

A STUDY ON CHALLENGES AND CUSTOMER SERVICES OF RETAIL OUTLETS IN MADURAI DISTRICT - WITH SPECIAL REFERENCE TO ORGANIZED RETAIL OUTLETS

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Abstract

The phenomenal growth of retail in India is reflected in the rapid increase in number of supermarkets, departmental stores and hypermarkets in the country. However, this unprecedented growth trend has been challenged by the shadow of the current economic slowdown, which has raised a fear of dip in consumption and slowdown of growth for Indian organized retailers. At a time when consumer spending is on decline, success will lie with those retailers that can drive customer loyalty by responding to the demands of the discerning consumer. India is becoming most favored retail destination in the world. Today retail sector contributing 10% to country's GDP. Indian retail industry is ranked among the ten largest retail markets in the world. The change of attitudes of Indian consumers and the emergence of organized retail formats have transformed the face of retailing in India. Organized retailing offers huge potential for future growth of retailing in India. This paper provides information about the growth of retailing in Madurai District. And also focuses on the challenges faced by organized retail sector in Madurai District. It also emphasize on major players of retailers in India and customer services provided by the retailers. Hence, the present study is focusing on the challenges and retail customer services in organized retailing outlets in Madurai District. Study based on both primary and secondary sources of data collections.

Keywords: Hypermarkets, Economic Slowdown, Organized Retail Sector, Contribution to GDP, Challenges and Attitudes of Indian Consumers.

Introduction

A retail outlet may refer to one of two things. The first is a store that simply sells merchandise directly to the consumer; the merchandise is generally purchased by the store from a wholesaler, or it may be manufactured by the company that owns the store. The second type of retail outlet is a store that is opened by the manufacturer, often near the factory, for the purposes of selling over-produced or irregular merchandise at discount prices. Within the first category of retail establishments, some retail outlets are large stores with a wide variety of merchandise, while others are small specialty boutiques. They are generally in a fixed location, such as inside a shopping mall or in an independent storefront on the street. A kiosk is also a type of small retail outlet. Retail outlets also often have online stores as well. Retail outlets generally sell goods in unlimited quantities to consumers, unless a store is offering a particularly deep discount. Then the owner may limit quantities to avoid someone purchasing all of the items to sell at their own retail outlet, or eliminating the entire inventory for the other customers who may visit. Almost

anyone can open a retail outlet with an investment; though it may not be necessary to have a business education, it might be a good idea.

Anyone who owns or manages a retail outlet will need to be able to maintain stock levels, take inventory, advertise and market their business, and provide customer service, among other duties; some might also need to hire additional employees to help run the store. Stores typically set their own prices by marking up slightly the price at which items were sold to them from the manufacturer. Some stores choose to offer discounts to particular groups of shoppers, such as students or the elderly, or some might produce their own coupons or sale fliers to encourage shoppers to visit the location. Retail outlets that offer discounted or irregular merchandise from the factory are generally much simpler, and often do not require much advertising or even merchandise presentation. These types of discount outlets are especially popular for designer stores, as people may be able to find slightly irregular or outdated designer items for a fraction of the initial price; often, it is difficult or impossible to tell that there was a mistake made in the manufacturing at all, though the customer should always examine the merchandise carefully before purchasing. This type of retail outlet is virtually never opened independently, but usually at the discretion of the manufacturer.

Research Objectives

The present study aims with following objectives:

1. To know about the Retail Outlets in India.
2. To examine about the organized retail outlets and its customer services.
3. To know the challenges faced by the organized retail outlets.
4. To give suggestions for further development in customer retention and face the challenges from organized retail outlets.

Operational Definitions

Retail outlet is “a store that sells smaller quantities of products or services to the general public. A business that operates as a retail outlet will typically buy goods directly from manufacturers or wholesale suppliers at a volume discount and will then mark them up in price for sale to end consumers”.

An outlet store is “a store where a cost savings is conferred to the customer because the product isn't sold through a third party. The stores are owned by the manufacturer of these retail products, and are familiar to many, often located slightly out of town where rents are cheaper, and grouped together with a variety of other outlet stores into what is called an outlet mall”.

