly income may have significant influence on store choice. ANOVA reveals that monthly income is highly significant in grocery retail store choice among respondent. Since P- value noted is .000, null hypothesis is rejected. Differences exist among different income groups in grocery retail store choice.

Difference among various income groups in selecting apparel retail stores has been analysed using ANOVA. Test result is shown in the Table 4.3.2.11.

Table 4.3.2.11

Income-wise differences in selecting type of retail stores to purchase apparels (ANOVA) Descriptives

Income	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	F	df	P-value
below 10000	5	9	14	1.6429	.49725	.13289	4.616	7	.000
10000 - 20000	22	21	43	1.4884	.50578	.07713			
20001 - 40000	45	38	83	1.4578	.50125	.05502			
40001 - 60000	55	18	73	1.2466	.43400	.05080			
60001 - 80000	32	6	38	1.1579	.36954	.05995			
80001 - 100000	17	2	19	1.1053	.31530	.07234			
100001 - 200000	12	4	16	1.2500	.44721	.11180			
above 200000	11	3	14	1.2143	.42582	.11380			
Total	199	101	300	1.3367	.47336	.02733			

Result shows that low income groups prefer and regularly visit traditional retail stores to purchase apparels. High income groups prefer modern apparel stores. ANOVA test is used to find out the significant difference among different income groups in selecting modern retail stores to purchase apparels. Since P- value is .000, null hypothesis is rejected. Hence it can be concluded that differences exist between different income groups in apparel store choice.

Urban Vs Rural and Retail Store Selection

To test the difference in selection of grocery retail stores among the respondents residing in urban and rural areas, t-test has been used as a statistical test. Test result is shown in the Table 4.3.2.12

Table 4.3.2.12

Area- wise differences in selecting type of retail stores to purchase grocery (T-test)

Descriptives

Area of residence	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	T	df	P-value
Urban	109	41	150	1.2733	.44716	.03651	3.169	298	.002
Rural	83	67	150	1.4467	.49881	.04073			
Total	192	108	300	1.2733	.44716	.03651			

As per the analysis, respondents who are residing in urban areas prefer to visit modern grocery retail stores. Those who are residing in rural areas also show preference to modern grocery stores, but number is less. T -test has been applied to find out the significant difference among respondents residing in rural and urban areas. Since P-value is .002, null hypothesis is rejected. Test result shows significant difference in selection of modern grocery stores between respondents residing in urban and rural areas.

In the same way difference among various income groups in selecting apparel retail stores is tested .Test result is shown in the Table 4.3.2.13

Table 4.3.2.13

Area - wise differences in selecting type of retail stores to purchase apparel (T-test) Descriptives

Area of residence	Modern	Traditional	Total	Mean	Std. Deviation	Std. Error	T	df	P-value
Urban	113	37	150	1.2467	.43252	.03531	3.349	298	.001
Rural	86	64	150	1.4267	.49625	.04052			
Total	199	101	300						

Analysis reveals that respondents who are residing in urban areas prefer to visit modern apparel retail stores. Those who are residing in rural areas also show preference to modern apparel stores, but less in number. T-test has been applied to find out the significant difference among respondents residing in rural and urban areas in selecting apparel retail stores. Since the p-value is .001, null hypothesis is rejected. Test results show that there is significant difference in apparel retail store choice among respondents residing in rural and urban areas.

Sub-section 4.3.3 Relative Advantage of Modern Retail Stores

Consumers expect certain advantages from modern retail stores over traditional retail stores. Responses of the customers were collected on various attributes such as variety, price and quality of products available in modern retail stores. The opinion of respondents on grocery retail stores is given in the Table 4.3.3.1

Table 4.3.3.1

Opinion on variety, quality and price of grocery and food products available in modern stores

Advantages of grocery stores	Response with per cent	Response with per cent	Total
Variety	More variety 292 (97.3%)	Less variety 8 (2.7%)	300(100%)
Price	Attractive 178(59.3%)	Not attractive 122(40.7%)	300(100%)
Quality	Quality better 268(89.3%)	Quality not better 32(10.7%)	300 (100%)

Invariably majority of the respondents have the opinion that modern grocery retail stores offer better quality products, with more varieties and attractive price. But it was noticed that number of respondents who told price was not attractive also was on higher side.

The opinion of respondents on apparel retail stores is given in the Table 4.3.3.2

Table 4.3.3.2

Opinion on variety, quality and price of apparels available in modern stores

Advantages of apparel stores	Response with per cent	Response with per cent
Variety	More variety 282 (94%)	Less variety 18 (6 %)
Price	Attractive 148(49.3%)	Not attractive 152(50.7%)
Quality	Quality better 269(89.7%)	Quality not better 31(10.3%)

Response on the variety, price and quality of apparels was not much different in the case of apparels. Majority of the respondents expressed the opinion that modern stores offer more variety and better quality products. But opinion on price was slightly different in both cases.

Hypothesis was set to find out the influence of the independent variables, variety, price and quality on the grocery store choice decision of consumers. Using Binary Logistic Regression data is analysed. Hypothesis is given below.

H7 : Store choice decision is not being influenced by variety, quality and price of grocery and food products available in modern stores

Result of binary logistic regression is given in the Table 4.3.3.3

Table 4.3.3.3

Influence of variety, price and quality of grocery and food products available in modern stores on Store choice decision(Binary logistic regression) Variables in the Equation

Attributes	B	S.E.	Wald	df	Sig.	Exp(B)
Variety	.952	.867	1.205	1	.272	2.591
Price	.142	.244	.339	1	.560	1.153
Quality	.338	.411	.678	1	.410	1.403
Constant	-1.656	.893	3.436	1	.064	.191

a. Variable(s) entered on step 1variety, price, quality

Results show that none of these variables are found influential in grocery store choice decision since the p-value is higher than significance level .05. Null hypothesis is accepted.

Another hypothesis was set to find out the influence of the independent variables, variety, price and quality on the apparel store choice decision of consumers. Using Binary Logistic Regression the data was analysed. Hypothesis is given below.

H8 : Store choice decision is not being influenced by variety, quality and price of apparels available in modern stores

Result of binary logistic regression is given in the Table 4.3.3.4

Table 4.3.3.4

Influence of variety, price and quality of apparels available in modern stores on Store choice decision(Binary logistic regression)

Attributes	B	S.E.	Wald	df	Sig.	Exp(B)
Variety	.222	.569	.152	1	.696	1.248
Price	.160	.247	.416	1	.519	1.173
Quality	-.028	.454	.004	1	.950	.972
Constant	-1.124	.657	2.930	1	.087	.325

Binary logistic regression has been done to find out the influence of store attributes such as variety, quality and price of apparels on store choice decision of consumers. Results show that variety, quality and price of apparels are not found influential in apparel store choice decision. Since p-value was more than the significance level of .05, null hypothesis is accepted.

SECTION 4.4 STORE ATTRIBUTES WHICH ARE DETERMINISTIC IN STORE CHOICE

Store related attributes have been selected based on literature review and few independent variables which are relevant to the study have been considered. Respondents were asked to show their level of agreement to the store attributes which attract them towards modern stores.

Sub-section 4.4.1 Store Related Attributes Influencing Consumers in Modern Retail Store Choice

Response of the level of agreement on various store attributes which attract respondents while they select modern retail stores is given in the Table 4.4.1.1

Table 4.4.1.1

Store related factors which attract the consumers

Attributes	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Aesthetics/ambience	3(1.0%)	8(2.7%)	65(21.7%)	194(64.7%)	30(10.0%)
Attractive display of items	2(0.7%)	7(2.3%)	42(14.0 %)	205(68.3%)	44(14.7%)
Easy to locate products	0(0.0%)	5(1.7%)	40(13.3%)	213(71.0%)	42(14.0%)
Opportunity for self service	1(0.3%)	4(1.3%)	49(16.3%)	198(66.0%)	48(16.0%)
Spacious, clean and less crowded	2(0.7%)	9(3.0%)	60(20.0%)	186(62.0%)	43(14.3%)
Availability of services of sales staff	2(0.7%)	13(4.3%)	78(26.0%)	176(58.7%)	31(10.3%)
Fast and proper billing	6(2.0%)	14(4.7%)	73(24.3%)	170(56.7%)	37(12.3%)
Convenient location	4(1.3%)	12(4.0%)	50(16.7%)	196(65.3%)	38(12.7%)
Parking space	4(1.3%)	32(10.7%)	56(18.7%)	171(57.0%)	37(12.3%)
Home delivery	17(5.7%)	54(18.0%)	127(42.3%)	85(28.3%)	17(5.7%)
Facilities for recreation/entertainment	10(3.3%)	34(11.3%)	86(28.7%)	131(43.7%)	39(13.0%)
Other facilities like ATM, internet Cafe	19(6.3%)	64(21.3%)	73(24.3%)	108(36.0%)	36(12.0%)

From the data given, it is clear that majority of the respondents agree that all store related attributes given are influencing them to select modern retail stores. But in the case of store attributes such as home delivery and other facilities, they do not agree.

Hypothesis is being set to find out the variation in the influence of store attributes between the selection of modern and traditional grocery retail stores.

H9: Store related attributes which attract the consumers do not vary between modern and traditional stores while the consumers choose grocery retail stores.

Mann Whitney test has been used as a non-parametric test to find the difference. Test result is furnished in the Table 4.4.1.2

Table 4.4.1.2

Store attributes which attract consumers while choosing grocery retail store. (Mann-Whitney)

Type of retail store	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	p- value
Modern store	158	156.08	24660.00	10337.000	-1.177	.239
Traditional store	142	144.30	20490.00			
Total	300					

Test result shows that store attributes which attract consumers while choosing grocery retail store do not vary in case of modern and traditional retail stores. Since the P-value is higher than the significance level of .05, null hypothesis is accepted.

Hypothesis is being set to find out the variation in the influence of store attributes between the selection of modern and traditional apparel retail stores.

H10: Store related attributes which attract the consumers do not vary between modern and traditional stores while the consumers choose apparel retail stores

Mann –Whitney test is being used to find the difference. Test result is shown in the Table 4.4.1.3

Table 4.4.1.3

Influence of store attributes on apparel store choice decision (Mann-Whitney)

Type of retail store	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	p-value
Modern store	199	153.99	30644.50	9354.500	-.981	.327
Traditional store	101	143.62	14505.50			
Total	300					

Test result shows that store attributes which attract consumers while choosing grocery retail store do not vary in case of modern and traditional retail stores. Since the P-value is higher than the significance level of .05, null hypothesis is accepted.

Sub-section 4.4.2 Perception on Price and Retail Format Selection

Price is treated separately because as per the literature review most of the studies reveal that price has important role in decision making. Price and grocery retail format selection are cross tabulated and shown in the Table 4.4.2.1.

Table 4.4.2.1

Perception on Price and grocery retail format selection

Prices are lower in modern stores	Type of retail store		Total
	Modern	Traditional	
Strongly disagree	23(50%)	23(50%)	46(100%)
Disagree	58(59.79%)	39(40.20%)	97(100%)
Neither agree nor disagree	63(64.28%)	35(35.71%)	98(100.0%)
Agree	42(80.76%)	10(19.23%)	52(100.0%)
Strongly agree	6(85.71%)	1(14.28%)	7(100.0%)
Total	192(64%)	108(36%)	300 (100.0%)

Data shows that out of 300 samples, 46 respondents said they strongly disagree that prices of modern stores are low. Out of these 46 respondents 50% go to traditional stores to regularly purchase grocery and 50% go to modern stores to purchase grocery. 97 respondents disagree that prices are low in modern stores. But out of these, 5.7% go to go to modern stores and 40.25% to traditional stores. Out of 98 respondents those who neither agree nor disagree, 64.28% go to modern stores, 35.71% go to traditional stores. Only 59 out of 300 samples agree with the statement. Out of 52 respondents those who agree with the statement, 8.76% go to modern stores, and the rest to traditional. Out of 7 respondents those who agree with the statement, 85.71% go to modern stores and rest to traditional.

Hypothesis is set to find out the influence of perception on price on retail format selection.

H11: Perception on price do not have influence on type of grocery retail format selection

Mann Whitney test is used to see the difference in retail store selection based on perception on pricing. Test result is given in the Table 4.4.2.2.

Table 4.4.2.2
Difference in grocery retail format selection based on perception on price (Mann-Whitney)

Type of retail store	**N**	**Mean Rank**	**Sum of Ranks**	**Mann-Whitney U**	**Z**	**p-value**
Modern store	158	163.07	25765.50	9231.500	-2.757	.006
Traditional store	142	136.51	19384.50			
Total	300					

a. Grouping Variable: type or retail store selected

Mann Whitney test has been administered to find out the significance of association between the variables under study. Test result shows that P- value is .006, which is lower than significance level .05. Hence null hypothesis is rejected and significant association exists between price and grocery retail store choice.

Price and grocery retail format selection are cross tabulated and shown in the Table 4.4.2.3

Table 4.4.2.3

Perception on price and apparel retail format selection

Prices are lower in modern stores	**Type of retail store**		
	Modern	**Traditional**	**Total**
Strongly agree	22(47.82%)	24(52.17%)	46 (100.0%)
Disagree	61(62.88%)	36(37.11%)	97 (100.0%)
Neither agree nor disagree	71(72.44%)	27(27.55%)	98 (100.0%)
Agree	41(78.84%)	11(21.15%)	52 (100.0%)
Strongly agree	4(57.14%)	3(42.85%)	7 (100.0%)
Total	199(66.33%)	101(33.66%)	300 (100.0%)

Data shows that out of 300 samples, 46 respondents said they strongly disagree that prices of modern stores are low. Out of these 46 respondents 47.82% go to traditional stores to regularly purchase apparel and 52.17% go to modern stores to purchase grocery. 97 respondents disagree that prices are low in modern stores. But out of these, 62.88% go to go to modern stores and 37.11% to traditional stores. Out of 98 respondents those who neither agree nor disagree, 72.44% go to modern stores, 27.55% go to traditional stores. Only 52 out of 300 samples agree with the statement. Out of 52 respondents those who agree with the statement, 78.84% go to modern stores, and the rest to traditional. Out of 7 respondents those who strongly agree with the statement, 57.14% go to modern stores and rest to traditional.

Hypothesis is set to find out the influence of perception on price on retail format selection.

H12: Perception on Price do not have influence on apparel retail format selection

Mann Whitney test is used to see the difference in retail store selection based on perception on pricing. Test result is given in the Table 4.4.2.4.

Table 4.4.2.4

Difference in apparel retail format selection based on perception on price (Mann-Whitney)

Type of retail store	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	p-value
Modern store	199	161.29	32096.50	7902.500	-3.184	.002
Traditional store	101	129.24	13053.50			
Total	300					

Mann Whitney test has been administered to find out the significance of association between the variables under study.

Test result shows that P- value is .002, which is less than significance level .05. Hence null hypothesis is rejected and significant association could be seen between price and apparel retail store choice.

