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Modern Retailing in the Sub-continent and its Various Facets: Evidence from Literature

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Abstract: *The concept of shopping from retail shopping malls is quite common in developed countries. This trend is new in developing countries more specifically in the sub-continent i.e. India, Pakistan and Bangladesh. Customers prefer retail shopping malls on small retail shops nowadays. This preference indicates the importance of current retailing trend. In retail shopping malls, there are the complexities because of the presence of multiple factors like restaurants, entertainment, luxurious environment, advanced customer service patterns, ever increasing sales promotion activities etc. These complexities open the doors for researchers to conduct studies. Today, the shopping is not just the shopping for different households living in the sub-continent, it has become an outing for them. This shift in retail industry is quite clear in urban areas. The people living in rural areas still purchase from small retail shops. Shopping malls provide variety of products not just for households but also for small retail shop-keepers, school canteens and so on. Existing literature is reviewed in order to highlight various facets of modern retailing in the sub-continent.*

Keywords: *Retail Industry, Small Retail Shops, Retail Shopping Malls, Urban Areas, Luxurious Environment, Advanced Customer Service Patterns, Sales Promotion Activities.*

I. INTRODUCTION

The concept of shopping from retail megastores is quite common in developed countries. The trend is now approaching the developing countries more specifically in the sub-continent i.e. India, Pakistan and Bangladesh. This shift in retail industry is changing the buying habits of consumers in big cities. The people nowadays prefer retail shopping malls rather than small retail shops. This preference indicates the importance of current retailing trend. Today, the shopping is not just the shopping for different households, it has become an outing for them. In retail shopping malls, there are the complexities because of the presence of multiple factors like restaurants, entertainment, luxurious environment, advanced customer service patterns, ever increasing sales promotion activities etc. These complexities open the doors for researchers to conduct studies.

This shift in retail industry is quite clear in urban areas. The people living in rural areas still purchase from small retail shops. Shopping malls provide variety of products not just for households but also for small retail shop-keepers, school canteens and so on and this is another facet of retail shopping malls. The trend of shopping from retail mega-stores is increasing at a rapid rate and it is being expected that this change would have a very positive impact over households as well as small retail shops. One of the key reasons behind this change is the increasing professionalism and increasing number of female workers in different industries. These kinds of customers definitely look for convenience in the shopping of grocery and other items, retail shopping malls are ideal for them. (Chandio, 2013)

The purpose of this paper is to highlight various facets of modern retailing in the sub-continent.

II. LITERATURE REVIEW

B.B. Goyal and Meghna Aggarwal (2009) conducted research on “Organized Retailing in India - An Empirical Study of Appropriate Formats and Expected Trends”. It is concluded in the research that majority of the customers of organized retail stores are professionals. They feel good while shopping because of the presence of variety of factors like pleasant ambience. Customers sometimes also visit the organized retail stores just to have fun and window shopping. It helps them to get rid of depression and daily routine for a while. In short, retail shopping is not just the shopping for the customers of today, it is also a source of entertainment and relaxation for them.

Prof. Sunita Mall and Prof. Gopabandhu Mishra (2010) conducted research on “A study on Consumer preference towards organized retail sector Of Bhubaneswar”. The aim of the research is to highlight the key factors that define the service quality which the customers expect in retail shopping malls. The research concludes that quality products and variety of products under one roof are the major factors that define the service quality which the customers expect in retail shopping malls. It is suggested in the research that salespersons should work intelligently in order to discover the preferences and wants of the customers in the mall as this factor plays an important role in retention of customers.

M. Gurusamy and N. Prabha (2011) conducted research on “A Study on Changing Consumer Preferences towards Organized Retailing from Unorganized Retailing”. One of the objectives of the research was to identify the factors due to which customers prefer organized retailing rather than unorganized retailing. It is concluded in the research that most of the customers are visiting retail shopping malls for variety of products. The customers expect additional features in organized retailing like restaurants and entertainment etc.

A. Hamil and Dr. X. Antony Thanaraj (2011) conducted research on “Impact of Supermarkets on Small Retailers in Indian Suburb”. The research is an attempt to identify the impact of supermarkets on the performance of small retailers. It is concluded in the research that supermarkets have a negative impact on the performance of small retail shops.

P. Ravilochanan and B. Shyamala Devi (2012) conducted research on “Analysis of Customer Preference in Organized Retail Stores”. This paper is an attempt to identify the factors influencing the choice of organized retail stores and the items which are the most preferred for the customers in organized retail settings. Beside other factors, researchers also indicated the importance of parking space as a factor which influence customers’ choice of organized retail stores. The customers belong to upper class usually spend week-ends in shopping with their families. They drive their own vehicles in order to reach the shopping malls and this is why the convenience in getting parking space is quite important for this kind of customers. By making the experience of car parking more and more convenient, managers and owners of organized retail shopping malls can attract a large number of customers.