Customer service is “the provision of service to customers before, during and after a purchase. The perception of success of such interactions is dependent on employees one who can adjust themselves to the personality of the guest. Customer service concerns the

priority an organization assigns to customer service relative to components such as product innovation and pricing”.

Reviews of Related Literature

Kaul (2005) made a study on which store attributes are appealing for self-image of consumers and their impact on in-store satisfaction and patronage intentions. She concluded that service expressiveness value is distinct from the performance value obtained from service delivery. Consumers satisfied with service quality are most likely to become and remain loyal (Wong and Sohal, 2003). Kaul (2005) further observes that a store having modern equipment, good and clean physical facilities and ease in transactions would be able to yield satisfaction and patronage intentions.

Leung and Oppewal (1999) had conducted research on the roles of store and brand names in consumers' choice of a retail outlet and concluded that a high-quality brand or high-quality store is sufficient to attract the customer to a retail store. The study also revealed that store names have a larger impact on store choice than the brand names of the products that these stores have on offer.

Tripathi and Sinha (2006) have studied retail store choice not from the perspective of an individual but of the family. They argue that it is mostly the family and not the individual who is the consumer of the retail offering.

Visser et al (2006) studied the importance of apparel store image attributes as perceived by female consumers by means of eight focus groups. Results indicated that merchandise and clientele were perceived as the most important dimensions, followed by service; physical facilities were the least important.

Profile of Study Area

Madurai city is situated in south-west of Chennai at a distance of 498 kilometers. Madurai city lies on the flat and fertile plain of the river Vaigai which runs in the north-south direction through the city dividing it almost into two equal halves. The 2011 census showed that the expanded city corporation had a population of 25, 78,201. In Madurai, males constitute 50.56% of the population and females 49.44%. The city has an average literacy rate of 68%, which is higher than the national average of 64.5%. Male literacy rate is 76%, and female literacy is 61%.

Retailing in India

Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP. The Indian retail market is estimated to be US\$ 600 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. As of 2003, India's retailing industry was essentially owner manned small shops. In 2010, larger format convenience

stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population). Until 2011, Indian central government 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% ownership and a bureaucratic process. In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, Indian government placed the retail reforms on hold till it reaches a consensus.

In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership, but imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues the hold on retail reforms for multi-brand stores. In June 2012, IKEA announced it had applied for permission to invest \$1.9 billion in India and set up 25 retail stores. An analyst from Fitch Group stated that the 30 percent requirement was likely to significantly delay if not prevent most single brand majors from Europe, USA and Japan from opening stores and creating associated jobs in India. On 14 September 2012, the government of India announced the opening of FDI in multi-brand retail, subject to approvals by individual states. This decision was welcomed by economists and the markets, but caused protests and an upheaval in India's central government's political coalition structure. On 20 September 2012, the Government of India formally notified the FDI reforms for single and multi brand retail, thereby making it effective under Indian law. On 7 December 2012, the Federal Government of India allowed 51% FDI in multi-brand retail in India. The government managed to get the approval of multi-brand retail in the parliament despite heavy uproar from the opposition (the NDA and leftist parties). Some states will allow foreign supermarkets like Walmart, Tesco and Carrefour to open while other states will not.

Major Retailers in Madurai

Aditya Birla Retail Limited

Aditya Birla Retail Limited is the retail arm of Aditya Birla Group, a USD 28 billion Corporation. The Company ventured into food and grocery retail sector in 2007 with the acquisition of a south based supermarket chain "Trinethra". Subsequently Aditya Birla Retail Ltd. expanded its presence across the country under the brand "More" with 2 formats: Supermarket and Hypermarket. More supermarkets cater to the daily, weekly and monthly shopping needs of consumers. The product offerings include a wide range of fresh

fruits and vegetables, groceries, personal care, home care, general merchandise and a basic range of apparels. Currently, there are over 640 MORE supermarkets across the country. The Hypermarket more Megastores, is one stop shopping destination for the entire family. Besides a large range of products across fruits and vegetables, groceries and FMCG (Fast Moving Consumer Goods) products, more megastores also have a strong emphasis on general merchandise and apparels. Currently, eight hypermarkets are operated under the brand more megastore in Mysore, Vadodara, Aurangabad, Indore, Bengaluru, Mumbai, New Delhi and Hyderabad. The Aditya Birla Retail Ltd provides customers a wide choice of products under its own labels like Feasters, Kitchen's Promise, Enriche, Germex and Best of India.