Sub - Section 4.4 .3 Store Related Attributes and Demographic Variables

Hypothesis was set and the association between retail store selection and demographic variables was tested using Mann Whitney and Kruskal Wallis Test. Ambience, attractive display of items, easy to locate products, opportunity for self service, availability of service staff, fast and proper billing, nearness to the stores, parking facility, facilities for entertainment and ATM/Internet café etc., are taken as dependent variables and demographic variables such as gender, age, educational qualification, occupation of the respondent, occupation of the head of the household, income and Rural/Urban residence are considered as independent variables. The influence of store attributes on the demographic variables has been tested using Mann-Whitney and Kruskal Wallis tests.

H13: The influence of store attributes does not vary among respondents with different demographic profile.

Ambience

First of all the influence of ambience on certain relevant demographic variables such as **gender, age, educational qualification and income** has been tested.

Mann-Whitney test has been done to test the influence of ambience on male and female. The result is given in the Table 4.4.3.1

Table 4.4.3.1

Influence of ambience on gender (Mann-Whitney) Test Statistics[a]

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Male	150	145.80	21870.00	10545.000	-1.107	.268
Female	150	155.20	23280.00			
Total	300					

Analysis shows that mean and standard deviation of expectations of male and female on store related attributes do not vary much. Since p-value is .817, null hypothesis is accepted. Hence it can be concluded that the influence of ambience do not vary among male and female.

Kruskal Wallis test has been done to test the influence of ambience on age. The result is given in the Table 4.4.3.2

Table 4.4.3.2

Influence of ambience on age groups (Kruskal Wallis Test)

Age	N	Mean Rank	Chi-square	df	P-value
Below 20	31	145.56	2.589	5	.763
20 - 30	84	151.95			
31 - 40	63	155.09			
41 - 50	58	157.54			
51 - 60	44	143.80			
Above 60	20	131.95			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: age

Result shows that chi-square value is 2.589 and corresponding p-value is 0.763, which is more than the significant level .05. Hence null hypothesis is accepted and concluded that there is no variation in influence of ambience among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of ambience on respondents with various educational qualifications. The result is given in the Table 4.4.3.3

Table 4.4.3.3

Influence of ambience on educational groups(Kruskal Wallis test)

Education	N	Mean Rank	Chi-square	df	P - value
Below 10th std	23	142.24	1.594	5	.902
10th std passed	23	151.91			
Plus 2/PDC	34	139.90			
Diploma/technical	20	154.08			
Graduation	91	149.34			
Post-graduation	109	155.57			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: educational qualification

Result shows that chi-square value is 1.594 and corresponding p-value is .902, which is higher than the significant level .05. Null hypothesis is accepted. Hence, it can be concluded that there is no variation in the influence of ambience among respondents with different educational qualifications.

Kruskal Wallis test has been done to test the influence of ambience on income groups. The result is given in the Table 4.4.3.4

Table 4.4.3.4

Influence of ambience on Income groups (Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	131.29	20.710	7	.004
10000 - 20000	43	110.76			
20001 - 40000	83	150.78			
40001 - 60000	73	172.14			
60001 - 80000	38	158.49			
80001 - 100000	19	158.95			
100001 - 200000	16	143.22			
Above 200000	14	152.50			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Income

Result shows that Chi-square value is 20.710and corresponding p-value is .004, which is less than the significant level .05. Hence null hypothesis is rejected. It can be concluded from the analysis that there is variation in the influence of ambience among different income groups.

Attractive Display

Gender, age, educational qualification and income have been considered for testing variation of influence of attractive display of items among them.

Mann-Whitney test has been done to test the influence of attractive display of items on male and female. The result is given in the Table 4.4.3.5

Table 4.4.3.5

Influence of attractive display on male and female respondents (Mann- Whitney test) Test Statistics[a]

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Male	150	155.76	23364.00	10461.000	-1.278	.201
Female	150	145.24	21786.00			
Total	300					

Analysis shows that mean and standard deviation of expectations of male and female on store related attributes do not vary much. Since p-value is .201, null hypothesis is accepted. Hence it can be concluded that the influence of attractive display of items do not vary among male and female.

Hypothesis is being set to test the influence of attractive display on age groups.

Kruskal Wallis test has been done to test the influence of attractive display of items on age groups. The result is given in the Table 4.4.3.6

Table 4.4.3.6

Influence of attractive display on age groups (Kruskal Wallis test)

Age	N	Mean Rank	Chi-square	df	P-value
Below 20	31	134.15	6.049	5	.301
20 - 30	84	163.58			
31 - 40	63	144.29			
41 - 50	58	153.70			
51 - 60	44	140.08			
Above 60	20	154.10			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: age

Result shows that chi-square value is 6.049 and corresponding p-value is 0.301, which is more than the significant level .05. Hence null hypothesis is accepted and concluded that there is no variation in influence of attractive display of items among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of attractive display of items on educational qualification. The result is given in the Table 4.4.3.7

The result is given in the Table 4.4.3.7

Table 4.4.3.7
Influence of attractive display on educational groups (Kruskal Wallis test)

Education	**N**	**Mean Rank**	**Chi-square**	**df**	**P - value**
Below 10th std	23	142.13	2.185	5	.823
10th std passed	23	154.13			
Plus 2/PDC	34	143.28			
Diploma/technical	20	147.93			
Graduation	91	158.75			
Post-graduation	109	147.34			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: educational qualification

Result shows that chi-square value is2.185 and corresponding p-value is .823, which is higher than the significant level .05. This means that null hypothesis is accepted. Hence there is no variation in the influence of attractive display of items among respondents with different educational qualifications.

Kruskal Wallis test has been done to test the influence of attractive display of items on income groups. The result is given in the Table 4.4.3.8

Table 4.4.3.8
Influence of attractive display on income groups (Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	171.86	**3.568**	7	.828
10000 - 20000	43	142.63			
20001 - 40000	83	146.96			
40001 - 60000	73	158.57			
60001 - 80000	38	147.63			
80001 - 100000	19	138.53			
100001 - 200000	16	152.38			
Above 200000	14	154.14			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Income

Result shows that Chi-square value is 3.568and corresponding p-value is .828, which is more than the significant level .05. This means that null hypothesis is accepted. Hence there is no variation in the influence of attractive display of items among different income groups.

Easy to Locate Products

Demographic variables such as age, educational qualification and income are considered relevant to test difference in influence of easy to locate products among respondents.

Kruskal Wallis test has been done to test the influence of easy to locate products on age groups. The result is given in the Table 4.4.3.9

Table 4.4.3.9

Influence of easy to locate products on age groups (Kruskal Wallis test)

Age	N	Mean Rank	Chi-square	df	P-value
Below 20	31	147.98	1.181	5	.947
20 - 30	84	154.67			
31 - 40	63	143.37			
41 - 50	58	149.92			
51 - 60	44	154.57			
Above 60	20	152.10			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: age

Result shows that chi-square value is 1.181 and corresponding p-value is 0.947, which is more than the significant level .05. Hence null hypothesis is accepted and concluded that there is no variation in influence of easy to locate products among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of easy to locate products on educational qualification. The result is given in the Table 4.4.3.10

Table 4.4.3.10
Influence of easy to locate products on educational groups (Kruskal Wallis test)

Education	N	Mean Rank	Chi-square	df	P - value
Below 10th std	23	129.02	5.761	5	.330
10th std passed	23	174.22			
Plus 2/PDC	34	148.46			
Diploma/technical	20	152.10			
Graduation	91	145.62			
Post-graduation	109	154.45			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: educational qualification

Result shows that chi-square value is5.761 and corresponding p-value is .330, which is higher than the significant level .05. This means that null hypothesis is accepted. Hence there is no variation in the influence of easy to locate products among respondents with different educational qualification.

Kruskal Wallis test has been done to test the influence of easy to locate products on income groups. The result is given in the Table 4.4.3.11

Table 4.4.3.11

Influence of easy to locate products on income groups (Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	141.43	5.119	7	.645
10000 - 20000	43	160.97			
20001 - 40000	83	151.90			
40001 - 60000	73	141.14			
60001 - 80000	38	145.42			
80001 - 100000	19	144.21			
100001 - 200000	16	168.00			
Above 200000	14	170.29			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Income

Result shows that Chi-square value is 5.119and corresponding p-value is .645, which is more than the significant level .05. This means that null hypothesis is accepted. Hence there is no variation in the influence of easy to locate products among different income groups.

Opportunity for Self Service

Out of the demographic variables, gender, age, educational qualification and income are taken for testing the variation of influence of opportunity for self-service among respondents.

Mann-Whitney test has been done to test the influence of opportunity for self service on male and female. The result is given in the Table 4.4.3.12

Table 4.4.3.12

Influence of opportunity for self-service on male and female respondents

(Mann-Whitney test) Test Statistics[a]

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Male	150	158.80	23820.00	10005.000	-1.975	.048
Female	150	142.20	21330.00			
Total	300					

Analysis shows that mean and standard deviation of expectations of male and female on store related attributes have a slight variation. Since p-value is .048, null hypothesis is rejected. Hence it can be concluded that the influence of opportunity for self-service vary among male and female.

Kruskal Wallis test has been done to test the influence of opportunity for self-service on demographic variable, age. The result is given in the Table 4.4.3.13

Table 4.4.3.13

Influence of opportunity for self-service on age groups (Kruskal Wallis test)

Age	**N**	**Mean Rank**	**Chi-square**	**df**	**P-value**
Below 20	31	149.48	7.457	5	.189
20 - 30	84	164.15			
31 - 40	63	155.40			
41 - 50	58	138.07			
51 - 60	44	133.19			
Above 60	20	153.45			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: age

Result shows that chi-square value is 7.457 and corresponding p-value is 0.189, which is higher than the significant level .05. Hence null hypothesis is accepted and concluded that there is no variation in influence of opportunity for self-service among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of opportunity for self service on demographic variables such as educational qualification. The result is given in the Table 4.4.3.14

Table 4.4.3.14

Influence of opportunity for self-service on educational groups

(Kruskal Wallis test)

Education	**N**	**Mean Rank**	**Chi-square**	**df**	**P - value**
Below 10th std	23	153.46	5.027	5	.413
10th std passed	23	137.33			
Plus 2/PDC	34	134.50			
Diploma/technical	20	141.10			
Graduation	91	148.73			
Post-graduation	109	160.85			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: educational qualification

Result shows that chi-square value is5.027 and corresponding p-value is 413, which is higher than the significant level .05. Hence null hypothesis is accepted and can be concluded that there is no variation in the influence of opportunity for self-service among respondents with different educational qualification.

Kruskal Wallis test has been done to test the influence of opportunity for self service on income groups. The result is given in the Table 4.4.3.15

Table 4.4.3.15

Influence of opportunity for self-service on income groups (Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	127.00	2.743	7	.908
10000 - 20000	43	153.42			
20001 - 40000	83	146.16			
40001 - 60000	73	158.11			
60001 - 80000	38	150.20			
80001 - 100000	19	153.39			
100001 - 200000	16	145.72			
Above 200000	14	153.43			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Income

Result shows that Chi-square value is 2.743 and corresponding p-value is .908, which is higher than the significant level .05. Hence null hypothesis is accepted. Hence there is no variation in the influence of opportunity for self-service among different income groups.

Availability of Service Staff

Influence of availability of service staff among respondents with different gender, age, educational qualification and income are tested .Mann-Whitney test has been done to test the influence of availability of service staff on male and female.

The result is given in the Table 4.4.3.16

Table 4.4.3.16

Influence of availability of service staff on male and female respondents (Mann-Whitney test) Test Statistics[a]

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Male	150	150.03	22504.50	11179.500	-.106	.915
Female	150	150.97	22645.50			
Total	300					

Analysis shows that mean and standard deviation of expectations of male and female on store related attributes do not vary much. Since p-value is .915, null hypothesis is accepted. Hence it can be concluded that the influence of availability of service staff do not vary among male and female.

Kruskal Wallis test has been done to test the influence of availability of service staff on demographic variable, age. The result is given in the Table 4.4.3.17

Table 4.4.3.17

Influence of availability of service staffon age groups (Kruskal Wallis test)

Age	N	Mean Rank	Chi-square	df	P-value
Below 20	31	162.84	6.351	5	.274
20 - 30	84	158.15			
31 - 40	63	146.16			
41 - 50	58	133.41			
51 - 60	44	162.05			
Above 60	20	137.05			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: age

Result shows that chi-square value is 6.351 and corresponding p-value is 0.274, which is higher than the significant level .05. Hence null hypothesis is accepted and concluded that there is no variation in influence of availability of service staff among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of availability of service staff on respondents with various educational backgrounds. The result is given in the Table 4.4.3.18

Table 4.4.3.18

Influence of availability of service staffon educational groups (Kruskal Wallis test)

Education	N	Mean Rank	Chi-square	df	P - value
Below 10th std	23	139.85	3.493	5	.624
10th std passed	23	162.89			
Plus 2/PDC	34	160.75			
Diploma/technical	20	128.43			
Graduation	91	148.30			
Post-graduation	109	152.82			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: educational qualification

Result shows that chi-square value is 3.493 and corresponding p-value is .624, which is higher than the significant level .05. Hence null hypothesis is accepted. It can be concluded from the analysis that there is no variation in the influence of availability of service staff among respondents with different educational qualification.

Kruskal Wallis test has been done to test the influence of availability of service staff on income groups. The result is given in the Table 4.4.3.19

Table 4.4.3.19

Influence of availability of service staffon income groups (Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	102.43	17.129	7	.017
10000 - 20000	43	150.58			
20001 - 40000	83	153.52			
40001 - 60000	73	169.90			
60001 - 80000	38	145.97			
80001 - 100000	19	123.11			
100001 - 200000	16	115.16			
Above 200000	14	169.07			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Income

Result shows that Chi-square value is 17.129 and corresponding p-value is .017, which is less than the significant level .05. Hence null hypothesis is rejected. It can be concluded from the analysis that there is variation in the influence of availability of service staff among different income groups.

Nearness to the Store

The influence of nearness to the store among respondents with different gender, age, educational qualification, income and place of residence are tested. Mann-Whitney test has been done to test the influence of nearness to the store on male and female

The result is given in the Table 4.4.3.20

Table 4.4.3.20

Influence of nearness to the store on male and female respondents (Mann-Whitney test) Test Statistics[a]

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Male	150	151.36	22704.00	11121.000	-.203	.839
Female	150	149.64	22446.00			
Total	300					

Analysis shows that mean and standard deviation of expectations of male and female on store related attributes do not vary much. Since p-value is .839, null hypothesis is accepted. Hence it can be concluded that the influence of nearness to the store do not vary among male and female.

