

“Organised Retail and identification of factors responsible for a satisfied Consumer Behaviour – A Review of Literature”

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ABSTRACT

In the modern era, online retailing is rising, keeping aside all the types of retailing including organised and unorganized. Although, organised retail is still in its beginning phase and accounts for only almost 10% of the market share in retail sector. This proves a tremendous growth in organised retail as well with online retailing. Organised retail is also facing a challenging environment with lots of major competitive firms like Big Bazaar, Easy Day, D Mart, Wall Mart, Spencers, etc. as well as with unorganized retail which accounts for almost 90% of the market share in retailing. There is the need to identify and realize the factors or components of organised retail which may lead to changing consumer behaviour and their satisfaction. This study helps in understanding and identifying the possible factors which may lead to customer satisfaction.

Keywords: Retail, Organised Retail, Factors of Organised Retail, Consumer Behaviour, Consumer Buying Behavior.

INTRODUCTION

Retailing is an old phenomenon and the people of India is engaged in the activities of retail since the time of Mandis, Haats and Melas. Now retailing has changed its shape and recognized as organised retailing and online retailing. Retailing is defined as a business activity which involves selling of products as well as services for the end use of consumers. (Berman and Evans, 2001)¹. Formats in the modern era today like convenience stores, departmental stores, hypermarkets, stores with specialty, discount stores have come out. India has seen a revolutionary change in retailing since last few years and retailing has become more organized and has seen tremendous growth, with large number of retailers with larger players in the market and all have huge store sizes, improved concentration of retail and optimum utilization of range of retail formats (Hollingsworth, 2004)².

Organised retail is a promising sector in an economy like India where FDI in multi brand retailing got its shape now after the liberal FDI policy by government of India. India is still a country where a large number of population shop through unorganized retail like local ‘kirana’ stores which accounts for almost 90% of the population. Although, Consumers are also enjoying the benefit of online retailing in the modern times, the category of consumers still purchase the products of their needs from organised retail store due to various reasons and believes. In the mixed environment of various forms of available formats of retailing, it is a challenge for organised retail to target and satisfy the customers and enjoy their loyalty.

Factors responsible for the growth of organised retail in india is as follows:

- Rising Income of the Consumer
- Purchasing Power of the Consumer
- Changing Consumer Mindset
- Increase in Consumer Class,
- Brand Consciousness, and
- Easy Consumer Credit

The present study focused on identifying various components contributing to organised retail which may lead to satisfaction of consumers and can affect consumer behaviour, positive or negative.

LITERATURE REVIEW

The present study has reviewed various past studies on the subject matter for the purpose of identification of all possible factors of organised retail which can work as essentials of organised retail.

Baker, Berry, & Parsuraman, 1988 focused that the physical environment related to any service firm creates its particular image and about its services too.³

Morschett et al 2005; Ghosh 1990 observed that the image is called as attributes of an organised retail store or is related to image of the store. These feature are related to mix of marketing of any prescribed organised retail store.⁴

Morganosky (1997) and Martin, Howard, and Herbig (1998), have observed that consumers are attracted towards type of store and location of the store, and retailers must account for how well products and services are distributed and displayed.⁵

Engel et al., 1995 discussed about the facilities provided by the organised store like lifts, ample amount of lighting, cooling in the store, too facilities for men and woman, layout of the store, as well as architecture, interiors and carpeting.⁶

Carpenter and Moore, 2006; talked about the selection of the products and brands, and how well the support staff treat the customers visiting the store, and both serve a base for determining the choice of the format of store with cleanliness being the top priority of the customers.⁷

Baltas and Papastathopoulou, 2003 noted importance to store location, in-store information, frequent and larger shops, best price and value for money.⁸

Smith, T (1989) focused that customers only feel satisfied gaining pleasure with products in their shopping cart.⁹

Barich & Srinivasan (1993) stressed upon product variety, product quality, store attractiveness, reasonable prices, convenience, and customer service.¹⁰

Stephen Byers, , 2000 observed that consumers want a a good deal while shopping.¹¹

Seiders and Tigert, 2000 observed that location of the store, variety of products, reasonable prices, service friendly store, cleanliness in the store, quick checkout from the store, value of money, and convenience in the store are important components for shoppers.¹²

Seiders et al, 2000 observed low price and assortment is important while shopping¹³

Martin, Howard, and Herbig (1998) observed that in competitive global environment organised retail houses need to be careful about type of store, location of the store, and how goods are to be selected, distributed, and displayed.¹⁴

RESULT

It is resulted that the study is only focused on identification of factors which may be responsible to have a direct or indirect impact on consumer behavior with the help of available literature only. The study has identified the factors or components of organised retail which may affect the consumer behaviour and are as follows:

1. Image of the Store
2. Format of the Store
3. Store Location
4. Store Layout
5. Cleanliness of the Store
6. Type of Products at the Store
7. Range of the Products at the Store.
8. Quality of Products at the Store

9. Price of Products
10. Ambiance, Appearance and Attractiveness of the Store.
11. In-Store Information
12. Pleasure while Shopping
13. Marketing Mix of the Store
14. Frequent Purchase
15. Value for Money
16. Convenience in Shopping
17. Fast Checkout
18. Customer Services offered by the Store

FURTHER SCOPE OF RESEARCH

As the present study has only focused on identification of possible factors contributing organised retail which may have an impact on buying behaviour of consumers, these all must be tested further with the help of consumer feedback taken from various parts of the country. Consumer Feedback also needs to be tested statistically to draw some findings and conclusion.

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