Reliance Retail Limited

Reliance Retail Limited (RRL), is a subsidiary of Reliance Limited. Since its inception in 2006, RRL has grown into an organization that caters to millions of customers, thousands of farmers and vendors. Based on its core growth strategy of backward integration, RRL has made rapid progress towards building an entire value chain starting from the farmers to the end consumers. More than 3 years into operation, RRL has now expanded its presence in more than 85 cities across 14 states in India. RRL has forged ahead with its expansion plans and runs stores across the country. RRL's footprint now spans a network of more than 1,000 stores. RRL operates several 'Value' and 'Speciality' formats. The 'Value' formats that RRL operates are: 'Reliance Fresh', a neighborhood concept, 'Reliance Mart', an all under one roof supermarket concept and 'Reliance Super', a mini-mart concept.

The 'Value' formats offer a wide range and assortment of products required for daily household needs. The 'Speciality' formats are: 'Reliance Digital', a consumer durables and information technology concept, 'Reliance Trends', an apparel and accessories concept, 'Reliance Wellness', a health, wellness and beauty concept, 'iStore by Reliance Digital', an exclusive Apple products concept, 'Reliance Footprint', a footwear concept; 'Reliance Jewels', a jewellery concept, 'Reliance Time Out', a books, music and entertainment concept, 'Reliance AutoZone', an automotive products and services concept and 'Reliance Living', a home ware, furniture, modular kitchens and furnishings concept. RRL has rapidly expanded the stores network and it operates through strategic partnerships with world-class companies such as Marks and Spencer and Pearl Europe. RRL has also entered into an exclusive distribution arrangement with Asics Corporation, Japan, to market Asics brands of shoes and accessories in India. RRL has recently opened its flagship store under its franchise agreement with Hamleys and plans to expand the store network in the forthcoming years. RRL has also expanded its presence in business-to business office supplies through its joint venture with Office Depot. In Madurai it has established its retail outlet in 2005. It has expanded with 18 branches in various areas with an average of 150 customers visiting per day till now.

Organized Retail Outlets in India - An Overview

The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. Western-style malls have begun appearing in metros and second-rung cities alike introducing the Indian consumer to a shopping experience like never before. The sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics. Organized retail is on all time high in India. The growth is boosted by various factors such as availability of professional practices, media proliferation, various brands which are gaining value thereby enhancing industry growth, availability of various funding options, regulations like VAT implementation to make processes simple, sea change in demographics of country and international exposure.

Indian organized retail market is growing at a fast pace due to the boom in the India retail industry. In 2005, the retail industry in India amounted to Rs 10,000 billion accounting for about 10% to the country's GDP. The organized retail market in India out of this total market accounted for Rs 350 billion which is about 3.5% of the total revenues. Retail market in the Indian organized sector is expected to cross Rs 1000 billion by 2010. Traditionally the retail industry in India was largely unorganized, comprising of drug stores, medium, and small grocery stores. Most of the organized retailing in India have started recently and is concentrating mainly in metropolitan cities. The growth in the Indian organized retail market is mainly due to the change in the consumer behavior. This change has come in the consumer due to increased income, changing lifestyles, and patterns of demography which are favorable. Now the consumer wants to shop at a place where he can get food, entertainment, and shopping all are under one roof. This has given Indian organized retail market a major boost.

Retail market in the organized sector in India is growing can be seen from the fact that 1500 supermarkets, 325 departmental stores, and 300 new malls are being built. Many Indian companies are entering the Indian retail market which is giving Indian organized retail market a boost. One such company is the Reliance Industries Limited. It plans to invest US\$ 6 billion in the Indian retail market by opening 1000 hypermarkets and 1500 supermarkets. Pantaloons are another Indian company which plans to increase its retail space to 30 million square feet with an investment of US\$ 1 billion. Bharti Telecoms an Indian company is in talks with Tesco a global giant for a £ 750 million joint venture. A number of global retail giants such as Walmart, Carrefour, and Metro AG are also planning to set up shop in India. Indian organized retail market will definitely grow as a result of all this investments. Indian organized retail market is increasing and for this growth to continue the Indian retailers as well as government must make a combined effort.