Kruskal Wallis test has been done to test the influence of nearness to the store on demographic variable, age. The result is given in the Table 4.4.3.21

Table 4.4.3.21

Influence of nearness to the store on age groups (Kruskal Wallis test)

Age	**N**	**Mean Rank**	**Chi-square**	**df**	**P-value**
Below 20	31	171.27	10.141	5	.071
20 - 30	84	161.39			
31 - 40	63	138.21			
41 - 50	58	147.40			
51 - 60	44	151.50			
Above 60	20	118.05			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: age

Result shows that chi-square value is 10.141 and corresponding p-value is 0.071 which is higher than the significant level .05. Hence null hypothesis is accepted and concluded that there is no variation in influence of nearness to the store among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of nearness to the store on respondents with different educational backgrounds. The result is given in the Table 4.4.3.22

Table 4.4.3.22

Influence of nearness to the store on educational groups (Kruskal Wallis test)

Education	N	Mean Rank	Chi-square	df	P - value
Below 10th std	23	141.15	.853	5	.974
10th std passed	23	152.76			
Plus 2/PDC	34	145.32			
Diploma/technical	20	158.05			
Graduation	91	150.27			
Post-graduation	109	152.42			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: educational qualification

Result shows that chi-square value is.853and corresponding p-value is .974, which is higher than the significant level .05. Hence null hypothesis had to be accepted. It can be concluded that there is no variation in the influence of nearness to the store among respondents with different educational backgrounds.

Kruskal Wallis test has been done to test the influence of nearness to the store among various income groups. The result is given in the Table 4.4.3.23

Table 4.4.3.23

Influence of nearness to the store on income groups (Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	152.07	8.577	7	.284
10000 - 20000	43	155.36			
20001 - 40000	83	141.04			
40001 - 60000	73	160.05			
60001 - 80000	38	169.37			
80001 - 100000	19	127.82			
100001 -200000	16	129.50			
Above 200000	14	143.86			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Income

Result shows that Chi-square value is 8.577and corresponding p-value is .284, which is higher than the significant level .05. Hence null hypothesis had to be accepted and can be concluded that there is no variation in the influence of nearness to the store among different income groups.

Mann-Whitney test has been done to find the difference of influence of nearness to the store between respondents residing in urban and rural areas. Test result is shown in the Table 4.4.3.24.

Table 4.4.3.24
Influence of nearness to the store on urban and rural respondents (Mann-Whitney test)Descriptives

Place of residence	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Urban	150	152.14	22821.00	11004.000	-.387	.698
Rural	150	148.86	22329.00			
Total	300					

Result of Mann Whitney test shows that Z- statistic is -.387and corresponding P-value is .698, which is higher than the significant level .05. Hence null hypothesis is accepted. It can be concluded that there is no variation in nearness to the store between respondents residing in rural and urban areas.

Parking Facility

Influence of parking facility among respondents with different income, place of residence and occupation of head of household are tested.

Kruskal Wallis test has been done to test the influence of parking facility on demographic variable, income. The result is given in the Table 4.4.3.25.

Table 4.4.3.25

Influence of parking facility on income groups (Kruskal Wallis test)

<table>
<tr><th>Income</th><th>N</th><th>Mean Rank</th><th>Chi-square</th><th>df</th><th>P-value</th></tr>
<tr><td>Below 10000</td><td>14</td><td>105.54</td><td rowspan="9">10.791</td><td rowspan="9">7</td><td rowspan="9">.148</td></tr>
<tr><td>10000 - 20000</td><td>43</td><td>140.48</td></tr>
<tr><td>20001 - 40000</td><td>83</td><td>147.02</td></tr>
<tr><td>40001 - 60000</td><td>73</td><td>155.16</td></tr>
<tr><td>60001 - 80000</td><td>38</td><td>170.97</td></tr>
<tr><td>80001 - 100000</td><td>19</td><td>147.03</td></tr>
<tr><td>100001-200000</td><td>16</td><td>142.41</td></tr>
<tr><td>Above 200000</td><td>14</td><td>180.93</td></tr>
<tr><td>Total</td><td>300</td><td></td></tr>
</table>

a. Kruskal Wallis Test
b. Grouping Variable: Income

Result shows that Chi-square value is 10.791and corresponding p-value is .148, which is higher than the significant level .05. Hence null hypothesis is accepted and concluded that there is no variation in the influence of parking facility among different income groups.

Mann Whitney test has been done to check the influence of parking facility on people residing in urban and rural areas. Result is shown in the Table 4.4.3.26

Table 4.4.3.26

Influence of parking facility on urban and rural respondents

(Mann-Whitney test) Descriptives

Place of residence	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Urban	150	146.12	21917.50	10592.500	-.975	.329
Rural	150	154.88	23232.50			
Total	300					

Result of Mann Whitney test shows that Z- statistic is -.975and corresponding P-value is .329, which is higher than the significant level .05, which means that null hypothesis has to be accepted. Hence there is no variation in parking facility among respondents residing in rural and urban areas.

Kruskal Wallis test has been done to test the influence of parking facility among the respondents with various occupations of the head of household. Test result is given in the Table 4.4.3.27

Table 4.4.3.27
Influence of parking facility on occupation of the head of the household (Kruskal Wallis test) Descriptives

Occupation	N	Mean Rank	Chi-Square	df	p-value
Business	84	149.96	9.540	8	.299
Self employed	21	159.10			
Gov t. employee	57	160.25			
Pvt . employee	70	135.99			
Professional	42	158.13			
NRI	11	173.14			
Planter	1	282.00			
Farmer	5	115.00			
Others	9	128.39			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: occupation of the head of the household

Result of Kruskal Wallis test shows that chi-square value is 9.540and corresponding P-value is .299, which is higher than the significant level .05. Hence that null hypothesis is accepted. It can be concluded that there is no variation in the influence of parking facility among families with various occupations of the head of the household.

Facilities for Entertainment

Influence of facilities for entertainment on respondents with different genders, age, educational qualification, income, occupation of head of household and place of residence are tested.

Mann-Whitney test has been done to test the influence of facilities for entertainment on male and female. The result is given in the Table 4.4.3.28

Table 4.4.3.28

Influence of facilities for entertainment on male and female respondents

(Mann-Whitney test)Test Statistics[a]

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Male	150	136.62	20492.50	9167.500	-2.939	.003
Female	150	164.38	24657.50			
Total	300					

Analysis shows that mean rank and sum of ranks of expectations of male and female on facilities for entertainment do not vary much. Since p-value is .003, null hypothesis is rejected. Hence it can be concluded that the influence of facilities for entertainment vary among male and female respondents.

Kruskal Wallis test has been done to test the influence of facilities for entertainment on different age groups. The result is given in the Table 4.4.3.29

Table 4.4.3.29

Influence offacilities for entertainment on age groups (Kruskal Wallis test)

Age	N	Mean Rank	Chi-square	df	P-value
Below 20	31	143.19	23.728	5	.000
20 - 30	84	171.77			
31 - 40	63	165.17			
41 - 50	58	138.84			
51 - 60	44	140.47			
Above 60	20	82.20			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: age

Result shows that chi-square value is 23.728 and corresponding p-value is 0.000, which is less than the significant level .05. Hence null hypothesis is rejected and concluded that there is variation in influence of facilities for entertainment among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of facilities for entertainment on respondents with different educational backgrounds. The result is given in the Table 4.4.3.30

Table 4.4.3.30

Influence offacilities for entertainment on educational groups

(Kruskal Wallis test)

Education	N	Mean Rank	Chi-square	df	P - value
Below 10th std	23	134.96	10.747	5	.057
10th std passed	23	121.89			
Plus 2/PDC	34	121.82			
Diploma/technical	20	166.53			
Graduation	91	157.09			
Post-graduation	109	160.32			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: educational qualifiaction

Result shows that chi-square value is 10.747and corresponding p-value is .057, which is higher than the significant level .05. Hence null hypothesis is accepted. It can be concluded that there is no variation in the influence of facilities for entertainment among respondents with different educational backgrounds.

Kruskal Wallis test has been done to test the influence of facilities for entertainment on various income groups. The result is given in the Table 4.4.3.31

Table 4.4.3.31
Influence offacilities for entertainment on income groups (Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	142.82	5.236	7	.631
10000 - 20000	43	139.14			
20001 - 40000	83	146.66			
40001 - 60000	73	148.17			
60001 - 80000	38	172.00			
80001 - 100000	19	164.97			
100001 - 200000	16	162.94			
Above 200000	14	135.79			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: Income

Result shows that Chi-square value is 5.236and corresponding p-value is .631, which is higher than the significant level .05. Hence null hypothesis is accepted and can be concluded that there is no variation in the influence of facilities for entertainment among different income groups.

Kruskal Wallis test has been done to test the influence of facilities for entertainment on demographic variable, occupation of the Head of Household. The result is given in the Table 4.4.3.32

Table 4.4.3.32

Influence of facilities for entertainment on occupation of the head of the household (Kruskal Wallis test)

Occupation	N	Mean Rank	Chi-Square	df	p-value
Business	84	152.39	4.462	8	.813
Self employed	21	160.62			
Gov t. employee	57	151.50			
Pvt . employee	70	137.84			
Professional	42	148.14			
NRI	11	184.00			
Planter	1	196.00			
Farmer	5	162.30			
Others	9	159.83			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: occupation of the head of the household

Result of Kruskal Wallis test shows that chi-square value is 4.462and corresponding P-value is .813, which is higher than the significant level .05, hence null hypothesis is accepted. It can be co0nluded that there is no variation in facilities for entertainment among the respondents with head of the household with different occupations.

Mann-Whitney test is being done to test the influence of facilities for entertainment between the respondents from urban and rural areas.Test result is shown in the Table 4.4.3.33

Table 4.4.3.33

Influence of facilities for entertainment on urban and rural consumers (Mann-Whitney test) Descriptives

Place of residence	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Urban	150	138.82	20823.50	9498.500	-2.472	.013
Rural	150	162.18	24326.50			
Total	300					

Result of Mann Whitney test shows that Z- statistic is -2.472and corresponding P-value is .013, which is less than the significant level .05, hence null hypothesis is rejected. It can be concluded from the analysis that there is variation in facilities for entertainment among respondents residing in rural and urban areas.

Presence of ATM and Internet Cafe

To test the difference in the influence of presence of ATM and Internet Café among demographic profile groups, gender, age, education, income, occupation of head of household and area of residence are considered.

Mann-Whitney test has been done to test the influence of presence of ATM/Internet Cafe on male and female. The result is given in the Table 4.4.3.34

Table 4.4.3.34

Influence ofpresence of ATM/Internet Café male and female respondents

(Mann-Whitney test)Test Statistics[a]

Gender	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Male	150	144.26	21639.50	10314.500	-1.293	.196
Female	150	156.74	23510.50			
Total	300					

Analysis shows that mean rank and sum of ranks of expectations of male and female on store related attributes vary. Since p-value is .817, null hypothesis is accepted. Hence it can be concluded that the influence of presence of ATM/Internet Cafe do not vary among male and female.

Kruskal Wallis test has been done to test the influence of presence of ATM/Internet Cafe on demographic variables such as age. The result is given in the Table 4.4.3.35

Table 4.4.3.35

Influence of presence of ATM/Internet Café on age groups (Kruskal Wallis test)

Age	**N**	**Mean Rank**	**Chi-square**	**df**	**P-value**
Below 20	31	123.66	40.140	5	.000
20 - 30	84	189.68			
31 - 40	63	149.79			
41 - 50	58	121.75			
51 - 60	44	161.45			
Above 60	20	89.05			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: age

Result shows that chi-square value is 40.140 and corresponding p-value is .000, which is less than the significant level .05. Hence null hypothesis is rejected and concluded that there is variation in influence of presence of ATM/Internet Cafe among respondents with different age groups.

Kruskal Wallis test has been done to test the influence of presence of ATM/Internet Cafe on educational qualification. The result is given in the Table 4.4.3.36

Table 4.4.3.36

Influence ofpresence of ATM/Internet Café on educational groups

(Kruskal Wallis test)

Education	N	Mean Rank	Chi-square	df	P - value
Below 10th std	23	107.07	30.629	5	.000
10th std passed	23	116.22			
Plus 2/PDC	34	102.51			
Diploma/technical	20	150.63			
Graduation	91	161.27			
Post-graduation	109	172.85			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable: educational wqaualification

Result shows that chi-square value is30.629and corresponding p-value is .000, which is less than the significant level .05. Hence null hypothesis is rejected and concluded that there is variation in the influence of presence of ATM/Internet Cafe among respondents with different educational qualification.

Kruskal Wallis test has been done to test the influence of presence of ATM/Internet Cafe on income groups. The result is given in the Table 4.4.3.37

Table 4.4.3.37

Influence ofpresence of ATM/Internet Café onincome groups

(Kruskal Wallis test)

Income	N	Mean Rank	Chi-square	df	P-value
Below 10000	14	141.32	4.557	7	.714
10000 - 20000	43	160.50			
20001 - 40000	83	146.02			
40001 - 60000	73	139.14			
60001 - 80000	38	153.84			
80001 - 100000	19	164.21			
100001 -200000	16	158.97			
Above 200000	14	177.36			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Income

Result shows that Chi-square value is 4.557 and corresponding p-value is .714, which is higher than the significant level .05. So the null hypothesis is accepted. Hence there is no variation in the influence of presence of ATM/Internet Cafe among different income groups.

Kruskal Wallis test has been done to test the influence of presence of ATM/Internet Cafe on demographic variable, occupation of the head of household. The result is given in the Table 4.4.3.38

Table 4.4.3.38

Influence ofpresence of ATM/Internet Café onoccupation of the head of the household (Kruskal Wallis test)

Occupation	N	Mean Rank	Chi-Square	df	p-value
Business	84	157.24	6.525	8	.589
Self employed	21	143.33			
Gov t. employee	57	164.40			
Pvt . employee	70	135.09			
Professional	42	140.23			
NRI	11	149.68			
Planter	1	210.50			
Farmer	5	160.60			
Others	9	172.72			
Total	300				

Result of Kruskal Wallis test shows that chi-square value is 6.525and corresponding P-value is .589, which is higher than the significant level .05; hence null hypothesis is accepted. It can be concluded that there is no variation in presence of ATM/Internet Cafe based on the occupation of the head of the household.

Mann Whitney test is used to test the variation of influence of presence of ATM/ Internet Cafe between respondents from rural and urban areas.Test result is given in the Table 4.4.3.39

Table 4.4.3.39

Place of residence and presence of ATM/Internet Café on urban and rural customers

Place of residence	N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	P-value
Urban	150	144.24	21635.50	10310.500	-1.299	.194
Rural	150	156.76	23514.50			
Total	300					

Result of Mann Whitney test shows that Z- statistic is -1.299and corresponding P-value is .194, which is higher than the significant level .05, hence null hypothesis is accepted. No variation is seen in presence of ATM/Internet Cafe between respondents residing in rural and urban areas.

SECTION 4.5 PREFERENCE FOR MODERN RETAIL STORES AND DEMOGRAPHIC VARIABLES

Retailers are trying to create store loyalty among consumers to increase their sales and to be very competitive in the market. They take lot of initiatives such as loyalty programmes for customers to retain them. Frequency of visit to the modern stores, possession of membership cards and preference of private labels were taken into consideration to check the store loyalty of consumers.

