

CHAPTER I

INTRODUCTION

1.1 INTRODUCTION

Indian economy has transformed from an extensive controlled economy to a liberal market driven economy. High-income opportunities, changing attitude towards saving, international exposure and necessities of lifestyle are the key drivers for fast evolving Indian consumer behaviour (KSA Technopark, 2006). Indian retail industry is witnessing a paradigm shift as the sector is getting organized and consumers are seeking a one-stop shopping place with convenience and entertainment. Professionally managed and separately owned retail organizations are the face of today's retail sector. India is stepping into a new era of 'Retail Chains' from the traditional neighborhood 'Kirana Store'. Economic growth, changing lifestyles, urbanization, women's participation in economic activities and the spread of IT are the some of the key factors for the growth of the retail sector. With Liberalization, Privatization, Globalization and modernization, a modern competitive business is based on understanding the mind of the consumer and providing the king products and services that he wants. He is having multiple choices from unorganized retail to modern shopping experience. This is said that "the customer is the king", but he is not king, he is God, because king can die but customer never die in a business. This is important to know why customer prefers to buy. How does a customer buy it? When does a customer buy it? If retailer is able to match the customer expectations then he can improve his business.

The face of the Indian retail industry is changing. India is passing through a retail boom today. A number of changes have taken place on the Indian retail front such as increasing availability of international brands, increasing number of malls and hypermarkets and easy availability of retail space. With the Indian government having opened up the doors for FDI, the entry of foreign retailers into the country has become easier. India has come a long way from the traditional Kirana stores and is on its way to becoming a 'mall country'. The emphasis has shifted from reasonable pricing to convenience, efficiency and ambience.

The major factors fuelling this change are the increase in disposable income of the people, improving lifestyles, increasing international exposure and increasing awareness among the customers. India has a large middle class as well as youth population, which has contributed greatly to the retail phenomenon. The middle class is considered to be a major potential customer group. The youth are perceived as trend setters and decision makers. Tourist spending in India is increasing, which has also prompted the retail boom.

Food and grocery are the two categories in the Indian retail sector which offer the most promising opportunities. Apart from this, the other areas where there are vast possibilities for Indian retailers are jewellery, apparel and consumer durables. Indian retailers are also trying to create a niche for themselves in areas such as books, gifts and music.

1.2 SIGNIFICANCE OF THE STUDY

The Indian Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way. Purpose of this paper is to explain current scenario of Indian retail sector and identify the role of retail management.

1.3 STATEMENT OF THE PROBLEM

Indian retail industry has always played an important role in improving the GDP growth rate and lifestyle of the country. The industry which traditionally comprised of mom and pop stores spread hither and thither is in the revolutionary phase in the present era. The way retailing is done has come a long way with the emergence of organized or modern retail outlets. There are big players like Big Bazaar, Spencer's and Vishal Mega Mart to name a few who have changed the face of retailing in India. These modern retail outlets have enormous financial and technological

support as compared to the traditional and unorganized retail outlets. An attempt is made in this research to study the changing consumer behavior pattern towards local kirana stores by entrance of modern retail malls. All retailers follow that Customer is the king and customer is always right to please its customers. India is being looked as one of the most attractive host for retail developments. The development of malls in India has given a new meaning to retailing. Indian customer is exposed to completely new kind of shopping experience. The rising standard of living has opened new avenues for shopping.

1.4 OBJECTIVES OF THE STUDY

- To study the customer behaviour and satisfaction in relation to changing phase of retailing.
- To figure out customer perception about changed retail outlets.
- To understand preference of customers towards facilities provided by retail sector(organized and un organized)outlets for shopping needs.
- To realize the customer welfare measurement taken by retail outlets. And to study the facilities expected by the customers from traders.
- To understand the problems of the customers at an un-organized retail outlets.

1.5 SCOPE OF THE STUDY

The retail business specially has acquired a great significance in terms of contribution to economy, generation of employment, as well as expansion of marketing activity and more to satisfy the customer needs. Every research in retailing shall help to know about new theory & innovations in marketing, their applications in Indian context & limitations in implementation. The study shall help the policy makers to decide various policies relating to marketing and retails. The area of the study is Kannur District only hence the scope of the study is limited to Kannur District only.

1.6 RESEARCH METHODOLOGY

To study the impact of modern retail outlets on the traditional distribution system data is collected from the customers. The scope of the study is limited to the

residents of Kannur District. This city is developing as a metro city and as a hub for retail malls. Therefore it becomes necessary to understand the changing consumer behavior pattern in the city.

1.6.1 Sampling Area

Kannur District is the sampling area of the study.

1.6.2 Sample Technique

Sampling design is to clearly define set of objective, technically called the universe to be studied. Sampling technique used is simple random sampling method.

1.6.3 Sample Size

The sample of the study is customers' of retailers. The sample size is 50.

1.6.4 Sources Data

To gather the required information for this study, both secondary and primary source of data was used.

Primary Data

Active primary data was collected from the visitors of the malls. The sample was selected through convenience and random sampling. A structured questionnaire was developed after an extensive review of relevant literature and was used for collecting data through personal interviews.

Secondary Data

The information other than this was collected through traditional secondary sources like journals, news articles, websites and books Research Methodology To study the impact of modern retail outlets on the traditional distribution system data is collected from the customers.

Descriptive research is used for conducting the study, which includes the survey and fact finding enquires of different kinds. It is the simplest research which is a fact finding investigation. It provides information for formulating complex studies. The data needed for the study is collecting through questionnaire.

SAMPLING METHOD

The sampling method used for the study is non-probability sampling method. Under non-probability sampling method, convenience sampling was used. A convenience sampling method is where sample is taken from a group of people easy to contact or to reach.

TOOLS FOR ANALYSIS AND PRESENTATION OF DATA

The data collected from the respondents have been tabulated and presented:

Percentage analysis is used for data analysis and the graphical representation is done in bar charts and pie charts.

1.7 LIMITATION OF THE STUDY

1. Research is based on the information provided by the respondents
2. A detailed study could not be conducted owing to the time limit.
3. In spite of the entire cross checking measures employed by the investigator, cent percent accuracy of the data could not be ensured.
4. The study is based on the primary data collected through questionnaires, so limitations of the questionnaire method will also form the limitations of the study.

1.8 CHAPTER SCHEME

The study has been arranged into 5 chapters.

- The first chapter deals with introduction, statement of the problem, objectives, scope, research methodology and limitations of the study.
- The second chapter deals with Review of literature
- The third chapter deals with theoretical frame work.
- The Forth chapter includes analysis and interpretation of collected data.
- Fifth chapter deals with summary, findings, suggestions and conclusion of the study.