Growth of Organized Retailing in India

An increasing number of people in India are turning to the services sector for employment due to the relative low compensation offered by the traditional agriculture and manufacturing sectors. The organized retail market is growing at 3.5 percent annually. Rapid change with investments to the tune of US\$25 billion is being planned by several Indian and multinational companies in the next 5 years. It is huge industry in terms of size and according to management consulting firm Techno Park Advisors Pvt. Ltd., it is valued at above US\$ 350 Billion. Organized retail is expected to garner about 16-18 percent of the total retail market (US \$ 65-75 billion) in the next 5 years. According to the tenth report of GRID of AT Kearney, India is having a very favorable retail environment and it is placed at 4th spot in the GRDI. The main reasons behind that is the 9% real GDP growth in 2010, forecasted yearly growth of 8.7% through 2016, high saving and investment rate and increased consumer spending. According to report, organized retail accounts for 7% of India's roughly \$435 billion retail, market and is expected to reach 20% by 2020. Food accounts for 70% of Indian retail, but it remains under penetrated by organized retail. Organized retail has a 31% share in clothing and apparel and continues to see growth in this sector. A report by Boston Consulting Group has revealed that the country's organized retail is estimated at US \$ 28 billion with around 7% penetration. It is projected to become a US \$ 260 billion over the next decade with around 21% penetration. The analysts believe that the sector is likely to show significant growth of over 9% over the next ten years and also see rapid development in organized retail format with proportion likely to reach more respectable 25% by 2018. The BMI India report for the first quarter of 2012 released forecasts that total retail sales with growth from US \$ 422.09 billion in 2011 to US \$ 825.46 billion by 2015. The report highlights strongly underlying economic growth, population expansion, increasing disposable income and rapid emergence of organized retail infrastructure as major factors behind the forecast growth.

The enormous growth of retail industry has created a huge demand for real estate. Property developers are creating retail real estate at an aggressive pace. According to report titled "Indian organized retail market 2010", published by Knight Frank, during 2010-12, around 55 million square feet of retail space will be ready in Mumbai, NCR, Bangalore, Kolkata, Chennai, Hyderabad and Pune. Besides between 2010 and 2012 the organized retail real estate will be grown from existing 41 million square feet to 95 million square feet. The total no. of shopping malls is expected to expand at CAGR of 18.9% by 2015. A hypermarket, currently accounting for 14% of mall space is expected to witness high growth. Industry experts predict that the next phase of growth in the retail sector will emerge from the rural market. By 2012 the rural retail market is projected to have a total of more than 50% market share. India's retail market is expected to be worth about US \$ 410 billion, with 5 percent of sales through organized retail, meaning that the opportunity in India remains immense. Retail should continue to grow rapidly up to US \$ 535 billion in

2013, with 10 per cent coming from organized retail, reflecting a fast - growing middle class, demanding higher quality shopping environments and stronger brands, according to the report “Expanding Opportunities for Global Retailers”, released by A T Kearney.

Major Drivers of Organized Retail in India

- Increase in FDI's
- Development of Retail Ancillary
- Growth of real-estate
- Increase in Disposable Income
- Urbanization
- Growing consciousness
- Infrastructure
- Changing Demographics
- International brands
- Economic growth

Challenges of Organized Retail Outlets

The challenges facing the Indian organized retail sector are various and these are stopping the Indian retail industry from reaching its full potential. The behavior patterns of the Indian consumer have undergone a major change. This has happened for the Indian consumer is earning more now, western influences, women working force is increasing, desire for luxury items and better quality. He now wants to eat, shop, and get entertained under the same roof. All these have lead the Indian organized retail sector to give more in order to satisfy the Indian customer. The biggest challenge facing the Indian organized retail sector is the lack of retail space. With real estate prices escalating due to increase in demand from the Indian organized retail sector, it is posing a challenge to its growth. With Indian retailers having to shell out more for retail space it is affecting their overall profitability in retail. Trained manpower shortage is a challenge facing the organized retail sector in India. The Indian retailers have difficulty in finding trained person and also have to pay more in order to retain them. This again brings down the Indian retailers profit levels.