Sub-section 4.5.1 Demographic Variables and Frequency of Modern retail Store Visit

Influence of demographic variables on frequency of store visit has been discussed in literature review. Number of visits to the retail stores to purchase grocery and apparel could be different among different demographic factors. As per the literature all demographic variables need not be considered for the test. **Gender, age, religion, educational qualification, occupation of the respondent, income and place of residence** have been included in the study. Hypothesis set is given below.

H14: Frequency of visit to the modern retail stores do not vary among respondents with different demographic profiles

Mann-Whitney and Kruskal Wallis tests have been used to find out the difference in frequency of store visit among different profile groups. Test result has been given in the Table 4.5.1.1.

Table 4.5.1.1

Frequency of visit to modern stores among respondents with different demographic profile

Test statistics	Gender	Age	Religion	Educational qualification	Occupation	Income	Area of residence
N	150 150	31 84 63 58 44 20	163 28 109	23 23 34 20 91 109	36 13 27 81 49 1 26 2 60 5	14 43 83 73 38 19 16 14	150 150
Mean Rank	150.68 150.32	160.61 155.99 137.21 135.73 163.64 167.53	144.59 172.05 153.81	179.54 163.46 156.68 184.53 156.15 128.75	157.68 149.77 145.89 153.34 120.80 103.00 159.94 144.00 169.26 108.60	203.68 182.06 153.97 137.08 141.68 150.42 99.97 131.57	141.76 159.24
Mann-Whitney U	11223.000	-	-	-	-	-	9938.500
Z	-.039	-	-	-	-	-	-.1.894
Chi-square	-	6.702	3.112	15.975	12.645	22.732	-
df	-	5	2	5	9	7	-
P –value	0.969	.244	.211	.007	.179	.002	.058

Demographic variables and frequency of visit

Mann Whitney test is being done to find out the difference in frequency of visits to modern retail stores among male and female respondents and urban and rural respondents. Kruskal Wallis test is done to find out the difference in frequency of visits to modern retail stores among respondents with different age, religion, educational qualification, occupation, income and place of residence.

Result of analysis shows that for educational qualification and income groups p-value is less than the significance .05. Hence the null hypothesis set for these variables have rejected. Hence it can be concluded that frequency of visit is similar among the respondents with different gender, age, religion, occupation and place of residence. Difference is noticed only among the respondents with educational qualification and their income.

Sub section 4.5.2 International Exposure and Frequency of Visit to Modern Retail Shops.

The consumption pattern and frequency of store visit among people who have national and international exposure to modern retail stores may be related. Data are collected on frequency of visit to modern retail stores. Details are given in the Table 4.5.2.1

Table 4.5.2.1

Frequency of visit to modern stores by the respondents with local, national and international exposure

Frequency of store visit	**Local, national and international exposure**			**Total**
	Local	**National**	**International**	
Very often	7(5.38%)	12(10.08%)	8(15.68%)	27(9%)
Often	53(40.76%)	66(55.46%)	32(62.74%)	151(50.33%)
Sometimes	49(37.69%)	27(22.68%)	7(13.72%)	83(27.66%)
Once in a while	11(8.46%)	12(10.08%)	2(3.92%)	25(8.33%)
On rare occasions	10(7.69%)	2(1.68%)	2(3.92%)	14(4.66%)
Total	130	119	51	300

Data reveals that more number of people with international exposure go more frequently to modern retail stores compared to the people with national and local exposure.

Data are collected from the respondents to know any difference is there in the frequency of visit to modern grocery and apparel stores. Information collected is given in the Table 4.5.2.2.

Table 4.5.2.2

Frequency of visit to modern grocery and apparel retail stores by the respondents with local, national and international exposure

Frequency of store visit	Grocery stores			Total	Apparel stores			Total
	Local	National	International		Local	National	International	
Very often	18 (13.84%)	27 (22.68%)	11 (21.56%)	56 (18.66%)	6 (4.61%)	9 (7.56%)	5 (9.8%)	20 (6.66%)
Often	49 (37.69%)	53 (44.53%)	29 (56.86%)	131 (43.66%)	47 (36.15%)	57 (47.89%)	30 (58.82%)	134 (44.66%)
Sometimes	41 (31.53%	29 (24.36%)	9 (17.64%)	79 (26.33%)	37 (28.46%)	35 (29.41%)	10 (19.6%)	82 (27.33%)
Once in a while	6 (4.61%)	7 (5.88%)	1 (1.96%)	14 (4.66%)	23 (17.69%)	15 (12.60%)	5 (9.8%)	43 (14.33%)
On rare occasions	16 (12.30%)	3 (2.59%)	1 (1.96%)	20 (6.66%)	17 (13.07%)	3 (2.52%)	1 (1.96%)	21 (7%)
Total	130	119	51	300	130	119	51	300

Data shows that frequency of store visit of respondents with international exposure is high compared to others in case of frequency of visit to apparel and grocery stores.

Hypotheses are set to find out the significant difference of frequency of visit to grocery retail shops among the respondents exposed to modern retail stores located at local, national and international places.

H15: Frequency of visit to the modern grocery retail stores do not vary among respondents with local, national and international exposure.

Test result is shown in the Table 4.5.2.3.

Table 4.5.2.3

Level of exposure and frequency of purchase from modern grocery retail stores.(Kruskal Wallis test) Ranks

Level of exposure	N	Mean Rank	Chi-Square	df	P-value
Local	130	169.90	13.754	2	.001
National	119	139.53			
International	51	126.64			
Total	300				

a. Kruskal Wallis Test

b. Grouping Variable: Level of exposure

Variables are cross tabulated to find out the frequency of visit among the respondents who have visited local, national and international modern retail grocery stores. Kruskal Wallis test has been done to find out the difference among these two variables. Test results show that significant level .001 is less than the significance level .05. Hence null hypothesis is rejected. Frequency of visit to modern grocery retail stores vary among respondents with different levels of exposure.

It can be concluded from the analysis that frequency of visit to modern grocery retail stores vary among people who have different levels of exposure. People with international and national exposure make more frequent visit to modern grocery retail stores compared to people with mere local exposure, may be because they are comfortable with the facilities and services provided by the retail stores.

International exposure and frequency of purchase of apparels

Hypothesis was set to test the difference in frequency of store visit among the respondents with different levels of exposure, which is given below.

H16: Frequency of visit to the modern apparel retail stores do not vary among respondents with local, national and international exposure

Test result is given in the Table 4.5.2.4.

Table 4.5.2.4

Local, national and international exposure and frequency of purchase of apparels from modern retail stores (Kruskal Wallis test)

Level of exposure	N	Mean Rank	Chi-Square	df	P-value
Local	130	171.33	16.692	2	.000
National	119	140.04			
International	51	121.81			
Total	300				

a. Kruskal Wallis Test
b. Grouping Variable : Level of exposure

To find out the frequency of visit among the respondents who have visited local, national and international modern retail apparel stores the two variables were cross tabulated. Kruskal Wallis test has been done to find out the difference of frequency of store visit among people with exposure to national and international markets. Test results show that significant level .000 which is less than significance .05. Hence null hypothesis is rejected. There is significant difference in frequency of visit to modern grocery retail stores among respondents with different levels of exposure.

Sub-section 4.5 .3 Influence of Demographic Variables on Preference of a Particular Store

As per the literature survey certain demographic variables are found significant in selecting a particular store to buy various items. Hypotheses are set to find out whether the preference of store is based on demographic variables or not.

H17:Demographic variables of respondents and preference of a particular store are not significantly associated

Gender, age, religion, educational qualification, occupation, income and place of residence are considered for testing. Chi-square test has been used to find the association between the variables. Result is shown in the Table 4.5.3.1

Table 4.5.3.1
Influence of demographic variables on Preference of a particular store (Chi-square test)

Test statistics	Gender	Age	Religion	Educational qualification	Occupation	Income	Area of residence
N	150 150	31 84 63 58 44 20	163 28 109	23 23 34 20 91 109	36 13 27 81 49 1 26 2 60 5	14 43 83 73 38 19 16 14	150 150
Chi-square	3.049[a]	11.165[a]	7.754[a]	1.908[a]	16.908[a]	21.604[a]	.664[a]
df	1	5	2	5	9	7	1
P – value	.051	.048	.021	.862	.050	.003	.415

Gender and preference of a particular store

Data analysis shows that P-value is higher than significance level of .05, hence null hypothesis is accepted. It can be concluded that gender and preference of a particular store are not significantly associated.

Age and preference of a particular store

Chi-square test is used to test the association between age and preference of a particular store.

Data analysis shows that P-value is less than significance level of .05; hence null hypothesis is rejected. It can be concluded that gender and preference of a particular store are significantly associated.

Religion and preference of a particular store

Chi-square test is used to test the association between religion and preference of a particular store. Data analysis shows that P-value is less than significance level of .05; hence null hypothesis is rejected. It can be concluded that religion and preference of a particular store are significantly associated.

Educational qualification and preference of a particular store

Association between educational qualification and preference of a particular store is tested using Chi-square test.Data analysis shows that P-value is higher than significance level of .05; hence null hypothesis is accepted. It can be concluded that educational qualification and preference of a particular store are not significantly associated.

Occupation and preference of a particular store

Association between occupation and preference of a particular store is tested using Chi-square test. Data analysis shows that P-value is less than significance level of .05, hence null hypothesis is rejected. It can be concluded that occupation and preference of a particular store are significantly associated.

Income and preference of a particular store

Chi-square test is used to test the association between the income and preference of a particular store. Data analysis shows that P-value is less than significance level of .05, hence null hypothesis is rejected. It can be concluded that income and preference of a particular store are significantly associated.

Urban vs. Rural and preference of a particular store

To find out the association between area of residence and preference of a particular store, Chi-square test is used.

Data analysis shows that P-value is higher than significance level of .05, hence null hypothesis is accepted. It can be concluded that area of residence and preference of a particular store are not significantly associated.

Sub-section 4.5.4 Influence of Demographic Variables on Possession of Membership Card

Most of the modern retail stores provide membership cards to its customers as part of their loyalty programmes. The loyal customers get benefits such as discount, points, offers, vouchers and gifts through the membership cards when they go for repeat purchase.The detailed classifications of respondents who use the membership cards are given below. The data on possession of membership cards by the respondents is given in the Table 4.5.4.1

Table 4.5.4.1

Possession of membership cards

Possession of membership card	Frequency	Per cent
Possess	97	32.3
Do not possess	203	67.7
Total	300	300

Data reveals that only few of them possess membership cards (32 %), which may be considered as indicator of lack of store loyalty among consumers.

To analyse the influence of demographic variables on possession of membership cards, few demographic variables were considered for study which included **gender, age, religion, occupation, income and place of residence.** Chi square test was used to find out the significant association between the variables. Test result is given in the Table 4.5.4.2

H18: Demographic variables of respondents and Possession of membership cards are not significantly associated

Table 4.5.4.2

Demographic variables of respondents and Possession of membership cards (Chi –square test)

Test statistics	Gender	Age	Religion	Educational qualification	Occupation	Income	Area of residence
N	150 150	31 84 63 58 44 20	163 28 109	23 23 34 20 91 109	36 13 27 81 49 1 26 2 60 5	14 43 83 73 38 19 16 14	150 150
Chi-square	1.234[a]	12.944[a]	7.347[a]	8.320[a]	10.399[a]	18.858[a]	9.522[a]
df	1	5	2	5	9	7	1
P –value	.267	.024	.025	.139	.319	.009	.002

Gender and possession of membership cards

To find out the association between gender and Possession of membership cards, Chi-square test is used.

Data analysis shows that P-value is higher than significance level of .05, hence null hypothesis is accepted. It can be concluded that gender and possession of membership cards are not significantly associated.

Age and possession of membership cards

To test the association between age and Possession of membership cards, Chi-square test is used.

Data analysis shows that P-value is less than significance level of .05; hence null hypothesis is rejected. It can be concluded that gender and possession of membership cards are significantly associated.

Religion and possession of membership cards

To find out the association between religion and possession of membership cards, Chi-square test is used.

Data analysis shows that P-value is less than significance level of .05, hence null hypothesis is rejected. It can be concluded that religion and possession of membership cards are significantly associated.

Educational qualification and possession of membership cards

Chi-square test is used to test the association between educational qualification and possession of membership cards.

Data analysis shows that P-value is higher than significance level of .05; hence null hypothesis is accepted. It can be concluded that educational qualification and possession of membership cards are not significantly associated.

Occupation and possession of membership cards

Association between occupation and Possession of membership cards is tested using Chi-square test.

Data analysis shows that P-value is higher than significance level of .05; hence null hypothesis is accepted. It can be concluded that occupation and possession of membership cards are not significantly associated.

Income and possession of membership cards

Chi-square test is used to test the association between income and possession of membership cards.

Data analysis shows that P-value is less than significance level of .05, hence null hypothesis is rejected. It can be concluded that income and possession of membership cards are significantly associated.

Urban vs. Rural and possession of membership cards

Association between area of residence and possession of membership cards is tested using Chi-square test.

Data analysis shows that P-value is less than significance level of .05, hence null hypothesis is rejected. It can be concluded that area of residence and possession of membership cards are significantly associated.

SECTION 4.6 PERCEPTIONS OF CONSUMERS ON MODERN RETAIL STORES

Store satisfaction of consumers may be influenced by their perception on modern stores. Store satisfaction in turn may influence the store choice decision of consumers. Hence perception of the respondents has been measured. Different statements have been given to measure the perceptions of respondents. Opinion of respondents on variety, quality and price of grocery and apparel available in modern retail stores have also been checked.

Level of agreement on the various statements related to the perception on modern stores is given in the Table 4.6.1.

Table 4.6.1

Level of agreement to the statements related to perception on modern retail stores

Attributes	Strongly disagree	disagree	Neither agree nor disagree	Agree	Strongly agree
Prices are lower in modern stores	46 (15.33%)	97 (32.33%)	98 (32.67%)	52 (17.33%)	7 (2.33%)
Variety of products are more in modern stores	2 (0.67%)	3 (1.00%)	24 (8.0%)	199 (66.33%)	72 (24.00%)
More brands are available in modern stores	0 (0.00%)	5 (1.67%)	21 (7.00%)	193 (64.33%)	81 (27.00%)
Better quality products are available in modern stores	0 (0.00%)	16 (5.33%)	53 (17.67%)	179 (59.67%)	52 (17.33%)
Customer gets more choices in modern stores	0 (0.00%)	5 (1.67%)	26 (8.67%)	201 (67.00%)	68 (22.67%)
Customer can see and inspect all available brands and choosing the brand is easier	0 (0.00%)	5 (1.67%)	21 (7.00%)	189 (63.00%)	85 (28.33%)
Discounts are offered in modern stores	5 (1.67%)	12 (4.00%)	103 (34.33%)	143 (47.67%)	37 (12.33%)
Promotional offers are given to customers	3 (1.00%)	11 (3.67%)	91 (30.33%)	156 (52.00%)	39 (13.00%)

From the data it is clear that except for the variable, pricing, more number of respondents agree that modern stores are expected to provide the benefits given in the statements.

