RESEARCH PAPER

IMPACT OF ORGANIZED RETAILING ON THE INFORMAL RETAILING OF SELECT ORGANIZATIONS IN BANGALORE

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ABSTRACT

The Retail sectors have become one of the most dynamic growing sectors in recent times. Retailing has always been an integral part of economic development. Nations with strong retail activity have enjoyed greater economic and social progress. It contributes to the development by matching the individual requirements of the population with the producers and suppliers of merchandise. This study focuses on the growth & development of retail sector. And business practices adopted by Retailing and its impact on informal organizations. This research paper is analytical and empirical in nature. Findings of the study is the highest Pearson correlation value is between 'Ethical practices' and 'Overall Importance Factors in Retail' and the lowest Pearson correlation value is between 'Price' and 'Overall Importance Factors in Retail'

Keywords: Organized Retailing, Informal Retailing, Factors in Retail.

1. INTRODUCTION

Retailing in India is one of the pillars of its economy and financial records for 14 to 15 (ICRIER 2010) percent of its GDP. The Indian retail market is estimated to be US$ 500 billion (ICRIER report) 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 2013, India's retailing industry was essentially owner manned small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 (ICRIER report) percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million (ICRIER report) Indians (3.3% of Indian population).

Until 2011, Indian central government denied foreign direct investment in multi-brand retail, threatening foreign groups from any ownership in supermarkets, handiness stores or any retail outlets. Even single-brand retail was limited to 51% ownership and a bureaucratic process.

In November 2011, India's middle government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail modernization and competition with multi-brand retailers such as Wal-Mart, 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.

2. OBJECTIVES OF THE STUDY

- To study the growth & development of retail sector in Bangalore and;
- To study the business practices adopted by Retailing and its impact on informal organizations.

3. LITERATURE REVIEW

David Gilbert (2012) is one of the noted authorities who in his book titled "Retail Marketing Management" have identified the reasons of growth of Modern Retailing. In this book he has tried to find out why the growth of retailing is actually taking place. According to him more than any other business we are witnessing the emergence of new forms of retailing and becoming more segmented with reforms focusing on the needs of particular consumer segment. The result of this is the development of more consumer friendly environment. Whereas, once it was manufacturers brand that were all important.

Andrew Newmen & Peter Cullen (2012) in their book 'retailing: Environment & Operations' have rightly concentrated on understanding various aspects of Retailing as a Business. They have considered retailing as a vibrant part of our changing society and major source of employment. They have noticed that retailing is closely tied to the changing moods of the consumers and new ways of business, spread on by the impressive development in Technology and Management Theory.

4. METHODOLOGY

The data required for the study have been collected from sample respondents and also from various secondary sources such as research articles from journals, working papers, and websites.

Research Type: Analytical and Empirical in nature

Limitation:

- Sampling errors and respondents' bias can't be ruled out, however best efforts have been made to capture

the mindset of the respondents on the subject that best reflects the reality.

- As the study is confined to Bangalore city only at select locations, the findings may be generalized with great caution.

5. RESULTS AND DISCUSSION

As per Techno Park Advisers Pvt. Ltd. estimates, reserves amounting to around US$ 35 billion are being planned for the next five years or so. Of this, about 70 per cent is probable to come from top seven players as well as Reliance Industries, Aditya Birla Group, Bharti-Wal-Mart, Future Group and others. Also, it is probable that about 40 per cent of the total investments will be contributed by foreign players including Wal-Mart, Metro, Auchan, Tesco and many others, signifying the consequence that the international population is attaching to the Indian retail opening. In short, India is attempting to do in 10 years what took 25–30 years in other most important markets in the world and shall get around many stages of "evolution" of modern retail. India is likely to see the materialization of several "pioneering" India-specific retail business models and retail formats during the approaching years.

6. CORRELATIONS

Table 1: Attributes Vs. Generally significance Factor in Retail

		Overall Importance Factors in Retail
Products	Pearson Correlation	0.20
	Sig. (2-tailed)	0.00**
	N	500
Price	Pearson Correlation	0.04
	Sig. (2-tailed)	0.34
	N	500
Placement	Pearson Correlation	0.35
	Sig. (2-tailed)	0.00**
	N	500
Promotion	Pearson Correlation	0.25
	Sig. (2-tailed)	0.00**
	N	500
People	Pearson Correlation	0.14
	Sig. (2-tailed)	0.00**
	N	496
Process	Pearson Correlation	0.44
	Sig. (2-tailed)	0.00**
	N	496
Physical evidence	Pearson Correlation	0.49
	Sig. (2-tailed)	0.00**
	N	500
Ethical practices	Pearson Correlation	0.50
	Sig. (2-tailed)	0.00**
	N	498