The Indian government has allowed 51% foreign direct investment (FDI) in the India retail sector to one brand shops only. These have made the entry of global retail giants to organized retail sector in India difficult. This is a challenge being faced by the Indian organized retail sector. But the global retail giants like Tesco, Wal-Mart, and Metro AG are entering the organized retail sector in India indirectly through franchisee agreement and cash and carry wholesale trading. Many Indian companies are also entering the Indian organized retail sector like Reliance Industries Limited, Pantaloons, and Bharti Telecoms. But they are facing stiff competition from these global retail giants. As a result discounting

is becoming an accepted practice. This too brings down the profit of the Indian retailers. All these are posing as challenges facing the Indian organized retail sector. The challenges facing the Indian organized retail sector are there but it will have to be dealt with and only then this sector can prosper.

Competition from the Unorganised Sector

Organised retailers face immense competition from the unorganised retailers or kirana stores (mom-and-pop stores) that generally cater to the customers within their neighbourhood. The unorganised retail sector constitutes over 94% of India's total retail sector and thus, poses a serious hurdle for organised retailers. If put numerically, the organised retailers are facing stiff competition from over 13 million kirana stores that offer personalised services such as direct credit to customers, free home delivery services, apart from the loyalty benefits. During the current economic slowdown, the traditional kirana stores adopted various measures to retain their customers, which directly affected organised retailers. Generally, it has been observed that customers shop impulsively and end up spending more than what they need at organised retail outlets; however, in kirana stores, they stick to their needs because of the limited variety. During a downturn, many customers may not like to spend more as is evident from the past few months' trend that shoppers are increasingly switching from organised retail stores to kiranas.

Retail Sector yet to be Recognised as an Industry

The retail sector is not recognised as an industry by the government even though it is the second-largest employer after agriculture. Lack of recognition as an industry affects the retail sector in the following ways:

- Due to the lack of established lending norms and consequent delay in financing activity, the existing and new players have lesser access to credit, which affects their growth and expansion plans
- The absence of a single nodal agency leads to chaos, as retailers have to oblige to multiple authorities to get clearances and for regular operations

High Real Estate Costs

Even though the real estate prices have subsided recently due to the slowdown in economies and the financial crises, these prices are expected to go up again in the near future. Presently the sector faces high stamp duties, pro-tenancy acts, the rigid Urban Land Ceiling Act and the Rent Control Act and time-consuming legal processes, which causes delays in opening stores. Earlier on the lease or rents on properties were very high (among the highest in the world) at some prominent locations in major cities. The profitability of retail companies were affected severely because real estate costs constituted a major part of their operating expenses. Now companies are moving out from prominent malls of tier I

cities and are re-negotiating the rental agreements with landlords to reduce costs. Some are even focusing on setting up shops in tier II and tier III cities.

Lack of Basic Infrastructure

Poor roads and lack of cold chain infrastructure hampers the development of food retail in India. The existing players have to invest substantial amounts of money and time in building a cold-chain network.

Supply-Chain Inefficiencies

Supply chain needs to be efficiently-managed because it has a direct impact on the company's bottom lines. Presently the Indian organised retail has an efficient supply chain but it appears efficient only when compared with the unorganised sector. On an international level the Indian organised retailers fall short of international retailers like Wal-Mart and Carrefour in terms of efficiencies in supply chain. In the following paragraphs some key challenges that the retailers face during procuring goods from suppliers to delivering the same to end-customers are discussed. Inventory management is the first challenge that retailers face at the local store level as well as at the warehouse level. Excess inventory often leads to an increase in inventory costs, and then to lower profits, so retailers like Pantaloons and Shoppers Stop have IT systems in place for inventory management. SCM-IT has helped retailers to plan their stock outs, replenish their stock on time, move stock from warehouse to stores, maintain adequate stock at a store to match consumer preferences etc. However, the retailer may still face a big challenge in terms of efficiently implementing the supply-chain software across stores and integrating it with the central warehouse, which can be a time-consuming process, requiring trained personnel. Logistics is another challenge related to the supply chain. It is imperative for any organised food and grocery retailer to establish a robust cold chain. Amul is the best example of this scenario, as it has developed a cold storage chain across India. Until and unless organised retailers like Reliance and Food Bazaar fully develop integrated-cold chains, they would continue to incur loss of considerable amount of money through wastages of perishable items while moving huge quantities from one place to another. The third challenge related to the supply chain is procurement. Big organised retailers enjoy economies of scale based on their size and expansion plans. The economical benefits of scale in procurement are achieved when procurement is made in thousands or millions of units; however, the main challenge here is to procure adequate amount of stock according to customer requirements, failing which the resultant rise in inventory can affect bottom lines.