The advantages perceived by customers modern stores are the following:

- Variety of products
- Availability of more brands
- Better quality products
- More choices in modern stores
- Can see and inspect all available brands
- Discounts are offered
- Promotional offers

However, customers do not agree that prices are lower in modern stores.

It can be assumed that price is influential in purchasing behaviour of consumers. Hence a detailed analysis is needed to find out whether perceptions are different among consumers with different demographic profiles.

Sub-section 4.6.1 Difference of Perception on Modern Retail Stores among Different Demographic Groups

The statements on store related attributes were given to collect the perception of respondents. The statements are related to the price, quality, variety, availability of brands and convenience of shopping. Hypothesis is set to find the difference of perception on various statements related to modern retail stores among different demographic groups.

H19: Perceptions on modern retail storesdo not vary among respondents with different demographic profiles

Difference in Perception on the following statements among respondents with different genders, age, educational qualification, occupation, income and area of residenceare considered for testing.

1. Prices are lower in modern stores
2. Variety of products are more in modern stores
3. More brands are available in modern stores
4. Better quality products are available in modern stores
5. Customer can see and inspect all available brands and choosing the brand is easier
6. Promotional offers are given to customers

Perception on price and demographic variables of respondents

Mann Whitney test has been used to find out whether there exists significant difference among male and female respondents on perception of price in modern retail stores. Kruskal Wallis test is used to test the significant difference among various age, educational and income groups. The table 4.6.1.1gives results of analysis and test statistics.

Table 4.6.1.1

Perception on price and demographic variables of respondents

Test statistics	Gender	Age	Educational qualification	Income
N	150 150	31 84 63 58 44 20	23 23 34 20 91 109	14 43 83 73 38 19 16 14
Mean Rank	151.00 150.00	200.58 150.70 157.00 134.26 134.13 134.70	164.89 148.74 144.01 137.13 136.69 163.84	151.21 153.31 142.93 156.69 158.09 152.37 112.28 174.25
Mann-Whitney U	11175.000	-	-	-
Z	-.104	-	-	-
Chi-square	-	16.207	6.711	5.967
df	-	5	5	7
P –value	.917	.006	.243	.544

Perception on price and gender

The Mann Whitney-test gives a p- value of .917, which is higher than the significance level, .05.Therefore, null hypothesis is accepted at 5% significance level, and can be concluded that the perception of price in modern stores do not vary among male and female.

Perception on price and age

To test the variation in perception on price in modern retail stores among different age groups, Kruskal Wallis test is used.The results indicate that the perception among different age groups is not significant since chi-square value is 16.207 and p-value is

.006. Hence, null hypothesis is rejected. It can be concluded that perception on price in modern stores vary among different age groups.

Perception on price and educational qualification

Assuming that perception may vary among respondents with different educational qualification, Kruskal Wallis test has been used to test the variation.The result shows that perceptions among different educational groups are not much different since Chi-square value is 6.711 and corresponding p-value is .243 which is more than the .05. Hence null hypothesis is accepted .The perception on price in modern stores among respondents with different educational qualification does not vary.

Perception on price and income

Using Kruskal Wallis test, significant difference in the perception on price among different income groups was tested.Result of the Kruskal Wallis test shows that Chi-square value is 5.967 and corresponding p-value is .544 , which is higher than the significance level .05. Hence null hypothesis is accepted. The perception on price in modern stores does not vary among different income groups.

Perception on variety of products available in modern stores and demographic variables of respondents

Mann Whitney test has been used to find out whether significant difference exist among male and female on perception of variety of products available in modern retail stores. The table 4.6.1.2 gives results of analysis and test statistics.

Perception on variety of products available in modern stores and gender

The Mann Whitney-test gives a p- value of .179, which is higher than the significance level, .05.Therefore, null hypothesis is accepted at 5% significance level, and can be concluded that the perception of variety of products available in modern stores do not vary among male and female respondents.

Perception on variety of products available in modern stores and age

Tofind out the difference on perception on variety of products available in modern retail stores among different age groupsKruskal Wallis test is used.The results indicate that the perception among different age groups is not significant since chi-square value is 5.540 and p-value is .354. Hence, null hypothesis is accepted. It can be concluded that perception on variety of products available in modern stores do not vary among different age groups.

Table 4.6.1.2

Perception on variety of products available in modern stores and demographic variables of respondents

Test statistics	Gender	Age	Educational qualification	Income
N	150 150	31 84 63 58 44 20	23 23 34 20 91 109	14 43 83 73 38 19 16 14
Mean Rank	144.90 156.10	126.95 160.19 153.59 144.67 154.38 144.95	136.39 183.07 125.97 143.75 153.38 153.09	142.11 141.80 139.22 155.79 164.66 158.79 163.53 160.32
Mann-Whitney U	10409.500	-	-	-
Z	-1.343	-	-	-
Chi-square	-	5.540	9.927	5.713
df	-	5	5	7
P –value	.179	.354	.077	.574

Perception on variety of products available in modern stores and educational qualification

Assuming that perception may vary among respondents with different educational qualification, Kruskal Wallis test has been used to test the variation.The result shows that perception among different educational groups is not much different since Chi-square value is 9.927 and corresponding p-value is.077 which is more than the .05. Hence null hypothesis is accepted. The perception on variety of products available in modern stores among respondents with different educational qualification does not vary.

Perception on variety of products available in modern stores and income

Using Kruskal Wallis test, significant difference in the perception on variety of products available among different income groups was tested. Result of the Kruskal Wallis test shows that Chi- square value is 5.713 and corresponding p-value is .574, which is higher than the significance level .05. Hence null hypothesis is accepted. The perception on variety of products available in modern stores does not vary among different income groups.

Perception on availability of more brands in modern retail stores and demographic variables of respondents

Mann Whitney test has been used to find out the whether there is any significant difference among males and females on perception of availability of more brands in modern retail stores. The table 4.6.1.3gives results of analysis and test statistics for both groups.

Table 4.6.1.3

Perception on availability of more brands in modern retail stores and demographic variables of respondents

Test statistics	Gender	Age	Educational qualification	Income
N	150 150	31 84 63 58 44 20	23 23 34 20 91 109	14 43 83 73 38 19 16 14
Mean Rank	148.46 152.54	126.87 166.48 152.29 143.45 142.75 151.90	132.87 177.91 130.68 151.90 152.92 152.34	146.86 142.81 149.57 155.78 159.05 132.68 135.31 174.07
Mann-Whitney U	10627.000	-	-	-
Z	-.982	-	-	-
Chi-square	-	8.289	7.213	4.676
df	-	5	5	7
P –value	.326	.141	.205	.699

Perception on availability of more brands in modern retail stores and gender

The Mann Whitney-test gives a p- value of .917, which is higher than the significance level, .05.Therefore, null hypothesis is accepted at 5% significance level, and thus concluded that the perception of availability of more brands in modern stores do not vary among male and female respondents.

Perception on availability of more brands in modern retail stores and age

Kruskal Wallis test is used to find out the variation in perception of availability of more brands in modern retail stores among different age groups. The results indicate that the perception among different age groups is not significant since chi-square value is 8.289 and p-value is .141. Hence, null hypothesis is accepted. It can be concluded that perception on availability of more brands in modern stores does not vary among different age groups.

Perception on availability of more brands in modern retail stores and educational qualification

Assuming that perception may vary among respondents with different educational qualification, Kruskal Wallis test has been used to test the variation. The result shows that perception among different educational groups is not much different since Chi-square value is 7.213 and corresponding p-value is .205 which is more than the .05. Hence null hypothesis is accepted . The perception on availability of more brands in modern stores among respondents with different educational qualification does not vary.

Perception on availability of more brands in modern retail stores and income

Using Kruskal Wallis test, significant difference in the perception on availability of more brands among different income groups was tested. Result of the Kruskal Wallis test shows that Chi- square value is 4.676 and corresponding p-value is .699 , which is higher than the significance level .05. Hence null hypothesis is accepted. The perception on availability of more brands in modern stores does not vary among different income groups.

Perception on quality of products available in modern retail stores and demographic variables of respondents

Mann Whitney test has been used to find out the significant difference among male and female on perception of quality of products availablein modern retail stores. The table 4.6.1.4 gives results of analysis and test statistics for various groups.

Table 4.6.1.4

Perception on quality of products available in modern retail stores and demographic variables of respondents

Test statistics	Gender	Age	Educational qualification	Income
N	150 150	31 84 63 58 44 20	23 23 34 20 91 109	14 43 83 73 38 19 16 14
Mean Rank	154.43 146.57	139.11 170.48 143.86 141.74 135.76 163.00	122.17 162.41 135.41 151.43 147.72 160.82	134.11 154.57 154.03 162.25 141.88 129.08 144.44 131.61
Mann-Whitney U	10660.500	-	-	-
Z	-.890	-	-	-
Chi-square	-	9.830	7.150	5.596
df	-	5	5	7
P –value	.373	.080	.210	.588

Perception on quality of products available in modern retail stores and gender

The Mann Whitney-test gives a p- value of .373, which is higher than the significance level, .05.Therefore, null hypothesis is accepted at 5% significance level, and thus concluded that the perceptions of quality of products available n modern stores do not vary among male and female respondents.

Perception on quality of products available in modern retail stores and age

Kruskal Wallis test is used to test the difference in perception on quality of products available in modern retail stores among different age groups.The results indicate that the perception among different age groups is not significant since chi-square value is 9.830 and p-value is .080. Hence, null hypothesis is accepted. It can be concluded that perception on quality of products available n modern stores does not vary among different age groups.

Perception on quality of products available in modern retail stores and educational qualification

Assuming that perception may vary among respondents with different educational qualification, Kruskal Wallis test has been used to test the variation.The result shows that perception among different educational groups is not much different since Chi-square value is 7.150 and corresponding p-value is .210 which is more than the .05. Hence null hypothesis is accepted. The perception on quality of products availablein modern stores among respondents with different educational qualification does not vary.

Perception on quality of products available in modern retail stores and income

Using Kruskal Wallis test, significant difference in the perception on quality of products available among different income groups was tested. Result of the Kruskal Wallis test shows that Chi- square value is 5.596 and corresponding p-value is .588, which is higher than the significance level .05. Hence null hypothesis is accepted. The perception on quality of products available in modern stores does not vary among different income groups .

Perception on possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores and demographic variables of respondents

Mann Whitney test has been used to find out any significant difference among male and female respondents on perception of possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores. The table 4.6.1.5 gives results of analysis and test statistics for various groups.

Table 4.6.1.5

Perception on possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores and demographic variables of respondents

Test statistics	Gender	Age	Educational qualification	Income
N	150 150	31 84 63 58 44 20	23 23 34 20 91 109	14 43 83 73 38 19 16 14
Mean Rank	149.69 151.31	120.71 152.68 153.98 164.07 143.95 151.60	108.13 171.43 132.44 141.55 155.64 158.01	121.71 153.84 146.34 163.60 157.89 144.32 148.69 115.79
Mann-Whitney U	11128.000	-	-	-
Z	-.190	-	-	-
Chi-square	-	7.544	13.275	8.370
df	-	**5**	5	7
P –value	.849	.183	.021	.301

Perception on possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores and gender

The Mann Whitney-test gives a p- value of .849, which is higher than the significance level, .05.Therefore, null hypothesis is accepted at 5% significance level, and concluded from the analysis that the perception of possibility of seeing and inspecting the brands which make the choosing easier in modern stores do not vary among male and female respondents.

Perception on possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores and age

Difference in perception on possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores among different age groups was tested using Kruskal Wallis test. Kruskal Wallis test results indicate that the perceptions among different age groups are not significant since chi-square value is 7.544 and p-value is .183. Hence, null hypothesis is accepted. It can be concluded that perception on possibility of seeing and inspecting the brands which make the choosing easier in modern stores does not vary among different age groups.

Perception on possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores and educational qualification

Assuming that perception may vary among respondents with different educational qualification, Kruskal Wallis test has been used to test the variation.The result shows that perception among different educational groups is not much different since Chi-square value is 13.275 and corresponding p-value is .021, which is less than the .05. Hence null hypothesis is rejected. The perception on possibility of seeing and inspecting the brands which make the choosing easier in modern stores among respondents with different educational qualification vary.

Perception on possibility of seeing and inspecting the brands which make the choosing easier in modern retail stores and income

Using Kruskal Wallis test, significant difference in the perception on possibility of seeing and inspecting the brands which make the choosing easier among different income groups was tested.Result of the Kruskal Wallis test shows that Chi- square value is 8.370 and corresponding p-value is.301, which is higher than the significance level .05. Hence null hypothesis is accepted. The perception on possibility of seeing and inspecting the brands which make the choosing easier in modern stores does not vary among different income groups.

Perception on promotional offers given in modern retail stores and demographic variables of respondents

Mann Whitney test has been used to find out whether there is significant difference among male and female respondents on perception of promotional offers givenin modern retail stores. Test result is shown in the Table 4.6.1.6

Table 4.6.1.6

Perception on promotional offers given in modern retail stores and demographic variables of respondents

Test statistics	Gender	Age	Educational qualification	Income
N	150 150	31 84 63 58 44 20	23 23 34 20 91 109	14 43 83 73 38 19 16 14
Mean Rank	151.03 149.97	143.81 163.36 157.43 140.37 143.33 130.20	126.26 168.24 131.94 163.68 144.85 159.96	123.29 159.98 153.08 150.49 154.76 154.76 128.75 140.86
Mann-Whitney U	11170.000	-	-	-
Z	-.117	-	-	-
Chi-square	-	5.569	7.789	3.957
df	-	5	5	7
P –value	.907	.350	.168	.785

Perception on promotional offers and gender

The Mann Whitney-test gives a p- value of .907, which is higher than the significance level, .05.Therefore, null hypothesis is accepted at 5% significance level. It can be concluded from the analysis that the perception of promotional offers given in modern stores do not vary among male and femalerespondents.

Perception on promotional offers and age

Another test was done to check the variation in perception on promotional offers of modern retail stores among different age groups. The results indicate that the perception among different age groups is not significant since chi-square value is 5.569 and p-value is .350. Hence, null hypothesis is accepted. It can be concluded that perception on promotional offers given in modern stores does not vary among different age groups.

Perception on promotional offers and educational qualification

Assuming that perception may vary among respondents with different educational qualification, Kruskal Wallis test has been used to test the variation. The result shows that perception among different educational groups is not much different since Chi-square value is 7.789 and corresponding p-value is .168 which is more than the .05. Hence null hypothesis is accepted. The perception on promotional offers given in modern stores among respondents with different educational qualification does not vary.