*** 1% * 5% sign*

Graph 1: Overall Importance Factors in Retail
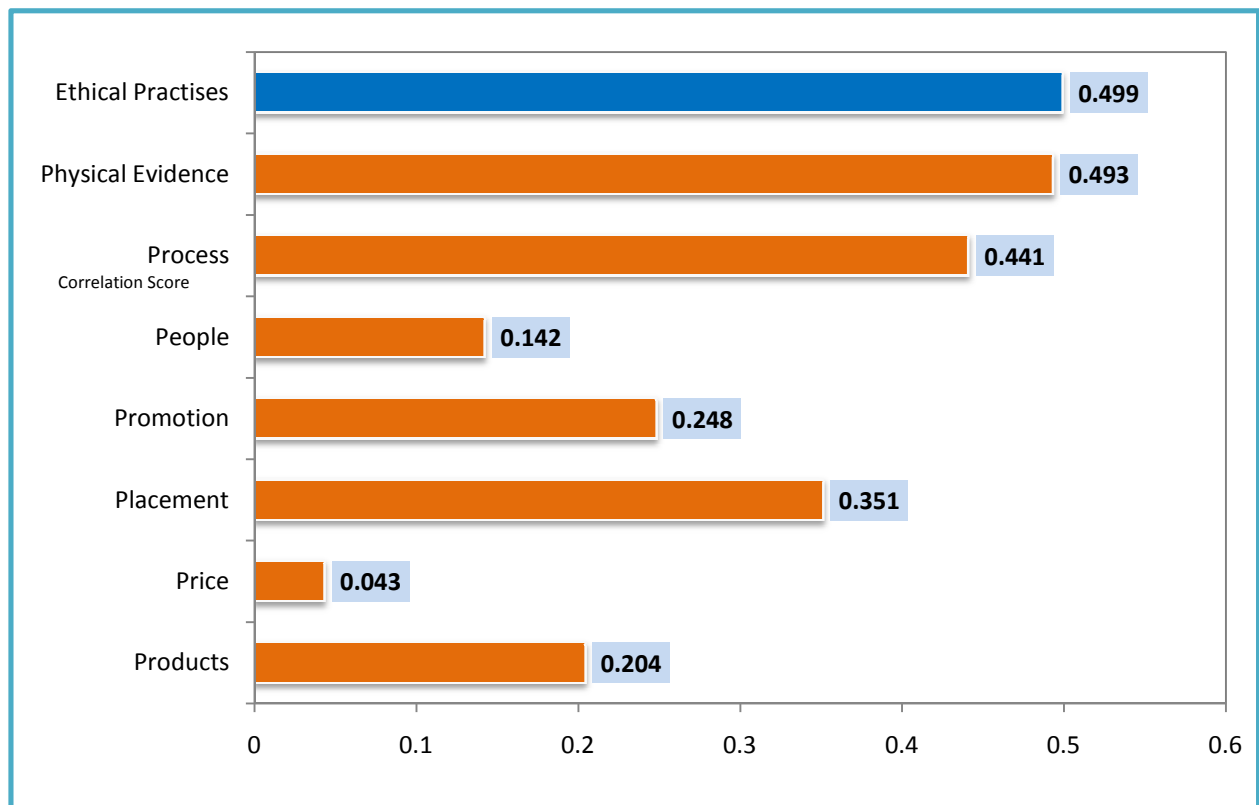
The above Table 01 and Graph 01 provide the details of the correlation between the eight attributes and Overall Importance Factors in Retail when the sample size is 10.

The Pearson correlation value for 'Products' and 'Overall Importance Factors in Retail' is 0.2, 'Price' and 'Overall Importance Factors in Retail' is 0.04, 'Placement' and 'Overall Importance Factors in Retail' is 0.35, 'Promotion' and 'Overall Importance Factors in Retail' is 0.25, 'People' and 'Overall Importance Factors in Retail' is 0.14, 'Process' and 'Overall Importance Factors in Retail' is 0.44, 'Physical Evidence' and 'Overall Importance Factors in Retail' is 0.49 and 'Ethical Practices' and 'Overall Importance Factors in Retail' is 0.5. The Pearson Correlation value shows that there is a strong correlation between the selected attributes: 'Products', 'Price', 'Placement', 'Promotion', 'People', 'Process', 'Physical evidence' and 'Ethical practices' and 'Overall Importance Factors in Retail' as ($p<0.001$).

The highest Pearson correlation value is between 'Ethical practices' and 'Overall Importance Factors in Retail' and the lowest Pearson correlation value is between 'Price' and 'Overall Importance Factors in Retail'

7. CONCLUSION
At global circumstances, there is a growing responsiveness as regards growth patterns of retail formats. Most of the authors are directed on understanding consumer's responses to different retail formats and marketing strategies. Studies are being conducted to analyze and explain marketing strategies and trends of organized retailers. The researchers are trying to identify the factors

that are accountable for changes in approaches of global retail players towards clients and progress in developing countries. In India, researches are being conducted to know about materialization of organized retailing and its impact on buyer behavior. Many researchers are trying to find out implications of planned retailing on local and familial players, socio-economic changes as they authority the economy & the social structure. Researchers are also being conducted to identify implications of FDI on retailing in India as well as changes in the monetary policies of government on retailing as well as marketing environment.

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