Mohammad Abul Kashem and Mohammad Shahidul Islam (2012) conducted research on “Customers Satisfaction of Super Stores in Bangladesh - An Explorative Study”. The core aim of this research is to find out the factors that influence customer satisfaction in super stores. The study revealed that product factor, store service factor and customer facilities factor are the major factors that have an impact on customer satisfaction in super stores. The research suggested the owners of super stores to keep in mind these factors while making policies as this consideration can positively influence the performance of their stores.

Urvashi Gupta (2012) conducted research on “Impact of Organized Retail on Unorganized Sector: A Study In Jammu Region”. As the title reveals, the objective of this research is to highlight the impact of organized retailing on small retail shops. In the neighborhood of organized retailing outlets small retail shops are experiencing significant decline in sales and profits. Attractive price discounts in retail shopping malls is one of the most important factors due to which small retail shops are unable to compete with them successfully.

Kusuma et al. (2013) conducted research on “A Study on Organized Retailing and its Challenges and Retail Customer Services”. It is concluded in the research that modern retail shopping malls are not quite challenging for traditional stores because still there are the customers who believe in the existence of both the settings. However, it is a matter of fact that the customers’ frequency of visiting small retail shops have reduced due to modern retailing.

Javed Ahmed Chandio (2013) conducted research on “Preferential Attributes In Consumer Buying Behavior At Retail Mega Stores In Karachi”. Location of the store in close vicinity and parking space were found as the important preferential attributes for customers in retail mega stores.

Mathur et al. (2013) conducted research on “Analysis Of Factors Influencing Consumer Buying Behavior In Modern As Well As Conventional Retail Stores”. The purpose of this comparative analysis was to highlight the key influencers of consumer buying behavior in both the settings. It is concluded in the research that demographic factors like income, occupation etc. are the major major factors influencing consumer buying behavior in modern as well as conventional retail stores. One thing which researchers also concluded is that family is the main influencer in the countries where joint family system exist. The view point of sub-urban small retailers is also highlighted in this research, according to them strong capital base, mega size appearance and availability of products under one roof are the key reasons due to which customers prefer supermarkets rather than conventional retail stores.

Neb et al. (2014) conducted research on “Determinants of Consumer Buying Behaviour Through Shopping Malls in Jabalpur & Mumbai City”. It is concluded comfort, ease, availability of products under one roof, quality products and discounted prices are the major reasons due to which customers prefer shopping from retail shopping malls. It is suggested in the research that retail shopping malls should be introduced in the rural areas as well, the people living in rural areas should make aware regarding new technologies of malls so that they would also be able to take advantage.

Ankita Batra (2014) conducted research on “Factors Influencing Consumers Purchase Decisions at Organized Retail Stores in New Delhi”. The objective of this study is to find out the factors influencing customers’ preference in shopping at organized retail store. Availability, variety, environment, service, price, promotions and quality were found as the influential factors.

Rana et al. (2014) conducted research on “Customer Satisfaction of Retail Chain Stores: Evidence from Bangladesh”. This paper is an attempt to determine the factors constituting customer satisfaction of retail chain stores in Bangladesh. Customer satisfaction in this sector highlights that how the retail chain stores are meeting the needs and wants of the customers. It is concluded that if the owners of retail chain stores really want to treat the customer satisfaction as a strategic variable they would have to focus on four major elements which are responsiveness, product quality, physical design and pricing policies.

Mr. Sunil Atulkar and Dr. Bikrant Kesari (2014) conducted research on “A Review of Customer Preference towards Organized Retail Stores”. This paper is an attempt to determine the preference of customers towards organized retail sector. The research also gives the answer that how customer behaves at the time of product purchase. It is concluded in the research that variety of products under one roof, entertainment and ambience are the major factors behind the customers’ preference towards organized retail stores.

Arshad et al. (2014) conducted research on “Determinants of Super Store Customer Satisfaction in Pakistan”. This research emphases on the dimensions which create satisfaction in the buyers of the retail super stores and appeal new customers. Ambience, social interaction, problem solving ability and policy were found as the major factors of which create satisfaction in the buyers of the retail super stores and appeal new customers.

K. Venkatesh (2015) conducted research on “Mall Environment: A Paradigm Shift in Shopping Behaviour of Fashion Shoppers in Tamilnadu”. It is concluded in the research that customers visit retail shopping malls due to some desirable factors which are pleasant ambience, convenience, safety and security, entertainment, availability and transportation facility. In the

research in order to increase the market share, mall owners and managers should make the interior and exterior of the mall more attractive.

Zulqarnain et al. (2015) conducted research on “Factors that affect the choice of Consumers in selecting Retail Store, for Grocery Shopping”. The objective of this research was to find out the factors that have an influence on customers’ choice in selection of retail shopping mall for grocery shopping. Convenience, variety, product quality, prices and store loyalty were found as the major factors that affects the choice of customers in selection of retail shopping mall for the purpose of grocery shopping.