Perception on promotional offers and income

Using Kruskal Wallis test, significant difference in the perception on promotional offers given among different income groups was tested. Result of the Kruskal Wallis test shows that Chi- square value is 3.957 and corresponding p-value is .785, which is higher than the significance level .05. Hence null hypothesis is accepted. The perception on promotional offers given in modern stores does not vary among different income groups .

Sub-section 4.6.2 Relationship between Perception and Store Satisfaction

Literature review shows that perception on modern retail stores and store satisfaction are correlated. Hence a hypothesis is being set to find out the correlation. Spearman Correlation was used to test the correlation between the variables.

H20: Perception on modern retail store and grocery store satisfaction are not correlated

Test result is shown in the Table 4.6.2.1

Table 4.6.2.1

Correlation between perception on modern retail store and grocery store satisfaction (Spearman Correlation)

Correlations		**Perception**	**Type of Grocery retail store selected**
Perception	Correlation Coefficient	1	-.265
	Sig.(2-tailed)		.000
	N	300	300
Satisfaction on modern grocery retail stores	Correlation Coefficient	-.265	1
	Sig.(2-tailed)	.000	
	N	300	300

Spearman correlation shows that p-value is less than .05 ie, .000, hence null hypothesis is rejected. It can be concluded that perception on modern retail stores and grocery store satisfaction are correlated

Hypothesis is also set to test the correlation between perception on modern grocery shop and store satisfaction. Spearman Correlation is used to test the correlation between the variables.

H21: Perception on modern retail store and apparel store satisfaction are not correlated

Test result is given in the Table 4.6.2.2

Table 4.6.2.2

Correlation between perception on modern apparel stores and store satisfaction (Spearman Correlation)

Correlations		Perception	Type of apparel retail store selected
Perception	Correlation coefficient	1	-.187
	Sig.(2-tailed)		.001
	N	300	300
Satisfaction on modern apparel retail stores	Correlation coefficient	-.187	1
	Sig.(2-tailed)	.001	
	N	300	300

Test result shows that significance level is below .05 ie, .001; hence null hypothesis is rejected. Spearman correlation shows that perception on modern retail stores and apparel store satisfaction are correlated.

SECTION 4.7 LEVEL OF STORE SATISFACTION AND FACTORS DISSATISFYING CONSUMERS

Customer satisfaction and store loyalty are directly related. If the consumer is satisfied with the various aspects, especially the services provided by the retailers, consumers would repeatedly go to the modern stores.

Sub-section 4.7.1Satisfaction Level of Modern Retail Grocery Stores

The respondents were asked to give their satisfaction level on modem grocery retail stores. Their level of agreement is given in the Table 4.7.1.1

Table 4.7.1.1

Satisfaction level on modern retail grocery stores

Satisfaction Level	Frequency	Percent	Cumulative Percent
Very Satisfied	45	15.0	15.0
Satisfied	219	73.0	88.0
Neither Satisfied nor Dissatisfied	26	8.7	96.7
Dissatisfied	7	2.3	99.0
Very Dissatisfied	3	1.0	100.0
Total	300	100.0	

Data indicates that majority of the respondents are satisfied with the modern grocery retail stores. While 15 percent of the respondents are very satisfied 73 per cent are satisfied. There are very few people who are not satisfied with the modern retail stores.

The respondents were also asked to give their satisfaction level on modem apparel retail stores. Their level of agreement is given in the Table 4.7.1.2

Table 4.7.1.2
Satisfaction level of modern apparel stores

Satisfaction Level	Frequency	Percent	Cumulative Percent
Very Satisfied	43	14.3	14.3
Satisfied	201	67.0	81.3
Neither Satisfied nor Dissatisfied	46	15.3	96.7
Dissatisfied	8	2.7	99.3
Very Dissatisfied	2	.7	100.0
Total	300	100.0	

Data shows that majority of the respondents are satisfied (67%) with the modern apparel retail stores and 14.3 per cent are very satisfied.

Subsection 4.7.2 Store Satisfaction and Grocery Retail Store Choice Decision

If the consumers are satisfied with the store, they will repeatedly patronise same store. Assuming that the store choice may be influenced by the level of satisfaction of consumers on grocery and apparel retail stores, the following hypotheses are set.

H 22: Store satisfaction and grocery retail store choice decision of consumers are not significantly associated

Chi-square test is used to find out the association between store satisfaction and grocery retail store choice decision. Test result is given in the Table 4.7.2.1

Table 4.7.2.1

Store satisfaction and grocery retail store choice decision of consumers (Chi-square test)

Satisfaction level	Type of store chosen		Chi-square	df	p-value
	Modern	Traditional			
Very satisfied	20	25	7.110	4	.130
Satisfied	123	96			
Neither satisfied nor dissatisfied	12	14			
Dissatisfied	1	6			
Very dissatisfied	2	1			
Total	158	142			

Data analysis shows a p-value of .130; hence null hypothesis is accepted. It can be concluded that store satisfaction and grocery retail store choice decision of consumers are not significantly associated.

Likewise, association between store satisfaction and apparel store choice decision were tested using Chi-square test.

H 23: Store satisfaction and apparel retail store choice decision of consumers are not significantly associated

Test result is given in the Table 4.7.2.2

Table 4.7.2.2

Store satisfaction and apparel retail store choice decision of consumers (chi-square test)

Satisfaction level	Type of store chosen		Chi-square	df	p-value
	Modern	Traditional			
Very satisfied	29	14	3.374[a]	4	.497
Satisfied	137	64			
Neither satisfied nor dissatisfied	26	20			
Dissatisfied	5	3			
Very dissatisfied	2	0			
Total	199	101			

Test result shows a p-value of .497, hence null hypothesis is accepted. It can be concluded that store satisfaction and apparel retail store choice decision of consumers are not significantly associated. Though most of them are satisfied, there are many factors which dissatisfy the consumers.

Sub-section 4.7.3 Dissatisfaction and Store Format Selection

Respondents were given a table of statements related to dissatisfaction on modern retail stores. It is found that satisfaction level of consumers is high on the modern retail stores. But it is relevant to know whether they have to face any situations which make them dissatisfied. From the literature review it was found that some factors are dissatisfying the consumers. It can be assumed that the consumers go to modern and traditional retail stores equally because they may not be getting all the benefits they expect from modern stores. It is found in the primary data analysis that those who have international exposure or outside exposure have more expectation about the benefits they receive from modern stores.

Level of dissatisfaction of modern grocery retail stores has been measured by providing certain statements indicating factors which may dissatisfy the consumers. Their level of agreement is has been shown in the Table 4.7.3.1

Table 4.7.3.1

Level of dissatisfaction of modern grocery retail stores

Particulars	**Level of dissatisfaction**					
	Almost Always	**Often**	**Sometimes**	**Rarely**	**Almost Never**	**Total**
Small size of the store	14 (4.7%)	34 (11.3%)	100 (33.3%)	122 (40.7%)	30 (10%)	300 (100%)
Shortage of items	3 (1%)	24 (8%)	114 (38%)	130 (43.3%)	29 (9.7%)	300 (100%)
Some brands are not available	9 (3%)	31 (10.3%)	122 (40.7%)	121 (40.3%)	17 (5.7%)	300 (100%)
Poor quality of products	3 (1%)	19 (6.3%)	69 (23%)	154 (51.3%)	55 (18.3%)	300 (100%)
High price of products	42 (14%)	55 (18.3%)	114 (38%)	72 (24%)	17 (5.7%)	300 (100%)
Billing problems	8 (2.7%)	47 (15.7%)	90 (30%)	120 (40%)	35 (11.7%)	300 (100%)
Lack of parking facility	24 (8%)	53 (17.7%)	93 (31%)	111 (37%)	19 (6.3%)	300 (100%)
Crowd in the store	15 (5%)	63 (21%)	125 (41.7%)	76 (25.3%)	21 (7%)	300 (100%)
Poor service of salesperson	9 (3%)	27 (9%)	109 (36.3%)	120 (40%)	35 (11.7%)	300 (100%)

Factors which dissatisfy most of the consumers are high price, lack of parking facility, small size of the store and crowd in the grocery retail stores.

Dissatisfactions were expressed by many respondents:

- high price: 70%
- lack of parking facility: 57%
- crowd in the apparel retail stores: 68%
- small size of the store: 49.3 %

Though the respondents are satisfied with some of the facilities and attributes of grocery stores, presence of dissatisfying factors are critical. Some of these dissatisfying factors may be the reasons for the slow growth of modern retail industry in India.

Level of dissatisfaction of modern apparel retail stores has been measured by providing certain statements indicating dissatisfying factors. Their level of agreement has been shown in the Table 4.7.3.2

Table 4.7.3. 2

Level of dissatisfaction of modern apparel retail stores

Particulars	**Level of dissatisfaction of modern apparel stores**					
	Almost Always	**Often**	**Sometimes**	**Rarely**	**Almost Never**	**Total**
Small size of the store	12 (4%)	27 (9%)	73 (24.3%)	141 (47%)	47 (15.7%)	300 (100%)
Shortage of items	1 (0.3%)	26 (8.7%)	86 (28.7%)	141 (47%)	46 (15.3%)	300 (100%)
Some brands are not available	9 (3%)	43 (14.3%)	72 (24%)	139 (46.3%)	37 (12.3%)	300 (100%)
Poor quality of products	5 (1.7%)	16 (5.3%)	49 (16.3%)	166 (55.3%)	6 4(21.3%)	300 (100%)
High price of products	41 (13.7%)	96 (32%)	72 (24%)	73 (24.3%)	18 (6%)	300 (100%)
Billing problems	8 (2.7%)	27 (95)	60 (20%)	160 (53.3%)	45 (15%)	300 (100%)
Lack of parking facility	13 (4.3%)	45 (15%)	79 (26.3%)	129 (43%)	34 (11.3%)	300 (100%)
Crowd in the store	19 (6.3%)	63 (21.0%)	105 (35%)	91 (30.3%)	22 (7.3%)	300 (100%)
Poor service of salesperson	8 (2.7%)	26 (8.7%)	87 (29%)	129 (43%)	50 (16.7%)	300 (100%)

Factors which dissatisfy consumers are high price and crowd in the apparel retail stores.

- high price: 70 %
- crowd in the apparel retail stores: 62 %

Though the respondents are satisfied with some of the facilities and attributes of apparel stores, there are certain other factors which dissatisfy the respondents.

Factors dissatisfying the consumers may be the reasons for slow growth of modern retail industry in India.

Hypothesis has been set to find out the difference in store selection based on factors dissatisfying consumers.

H24:Significant difference does not exist among retail store selection based on factors dissatisfying respondents while selecting grocery retail stores

T test is used to find any significant difference among the dependent and independent variables. Test result is shown in the Table 4.7.3.3

Table 4.7.3.3

Dissatisfaction factors and grocery store format selection by the respondents (T-test)

Type of retail store	N	Mean	Std. Deviation	Std. Error Mean	t-value	p-value
Modern	158	30.2848	4.79263	.38128	0.597	0.551
Traditional	142	29.9296	5.50776	.46220		

Analysis shows that when reasons for dissatisfaction and apparel retail store selection have been cross tabulated, it is found that mean and standard deviation are almost very close. Much difference could not be found between the groups. Reasons for dissatisfaction expected by respondents in case of modern store and traditional store are very close. T-test has been used to find out the difference among modern and traditional stores.

In t-test for equality of means, variation could not be seen .T-statistic is almost same and corresponding degrees of freedom are very close. P-value is .551; hence null hypothesis is accepted. It can be concluded that there is no significant difference between the factors dissatisfying respondents on modern and traditional grocery retail stores.

H25:Significant difference does not exist among retail store selection based on factors dissatisfying respondents while selecting apparel retail stores

T test is used to find any significant difference among the dependent and independent variables. Test result is shown in the Table 4.7.3.4

Table 4.7.3.4

Dissatisfaction factors and apparel store format selected by the respondents (T-test)

Type of retail store	N	Mean	Std. Deviation	Std. Error Mean	T - value	p-value
Modern	199	31.4523	5.32067	.37717	0.629	0.530
Traditional	101	31.0396	5.47525	.54481		

Analysis shows that when reasons for dissatisfaction and apparel retail store selection have been cross tabulated, it was found that mean and standard deviation are almost very close. Much difference could not be found between the groups. Reasons for dissatisfaction expected by respondents in case of modern store and traditional store are very close. T-test has been used to find out the difference among modern and traditional stores.

T-statistic is .629 and p-value is .530; hence null hypothesis is accepted. It can be concluded that there is no significant differences between the factors of dissatisfaction among respondents on modern and traditional apparel retail stores.

SECTION 4.8 LEVEL OF EXPOSURE

Sub-section 4.8.1Level of Exposure and Opinion on Size and Ambience of Modern Retail Stores in Cochin

Assuming that respondents who have visited modern retail stores outside Kerala may have different expectations and attitude towards retail stores in Cochin/Kerala, information was collected from such respondents. The concept of modern retailing has emerged in western countries, and they provide wide range of facilities to customers. Respondents who have visited and lived in foreign countries may have different expectations. Respondents who have out side exposure could give comparative opinion on size and aesthetics of retail stores in Cochin.

Out of 300 samples, 119 have visited modern stores in India outside Kerala and 51 have lived in foreign countries. So the total of 170 cases was valid. Hence their opinions were considered for comparison. Data on influence of level of exposure on size of modern retail stores is furnished in Table 4.8.1.1

Table 4.8.1.1

Level of exposure and opinion on size of modern retail stores in Cochin

Size of modern stores in Cochin	National and international exposure		Total
	National	International	
Very small	10	4	14
Small	56	29	85
The same	38	8	46
Bigger	11	9	20
Much bigger	4	1	5
Total	119	51	170

Data shows that majority of the respondents (58%) who are exposed toretail stores out sidehave the opinion that modern stores in Cochin arevery small or small compared to stores outside.

Data on influence of level of exposure on ambience of modern retail stores is furnished in Table 4.8.1.2

Table 4.8.1.2

Level of exposure and opinion on ambience of modern retail stores in Cochin

Ambience of modern stores in Cochin	National and international exposure		Total
	National	International	
More attractive	8	1	9
Attractive	50	25	75
The same	42	10	52
Less attractive	19	15	34
Total	119	51	170

Data shows that most of the respondents (80%) who are exposed to modern stores outside have the opinion that modern stores in Cochin are attractive or as good as those outside.

Since difference was noticed among the respondents with different levels of exposure, it was tested to find out the difference in opinion on size of retail stores in Cochin among them.

H26: There is no significant difference in the opinion on size of retail stores in Cochin among the respondents with different levels of exposure to modern retail stores.