Challenges with Respect to Human Resources

The Indian organised retail players shell out more than 7% of sales towards personnel costs. The high HR costs are essentially the costs incurred on training employees as there is a severe scarcity for skilled labour in India. The retail industry faces attrition

rates as high as 50%, which is high when compared to other sectors also. Changes in career path, employee benefits offered by competitors of similar industries, flexible and better working hours and conditions contribute to the high attrition.

Shrinkage

Retail shrinkage is the difference between the book value of stock and the actual stock or the unaccounted loss of retail goods. These losses include theft by employees, administrative errors, shoplifting by customers or vendor fraud. According to industry estimates, nearly 3-4% of the Indian chain's turnover is lost on account of shrinkage. The organised industry players have invested IT, CCTV and antennas to overcome the problem of shrinkage.

Customer Service in Organized Retail Outlets in India

Customer service includes all the activities an organization carries out for its customers. Excellent customer service means putting the customer first. Customer service is the provision of service to customer before, during and after a purchase. "Customer service is a series of activities designed to enhance the level of customer satisfaction-that is, the feeling that a product or service has met the customer expectation." Customer service is the sum of the acts and elements that allow consumers to receive what they need or desire from your retail establishment where ever the customer comes in both physical and mental contact with the store can be termed as a customer touch point. The customer touch points are the key in defining as well as sustaining the relationship between the retailer and its customers. They can create a "WOW" and bring them back again and again. The 'touch point' is the most important factor in customer service. The Commandments of Customer Service:

1. Know who is boss.
2. Be a good listener.
3. Identify and anticipate needs.
4. Make customers feel important and appreciated.
5. Help customers understand your systems.
6. Appreciate the power of 'Yes'.
7. Know how to apologize.
8. Give more than expected.
9. Get regular feedback.
10. Treat employees well.

Suggestions for Customer Retention and Face Challenges from Organized Retail Outlets

1. Acceptance of Industry Status to Retail: industry status should be given to improve retail development, to facilitate organized financing and to establish insurance norms.

2. Comprehensive Legislation: comprehensive legislation should be drafted and enacted with futuristic approach.
3. Eliminating Arachic Laws: Laws, essential Commodities Act APMC acts, licensing restrictions, differential taxes, stamp duties, should be simplified and put in proper place so that it would not hinder growth of retail sector.
4. Establishment of national commission on retail: the national commission on retail must be established. The functions should be: To set clear target for giant retailers for procurement; Enforce uniform quality standards and Setup a regulatory body for the governing the operations of retail sector.
5. Incentives for Investments: Tax holiday norms for cold storage chains, infrastructure and investment in supply chain should be enacted.
6. Organized retailers have been adding value to their products through prices, services and offers to attract and retain customers.
7. Organized retailers should make necessary arrangements for consumer complaint management because customer complaints are the schoolbooks from which they could learn.
8. Organized retailers should organize efficient and effective loyalty programs. This could help in providing recognition to the customers.
9. Proper Tax Structure: The current multipoint taxation should be rationalized. The government should introduce a uniform taxation system across the country to relax the law that hinders interstate flows of goods.
10. The organized retailers should offer lucrative schemes, discounts to generate costumers' stimulus.
11. The organized retailers should provide attractive offers to compete with the unorganized sector.
12. The organized retailers should provide necessary arrangements for home delivery of goods.

Conclusion

Retailing provides an important link between producer and consumer in modern economy. Retail in India is most dynamic industry and represents a huge opportunity for domestic and international retailers. Modern retailing is not a problem to traditional stores as most of the consumers said that they never stopped visiting kirana stores. They strongly agreed on coexistence of both is required. Their frequency of going to kirana store is reduced. Modern retailing has miles to go in India. The growth of modern formats has been much slower in India as compared to other countries and the development of this sector is depends on the presence of regulatory and structural constraints. Government has to take care about the existence of organized retail stores in India and they have to take measures

to overcome the challenges. Then the fast growth of organized retailing can be possible in India.

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