K. Santosh Kumar (2015) conducted research on “Organized retailing in India: Challenges and Opportunities”. The author in this paper checked the growth and development of Indian retail industry, impact of organized retailing in India, challenges of modern retailing in India, future of modern retailing in India. The author also talked over the advantages of modern retailing in India. Modern retailing generates employment, increases efficiency in agriculture, enhance shopping experience of customers and this is the reason due to which customers nowadays take the shopping as an outing, modern retailing also creates positive social change.

Ajaz Ahmed and Dr. Sureshramana Mayya (2015) conducted research on “Buying Behaviour and the perception of customers of Shopping Malls: A Case Study of Mangalore Region”. The aim of this paper is to investigate the perception of customers who are shifting their shopping gradually from unorganized retailing to organized retailing. The research shows that the benefits of organized retailing is not confined to any particular social class rather these setting are beneficial for all income groups. Customers in organized retailing are getting benefits from recognized brands, one stop shopping, sales promotion activities etc. Most of the customers are of the opinion that organized retailing helps them to purchase in comparatively low prices.

Rajesh K. Yadav (2016) conducted research on “Impact of organized retail on neighborhood kirana stores: A case Study of Malwa region in Madhya Pradesh”. This research is an attempt to understand the view point of kirana shops regarding the impact of organized retail on them. Organized retail stores are very much convenient for the customers but on kirana stores they have a negative impact. The research shows that operational cost of kirana shops have significantly increased because the owners of these shops want to meet the customers’ expectations which requires lot of finances.

Dr. J. Shanmuganandavadivel (2016) conducted research on “A Study on the Impact of Mega Shopping Malls on Small Retail Business Sector”. The research showed that there is a negative impact of mega shopping malls on growth and progress of small retail business sector to some extent in few kinds of business activities.

Akram et al. (2016) conducted research on “Impact of store atmosphere on Impulse Buying Behaviour: Moderating Effect of Demographic Variables”. Impulse buying can simple be defined as the buying which is not planned before actual purchasing. IBB i.e. Impluse Buying Behvaiour is influenced by variety of factors. The study discovers the relationship between ambience of the store and impulse buying. The results of the study shows that there is a positive relationship between the two factors i.e. ambience of the store and impulse buying.

Dr. Amit Mittal and Dr. Deepika Jhamb (2016) conducted research on “Determinants of Shopping Mall Attractiveness: The Indian Context”. This paper is an attempt to find out the key attributes which attract the customers in a shopping mall. Merchandizing, variety and selection, milieu and facilities and convenience were found as the major determinants of shopping mall attractiveness.

D. Padma and A. Shanti (2016) conducted research on “Challenges and Winning Strategies for organized Retailers”. It is concluded in the research that organized retailers understand the customers of today, this understanding makes them able to respond accordingly which ultimately satisfies the customers’ complex needs and wants. Organized retailers believe in mantra that customer is the king. This believe will help them out in increasing their market share with the passage of time.

Karangutkar et al. (2017) conducted research on “Mall vs. Small: A Comparative Study of Effectiveness of Retail Management Strategies adopted by small retailers and mall retailers in Pimpri Chinchwad”. The purpose of this study is to compare the various strategies adopted by retailers of both the settings i.e. the mall and the small. Variety of products under one roof, nice ambience, variety of brands, sales promotion activities etc. are the various strategies adopted by retail malls. Up to the great extent, the strategies adopted by small retailers are same as the strategies adopted by mall retailers, the major difference is just of the scale of these strategies.

III. OBJECTIVE

The objective of this research is to highlight various facets of modern retailing in the sub-continent.

Facet-1: The factors due to which customers prefer shopping from retail shopping malls.

Facet-2: The impact of retail shopping malls on small retail shops.

Facet-3: Factors which make the customers choose a particular retail shopping mall.

Facet-4: Strategies of small retail shops to compete with retail shopping malls.

IV. RESEARCH METHODOLOGY

This is a theoretical secondary data based paper. In order to highlight various aspects of modern retailing in the sub-continent existing literature is reviewed.

V. CONCLUSION

The increasing trend of shopping from retail shopping malls in the sub-continent has diverse facets. On one hand it is preferable for the customers due to the presence of many desirable factors like quality products, variety of products under one roof, entertainment, restaurants, pleasant ambience, advanced customer service patterns and plenty of sales promotion activities but on the other hand this development in the retail industry is quite undesirable for small retail shops.

Small retail shops are trying to compete with retail shopping malls and as a result the operational cost of the shops have significantly increased. The owners of small retail shops want to meet the ever increasing customers' expectations which requires lot of finances. It's obvious that small retail shops can never have that environment which retail shopping malls have. Beside other positive impacts of pleasant ambience and environment, it is also a matter of fact that it has a positive relationship with impulse buying behavior.

The benefits of organized retailing is not confined to any particular social class rather these settings are beneficial for all income groups. Family is the main influencer where joint family system exist. The customers belong to upper class usually spend week-ends in shopping with their families. They drive their own vehicles in order to reach the shopping malls and this is why the convenience in getting parking space is quite important for this kind of customers. By making the experience of car parking more and more convenient, managers and owners of organized retail shopping malls can attract a large number of customers.

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A U T H O R (S) P R O F I L E



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