Hypothesis is being set and applied Mann Whitney test to find out the significant difference among the variables. Test result is shown in the Table 4.8.1.3

Table 4.8.1.3

Level of exposure and opinion on size of modern retail stores in Cochin

(Mann-Whitney test)

Level of exposure	N	Mean Rank	Sum of ranks	Mann Whitney U	Z	P-value
National	119	86.59	10304.50	2904.500	-.479	.632
International	51	82.95	4230.50			
Total	218					

Mann Whitney test has been done to find out the difference among various respondents in their opinion on size of stores in Cochin. P-value is higher than .05. Hence null hypothesis has been accepted. There is no difference in the opinion on size of modern stores among the respondents with different national and international exposure.

Since difference was noticed among the respondents with different level of exposure, it was tested to find out the difference in the opinion on ambience of retail stores in Cochin among them.

H27: There is no significant difference on opinion on ambience of retail stores in Cochin among the respondents with different levels of exposure to modern retail stores.

Hypothesis was set and Mann Whitney test was applied to find out the significant difference among the variables. Test result is shown in the Table 4.8.1.4

Table 4.8.1.4

Level of exposure and opinion on ambience of modern retail stores in Cochin (Mann-Whitney test)

Level of exposure	N	Mean Rank	Sum of ranks	Mann Whitney U	Z	P-value
National	119	83.59	9947.50	2807.500	-.824	.410
International	51	89.95	4587.50			
Total	218					

Test result shows that p-value is 0.410, which is higher than .05 significance level. Hence null hypothesis is accepted. It can be concluded that respondents with national and international exposure have no difference of opinion about ambience of modern retail stores in Cochin.

Sub – section 4.8.2 Level of Exposure and Opinion on Variety, Quality and Price of Grocery and Food Products in Modern Retail Stores

From the literature survey it is observed that most of the consumers go to modern retail stores because they get variety of products and brands, high quality products and low price. So the opinion of respondents who have visited retail stores outside the city of Cochin may have different attitudes towards in respect of these variables. Hypotheses are set to find the influence of these variables on the opinion on variety, quality and price.

ANOVA has been used to test the difference of opinion on variety among respondents with different level of exposure.

H28: There is no significant difference in the opinion on variety of grocery available in modern retail stores among respondents with different levels of exposure.

Test result is shown in the Table 4.8.2.1

Table 4.8.2.1

Level of exposure and opinion on variety of grocery and food products in modern retail stores (ANOVA)

Level of exposure	N	Mean	Std. Deviation	Std. Error	F	df	P - value
Local	130	1.0462	.21063	.01847	1.768	2	.173
National	119	1.0084	.09167	.00840			
International	51	1.0196	.14003	.01961			
Total	300	1.0267	.16138	.00932			

Out of 130 respondents who have visited modern stores in other cities in Kerala, 95.4% of the respondents have the opinion that modern retail stores have more variety of grocery and food items. Out of 119 respondents who have visited modern stores in India outside Kerala, 99.2% said more variety of grocery and food items can be seen in modern retail stores. Out of 51 respondents who lived in foreign countries, 98% said that more variety could be seen in modern grocery retail stores.

But to find out significant difference among them, ANOVA test has been used. Test result shows that P-value is higher than the significance level of .05. Hence null hypothesis had to be accepted. No significant difference is found out between respondents with local, national and international exposure on their opinion on variety of grocery and food products in modern retail stores.

ANOVA has been used to test the difference of opinion on price among respondents with different level of exposure.

H29: There is no significant difference on opinion on price of grocery available in modern retail stores among respondents with different levels of exposure

Test result is shown in the Table 4.8.2.2.

Table 4.8.2.2

Level of exposure and opinion on price of grocery and food products in modern retail stores (ANOVA)

Level of exposure	N	Mean	Std. Deviation	Std. Error	F	df	P - value
Local	130	1.4231	.49596	.04350	.197	2	.822
National	119	1.4034	.49265	.04516			
International	51	1.3725	.48829	.06837			
Total	300	1.4067	.49203	.02841			

To find out significant difference in opinion on price in modern grocery stores, ANOVA test has been used. Test result shows that P-value is higher than the significance level of .05. Hence null hypothesis had to be accepted. No significant difference is found out among respondents with local, national and international exposure on their opinion on price of grocery and food products in modern retail stores.

Hypothesis was set and tested to find out the difference in opinion on the quality of goods available in modern retail stores among respondents with different levels of exposure. ANOVA test is used.

H30: There is no significant difference on opinion on quality of grocery available in modern retail stores among respondents with different levels of exposure

Test result is shown in the Table 4.8.2.3

Table 4.8.2.3

Level ofexposureandopinion on quality of grocery and food products in modern retail stores(ANOVA)

Level of exposure	N	Mean	Std. Deviation	Std. Error	F	df	P - value
Local	130	1.1462	.35463	.03110	2.422	2	.090
National	119	1.0924	.29087	.02666			
International	51	1.0392	.19604	.02745			
Total	300	1.1067	.30920	.01785			

Test result shows that P-value is higher than the significance level of .05. Hence null hypothesis is accepted. No significant difference is seen among respondents with local, national and international exposure on their opinion on price of grocery and food products in modern retail stores.

Sub-section 4.8.3 Level of Exposure and Opinion on Variety, Quality and Price of Apparels in Modern Retail Stores.

Difference of opinion on variety of apparel available in modern retail stores among respondents with different levels of exposure was tested using ANOVA.

H31: There is no significant difference in opinion on variety of apparel available in modern retail stores among respondents with different levels of exposure

Test result is shown in the Table 4.8.3.1

Table 4.8.3.1

Local, national and international exposure and opinion on variety of apparel (ANOVA)

Level of exposure	N	Mean	Std. Deviation	Std. Error	F	df	P - value
Local	130	1.0846	.27939	.02450	2.340	2	.098
National	119	1.0588	.23629	.02166			
International	51	1.0000	.00000	.00000			
Total	300	1.0600	.23788	.01373			

To find out significant difference on opinion on variety of apparel available in modern grocery stores, ANOVA test has been used. Test result shows that P-value is higher than the significance level of .05. Hence null hypothesis had to be accepted. No significant difference could be found among those who have local, national and international exposure on their opinion on variety of apparels in modern retail stores.

Difference of opinion on price of apparel available in modern retail stores among respondents with different levels of exposure was tested using ANOVA.

H32: There is no significant difference in opinion on price of apparel available in modern retail stores among respondents with different levels of exposure

Test result is shown in the Table 4.8.3.2

Table 4.8.3.2

Level of exposure and opinion on price of apparels in modern retail stores (ANOVA)

Level of exposure	N	Mean	Std. Deviation	Std. Error	F	df	P - value
Local	130	1.5154	.50170	.04400	.718	2	.489
National	119	1.4706	.50124	.04595			
International	51	1.5686	.50020	.07004			
Total	300	1.5067	.50079	.02891			

To find out significant difference on opinion on price of apparel available in modern grocery stores, ANOVA test has been used. Test result shows that P-value is higher than the significance level of .05. Hence null hypothesis had to be accepted. No significant difference could be found among those who have local, national and international exposure on their opinion on price of apparels in modern retail stores.

Difference of opinion on quality of apparel available in modern retail stores among respondents with different levels of exposure was tested using ANOVA.

H33: There is no significant difference in opinion on quality of apparel available in modern retail stores among respondents with different levels of exposure

Test result is shown in the Table 4.8.3.3

Table 4.8.3.3

Level of exposure and opinion on quality of apparel stores (ANOVA)

Level of exposure	N	Mean	Std. Deviation	Std. Error	F	df	P - value
Local	130	1.1000	.30116	.02641	1.764	2	.173
National	119	1.1345	.34258	.03140			
International	51	1.0392	.19604	.02745			
Total	300	1.1033	.30490	.01760			

To find out significant difference on opinion on quality of apparel available in modern grocery stores, ANOVA test has been used. Test result shows that P-value is higher than the significance level of .05. Hence null hypothesis is accepted. No significant difference is seen among respondents with local, national and international exposure on their opinion on quality of apparels in modern retail stores.

CHAPTER - 5

Summary of Findings & Recommendations

Contents

5.1 INTRODUCTION

The major objective of the study was to identify the factors which influence the choice of modern stores among consumers in Kerala, with special reference to consumers in Ernakulam District. A consumer survey was conducted among 300 respondents in urban and rural areas of Ernakulam District, using stratified random sampling.

The focus of the research was to examine the demographic and store related factors which influence the choice of modern retail stores. The study also explored the consumers' responses and attitude to modern stores, their expectations about the relative advantage of modern stores over the traditional stores and their perceptions about these stores. Further, the study explored the consumers' brand loyalty to modern stores, their preference for private labels and their satisfaction level on two sectors: food and grocery and apparels, as these two categories account for much of the sales turnover in modern stores in India.

The pace of growth of modern retail format in the country has not been as good as expected and some of the chain stores have been closed down and several are incurring losses. The responses of consumers in Kerala towards modern retail formats have not been studied and the factors that influence consumers in choosing the modern stores have not been identified.

5. 2 SUMMARY OF FINDINGS

1. Modern retailing is at a nascent stage in India and analysis of secondary data reveals that the rate of growth of modern retail formats has been much less than what has been predicted.
2. Some of the chain stores in the country have been closed down recently and several are incurring losses
3. Consumer survey reveals that consumers have a definite preference for shopping in modern stores.
4. The study reveals that some demographic variables are relevant in the preference for modern stores. These include gender, age, income, occupation and education.
5. More men prefer to go to modern retail stores compared to women.
6. Respondents in the age group from 20 years to 50 years prefer to go to modern stores, compared to other groups.
7. Income groups ranging from Rs. 20,000 to Rs 60,000 prefer modern stores than other income groups.
8. Students, professionals and private employees prefer modern stores.
9. Preference for modern stores is more among urban consumers.
10. The more the people are educated, the more they prefer modern stores.
11. Majority of the respondents select modern retail stores to purchase grocery and apparels and most of them are of the opinion that modern retail stores are better than traditional stores.
12. More than half of the respondents visit modern stores very often or often.
13. The sources of influence in choosing modern stores are friends and family members.

14. Members influencing the choice of retail store vary among respondents with different demographic factors such as age, educational qualification, occupation and income.
15. Almost all children and majority of senior members in the family like to visit modern stores.
16. Age, educational qualification, religion, income and area of residence are significantly associated with shopping occasions.
17. Distance is always a limiting factor in store choice. Frequency of visit to the store is low for the rural consumer.
18. Majority of the respondents have the opinion that modern grocery retail stores offer better quality products, with more varieties
19. Retail format selection is influenced by the demographic variables such as income, educational qualification and area of residence.
20. Influence of store attributes in choosing modern stores varies according to demographic variables: income, gender, age, educational qualification and area of residence. Ambience and availability of service staff are influencing income groups. Opportunity for self service is influencing genders. Presence of facilities such as ATM/ Internet café is influencing age groups and educational groups.
21. Majority of the respondents agree that all the store attributes under study are attracting them towards the modern stores.
22. Study reveals that store attributes which attract consumers while choosing grocery and apparel retail stores do not vary in case of modern and traditional retail stores.
23. The consumers do not find any price advantage in modern retail outlets and the consumer perception is that the prices are higher in modern stores.
24. Perception and grocery store satisfaction level of consumers are correlated. But perception on price is not associated with the retail format selection.

25. Majority of respondents agree that modern stores provide benefits such as more variety, better quality, more brands and opportunity to touch and feel the products.
26. Perception on modern stores is not different among respondents with different demographic profiles.
27. Perception and store satisfaction are correlated.
28. Frequency of visit to the store, preference of a particular store and possession of membership card are considered to check whether the respondents are loyal to the modern retail stores. Majority of the respondents do not possess loyalty cards/membership card. This shows that store loyalty is low among these respondents. Possession of membership card is related to the gender, religion and income of respondents. Urban and rural respondents also show difference in possession of membership cards.
29. The preference for private label among the respondents was analysed and it was found that very few respondents prefer private labels.
30. Respondents with international exposure prefer modern stores and their frequency of visit is high compared to others.
31. Majority of the respondents are satisfied with the modern retail stores. But store satisfaction and retail store selection are not correlated.
32. Expectations of customers are not fully met by the modern retail stores. Expected benefits such as greater choice, better quality, better ambience and recreational facilities are not provided satisfactorily by the modern store formats.
33. High price, lack of parking facility, small size of the store and crowd in the grocery retail stores are found to be the major reasons for dissatisfaction.
34. A major problem with these stores is that the sizes of these stores are very small in terms of space, product and brand choice, business turn over, etc.

35. The uneconomical size limits their ability to offer better ambience, better products, brand choices, price advantage or other benefits expected by customers.
36. There is no significant difference among urban and rural consumers in their perception and attitude towards modern stores and stores attributes. These findings are relevant for both food and apparel stores, despite differences in the details.
37. On the whole, customers are not getting some of the critical benefits they expect from modern retail formats (such as price) and very few of the respondents have any brand loyalty to modern stores.

5.3 RECOMMENDATIONS

5.3.1 Strategy Suggestions for Retail Institutions

1. Almost all the major findings of the study have serious strategic implications for the corporate planners in modern retail institutions. Some of the more pertinent strategic implications are discussed here.
2. There has been a widely held belief that a retail format successful in one country cannot be transferred another country. The appreciation for the store attributes among the respondents in this study is a strong indication that the western retail formats such as supermarkets, hypermarkets, chain stores and malls are quite acceptable to the consumers. Evidently, store formats are becoming international and the western formats are acceptable to consumers in Kerala, and possibly to consumers in India.
3. Though majority of the respondents prefer to go to modern retail stores, the footfall in several malls and modern retail stores do not adequately reflect this positive attitude. Despite the positive valence towards modern stores, all of them do not patronise these stores. Something is missing. Perhaps they do not get the ‘shopping

experience' they expect. What is lacking could be the ambiance, more variety, better quality, more brands, opportunity to touch and feel the products or opportunities for entertainment. Store managements of particular stores need to get customer feedback through market research and position their stores for specific target groups.

4. Consumer expectations from modern retail stores are quite high. The study notes that the expectations of consumers are not being met fully by the modern retail formats. They expect improved quality and more number of brands, self-service, parking free of cost, customer care, home delivery, more spacious stores, more choice, more offers, display, drinking water, toilet facility, less waiting time, self-checkout, visual merchandising, ATM, eateries, option for return of goods, good ambience, more recreational facilities, more food varieties, fast billing, more cosmetic items, kids play area, less crowd, refreshment stalls, convenience in finding out products, rest rooms, credit card facility, swimming pool, trendy style, more discounts, standard products, more care to old aged customers, more convenient pathway, more games for cheaper rate, theatre, foreign goods, tastes of other countries, low price, kiosks for seconds sales, unique items, more variety of apparels, fresh items, trained sales staff to interact with consumers, baby's room, big trial room, toy shop and so on. The store management should strive to fulfil these expectations.

5. Small size of the store, crowd in the retail stores and lack of parking facility are the major reasons for consumer dissatisfaction. The limited store space in national retail chains such as More and Reliance Fresh are typical examples of modern retail supermarkets in the country. The leisurely ambiance expected by consumers in large format retail stores is lost on account of lack of retail infrastructure. Such limitations affect practically all aspects of store services, including product variety

and number of brands offered. These constraints reduce the opportunity for store loyalty and store visits. Corporate planners in the retail sector need to address these issues related to retail infrastructure.

6. Consumers expect low price at modern retail stores. Direct purchase from manufacturers and farm producers enable large format retailers and chain stores to offer products to the consumers at lower prices. This is the norm internationally. “Every day low price” policy of Wal-Mart is a case in point. However, the supply chains of several modern stores in India involve wholesale intermediaries. The relative small scale of operation of the typical modern stores in the country is the major constraint in direct procurement. Modern retail stores need to streamline their scale of operation and adopt direct purchases so as to transfer the price advantage to the consumers.
7. Consumer loyalty to modern stores is limited and very few customers have loyalty cards/ membership cards. Improvement in facilities and services at the store is the primary requirement to create loyal customers and store management should develop and implement loyalty programmes attractive to customers.
8. Very few customers prefer private labels. Since private labels are very critical for the profitability of the store, strategies are to be adopted for promotion of private labels. Perceived high price, low quality, low store image or some such factor is preventing acceptance for the retailers’ brand. Private brands have been accepted the world over by retail customers and there is no reason why the Indian customers do not accept it. The inhibiting factors have to be identified and appropriate marketing strategy has to be implemented.
9. It is the youngsters and the relatively elderly customers who have greater preference for modern stores. While defining the target customers of the stores, particular attention has to be given to the needs and expectations of these segments.

Merchandisers, for example, have to keep them in mind in category selection. Young customers expect opportunities for entertainment, food courts and related services, besides trendy brands, while the elderly customers look for leisurely ambiance.

10. The predominant sources of influence in choosing modern stores are friends and family members. Since youngsters are the major group preferring modern stores, these sources of influence are quite natural. They easily influence their friend and family members. The youth therefore becomes an ideal target audience for advertisements and other methods of store promotion. The use of social media and mobile advertisements would be particularly relevant to this group.

5.3.2 Policy Recommendations

11. A large array of small stores that characterises the traditional Indian retail structure creates a bottleneck in the Indian economy. This necessitates a multistage wholesale structure with a long chain of intermediaries. Together, the traditional small stores and the multistage wholesale structure create a distribution system that incurs high cost in marketing for the manufacturers and causes enormous wastage of farm products. The high cost and low productivity of the Indian distribution system is primarily on account of the petty shops at the bottom of the distribution pyramid. Fostering large format retailing in the country is an economic imperative.
12. The study reveals that there is a definite preference among consumers for modern retail formats. Expectations of consumers in India converge with those of their counterparts elsewhere in the world. They expect benefits such as better ambience, greater choice, better quality, recreational facilities and a shopping experience that is unique. They need all these at “every day low price.” This is what the large

format retailers can offer. The consumers mean the entire population of this country and their aspirations can not be ignored. Encouraging local entrepreneurship in modern retailing would help to fulfil the aspirations of the masses, who are consumers more than anything else.

13. The dissatisfaction of consumers with respect to modern stores relate to inadequate retail infrastructure, low size of the store and relatively low scale of operations. Low investment in the sector is the basic constraint. The investment needs of the retail sector should receive adequate attention of policy makers.
14. The Indian retail sector needs not only capital but technology as well. Technology and management skill for the retail sector need to come with international companies, as the country has little experience in large format retailing. Opening up the retail sector for entry of transnational corporations is necessary for retail development in the country.
15. The country needs retail infrastructure. Considerable investments are required to create logistic systems, hypermarkets and malls. Foreign investment is required for creating retail infrastructure. Foreign investment, even up to 100 percent, should be welcome in multi-brand retailing. If foreign investment comes, retail technology can not be far behind.

APPENDIX 2

Appendix 2

CONSUMER SURVEY

The data collected will be strictly confidential and will be used only for research purpose**.**

1. Demographic Profile

1.1 Name :

1.2 Gender : Male □ Female □

1.3 Age : Below 20 □ 20-30 □ 31 - 40 □ 41-50 □ 51-60 □ Above 60 □

1.4 Religion : Hindu □ Muslim □ Christian □ Others (specify)……………….

1.5 Educational Level of respondent : Below 10th standard □ 10th standard passed □ Plus 2/PDC □ Diploma/Technical □ Graduation □ Post Graduation □ Others (specify)…….

1.6 Number of members in family : ……..

1.7 Family members with professional qualifications (No) : Graduates □ Postgraduates □ Professionals (Doctors/ Engineers/CA) □ Technically Qualified □

1.8 Respondent's Role in the family: Male Head of Household □ Female Head of Household □ Daughter □ Son □ In law □ Grandparent □ Others (Specify)…………….

1.9 Occupation of the Respondent : Business □ Self Employed □ Govt. Employee □ Pvt. Employee □ Professional □ NRI □ Homemaker □ Planter □ Farmer □ Student □ Others (Specify)….. …..

1.10 Occupation of the principal income earner of family Business □ Self Employed □ Govt. Employee □ Pvt. Employee □ Professional □ NRI □ Homemaker □ Planter □ Farmer □ Others (Specify)….. …..

1.11 No. of NRIs in the family :

1.12 Employed persons in the family: Father □ Mother □ Children (Specify No.…….)

1.13 Monthly Income of the family : Below 10000 □ 10000-20000 □ 20001-40000 □ 40001-60000 □ 60001-80000 □ 80001- 100,000 □ 100,001- 200,000 □ Above 200,000 □

1.14 Place of Residence ………………………

1.15 Place of Residence is in: Corporation □ Municipality □ Panchayat □

2. Familiarity with modern stores

2.1 Are you familiar with modern retail stores? Yes□ No□

2.2 Have you visited any modern retail stores in Cochin? Yes□ No□

2.2.1 If yes, can you mention some modern stores you have visited in Cochin?

1. ………………….. 2. …………………….. 3……………………4…………………………

2.3 Which type of retail stores do you visit regularly to purchase grocery? Modern □ Traditional □ Both □

2.4 Which type of retail stores do you visit regularly to purchase apparels? Modern □ Traditional □ Both □

2.5 How often do you visit modern stores?

Very often □ Often □ Sometimes □ Once in a while □ On rare occasions □

2.6 Do you think modern stores are better than traditional stores? Yes□ No□

2.7 Have you visited any modern retail store in any other city /town in Kerala? Yes□ No□

2.7.1 If yes, mention the city/town 1 ………………….2…………………….3…………………………
2.8 Have you visited any modern store in city in India outside Kerala? Yes□ No□
2.8.1 If yes, mention the city/town ………………
2.9 Have you lived in any foreign country? Yes□ No□
2.9.1 If yes, mention the country …………….
[If familiar with modern store outside Kerala]
2.10 How do you compare the size of modern stores in Cochin with the modern stores in other places?
Very Small □ Small □ The same □ Bigger □ Much bigger □
2.11 How do you compare the Aesthetics/ ambience of modern stores in Cochin with the modern stores in other places? More attractive □ Attractive □ The same □ Less attractive □ Not at all attractive □
2.12 What additional facilities would you like to have in a modern retail store in Cochin?
1………………….2………………3……………………4…………………………..

3. Food Products & Garments

3.1 How often do you purchase grocery and food items from modern stores?
Very often □ Often □ Sometimes □ Once in a while □On rare occasions □
3.2 Why do you prefer to buy grocery and food from modern retail stores?
1……………… 2…………….. 3…………………… 4……………………………
3.3 Do you find more variety of grocery and food products and more brands in modern stores? Yes □ No□
3.4 Do you find the prices of grocery and food products more attractive in modern stores? Yes □ No□
3.5 Do you find the quality of grocery and food products better in modern stores? Yes □ No□
3.6 Do you go to modern stores to purchase garments? Yes □ No□
3.6.1 If yes, how often? Very often □ Often □ Sometimes □ Once in a while □ On rare occasions □
3.7 Do you prefer to buy garments from any particular modern store? Yes □ No □
3.7.1 If yes, please mention the store/s 1……………….2……………………3……………………………..
3.8 Do you frequently buy these items from these preferred stores? Yes □ No □
3.9 Why do you prefer to buy apparels from the modern stores?
1…………………. 2………………… 3……………………4………………………….
3.10 Do you find more variety and styles for apparels in modern stores? Yes □ No □
3.11 Do you find the prices of apparels more attractive in modern stores? Yes □ No□
3.12 Do you find the quality of apparels better in modern stores? Yes □ No□

4. Store Loyalty

4.1 Do you prefer to buy any items from any particular modern store? Yes□ No□
4.1.1 If yes, which store/s 1………………….2……………………..3…………………4……………………..….
4.2 Do you frequently buy these items from these preferred stores? Yes□ No□
4.3 Do you have a membership card in any of these stores? Yes□ No□
4.3.1 If yes, in which store? 1. ………………2……………………3…………………4…………………………
4.3.2 If yes, do you get any benefit from membership card? Yes□ No□
4.3.3 If yes, please specify 1……………….2……………………..3…………………4…………………………
4.4 Do the stores you visit offer private label? Yes □ No□
4.5 Do you prefer to buy private labels compared to other brands? Yes □ No□
4.5.1 If yes, specify the advantage 1…………………… 2…………….………3……………………….
4.6 Do you think that distance to the store is a limiting factor to travel to modern retail stores? Yes □ No□

5. Factors Influencing Choice of Modern Stores
5.1 Who influenced / encouraged you initially to visit a modern store?
Friends □ Peer groups □ Neighbors □ Family members □ Relatives □
5.2 Do children / youngsters in the family like to go to modern stores? Yes □ No□
5.3 Do senior members of the family like to shop in the modern store? Yes □ No□
5.4 Do children / youngsters in the family encourage others to go for shopping in modern stores? Yes □ No□
5.5 What attracts you and your family members to shop in modern stores?
1…………………2………………….. 3……………………4…………………………

5.6 On what occasions do you go to modern stores?

On special shopping occasions ☐ On festivals ☐ On regular basis ☐

6. Perception

Indicate your level of agreement with the following statement on a 5 –point scale (by putting **X** mark in the appropriate box). SD – Strongly Disagree, D – Disagree, NA/ND –Neither Agree Nor Disagree, A – Agree, SA – Strongly Agree

Sl. No.	Attributes	SD	D	NA/ ND	A	SA
1	Prices are lower in modern stores					
2	Variety of products are more in modern stores					
3	More brands are available in modern stores					
4	Better quality products are available in modern stores					
5	Customer gets more choices in modern stores					
6	Customer can see and inspect all available brands and choosing the brand is easier					
7	Discounts are offered in modern stores					
8	Promotional offers are given to customers					

7. Store related factors

Which of the following factors related to modern stores attract you to these stores? Indicate your degree of agreement on each factor on a 5 –point scale **(Put X mark in the relevant column)** SD – Strongly Disagree, D – Disagree, NA/ND –Neither Agree Nor Disagree, A – Agree, SA – Strongly Agree

S l. No	Store Attributes	SD	D	NA / ND	A	SA
1	Aesthetics/ ambience					
2	Attractive display of items					
3	Easy to locate products					
4	Opportunity for self service					
5	Spacious, clean and less crowded					
6	Availability of services of sales staff					
7	Fast and proper billing					
8	Convenient location					
9	Parking space					
10	Home delivery					
11	Facilities for recreation / entertainment					
12	Other facilities like ATM, Internet Cafe					

8. Level of satisfaction of Grocery, Food items and Apparels

8. 1Are you satisfied with the retail stores you visit to purchase grocery, food items and apparels? **(Put X mark in the relevant column)**VS – Very Satisfied, S – Satisfied, NS/ND – Neither Satisfied Nor Dissatisfied, D – Dissatisfied, VD –Very Dissatisfied

S l. No	Type of Product	VS	S	NS/ND	D	VD
1	Grocery & Food items					
2	Apparels					

8. 2 If you have any dissatisfaction with the modern supermarkets on any of the following aspects, please specify the aspects for dissatisfaction and indicate the degree of dissatisfaction on a five-point scale . **(Put X mark in the relevant column)**

S l. No	**Particulars**	**Almost always**	**Often**	**Some times**	**Rarely**	**Almost never**
1	Small size of the store					
2	Shortage of items					
3	Some brands are not available					
4	Poor quality of products					
5	High price of products					
6	Billing problems					
7	Lack of parking facility					
8	Crowd in the store					
9	Poor service of sales person					
10	Any other (specify)………					

8. 3 If you have any dissatisfaction with the modern apparel stores on any of the following aspects, please specify the aspects for dissatisfaction and indicate the degree of dissatisfaction on a five-point scale. **(Put X mark in the relevant column)**

S l. No	**Particulars**	**Almost always**	**Often**	**Some times**	**Rarely**	**Almost never**
1	Small size of the store					
2	Shortage of items					
3	Some brands are not available					
4	Poor quality of products					
5	High price of products					
6	Billing problems					
7	Lack of parking facility					
8	Crowd in the store					
9	Poor service of sales person					
10	Any other (specify)………					

APPENDIX- 3

LIST OF ARTICLES PUBLISHED IN VARIOUS MANAGEMENT JOURNALS

1. *Impact of Recession on Consumer Perception towards Modern Retail Formats in Kerala*, Erudition, vol 4, Issue 1 , April 2010, pp23-29
2. *Role of IT Enabled Services in Delivering Value to Indian Consumers*, PRACHOTHAN,Vol 1 Issue 1, May 2011, pp40-48
3. *Online Retailing : A New Dream of India*, VAIBHAVA,Vol 1, Issue 2, February 2014, pp 196- 200
4. *An Evaluation of Kerala as the Medical Tourism Destination – A Marketing Perspective*, Erudition,Vol 5 Issue 2, July 2011, pp 24-31

LIST OF PAPERS PRESENTED

1. *Rebranding and Repositioning Strategies of Products and Services: An Analysis*in the National Seminar on Strategic Marketing for the Emerging Environment organized by School of Management Studies, Cochin University of Science and Technology on 20-21 February 2009
2. *Role of IT Enabled Services in Delivering Value to Indian Consumers*in the National Seminar on Creating and Delivering Value for Customers organized by School of Management Studies, Cochin University of Science and Technology 0n 27-28 March 2009
3. *An Evaluation of Kerala as the Medical Tourism Destination – A Marketing Perspective*, in the International Seminar on "365 days destination" held on 18th& 19th March 2010 at School of Management Studies, Cochin University of Science and Technology
4. *An overview of Corporate Sustainability Approaches* in the International Workshop conducted by BMIM on 2nd and 3rd Aug, 2011
5. *Online Retailing: A New Dream of India*" in the International Conference organized by MCMAT on 23rd July 2012
6. *An overview on rupee depreciation and policy measures to overcome economic downturn in India* in the National Seminar organized by MES, Marampilly on 28th September 2013
7. *Indian Retail Industry – Growth, Opportunities and Challenges* in the National Seminar organized by KMM College, Thrikkakara on 25th March 2014

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