



Impact of organised retail on neighborhood kirana stores: A case Study of Malwa region in Madhya Pradesh

Rajesh K. Yadav^{1,a}, Manoj Verma^{2,b}, Shriti Singh^{3,c}

¹Associate Professor, School of Banking & Commerce, Jagran Lakecity University, Bhopal (M.P.), India

²Research Associate, Indian Institute of Management, Indore (M.P.), India

³Assistant Professor, Maharana Pratap College of Management, Ratibad, Bhopal (M.P.) India

^{a,c}E-mail address: drrajeshkyadav@yahoo.com , Manojv@iimidr.ac.in , shritisinh880@gmail.com

ABSTRACT

The growth and transformation of retail market in India, on one side creating a better shopping experience and other side it is creating a lot of pressure on unorganised retailers. The first objective of this study is to understand the perception of small kirana shops in relation to the impact they can have and the second is find the effect on their employment with the increasing number of corporate retail chain stores in the form of organised retail stores in corresponding grocery segment. The study was carried out in the market of Indore region and responses were collected from small *neighbourhood* kirana shops. Multivariate statistical techniques were used to analyze the data collected with the help of a structured questionnaire. The result of the study shows that small *neighbourhood* kirana shop owner perceived that their profit is negatively affected, their operational cost is increased to meet the higher service quality expectation of the customer but the result do not show significant negative impact on their employment due to growth of corporate retail stores. The implication of the research is that kirana shops have to implement new strategies to face the competition from retail giants and meet the customer expectations to remain profitable in the long run.

Keywords: Transformation; Retail; Kirana; Corporate Chain; Organised and Unorganised; India

1. INTRODUCTION

The retail market in India is at a transforming at a fast rate. The new formats of retailing in the form of organised retail along with e tailing is making its way with traditional unorganised retail that existed through centuries in India. The size of retail market is US\$ 600 billion in 2015. It is growing at a Compound Annual Growth Rate (CAGR) of 16.7 per cent over 2015-20. (ibef 2016). Even though traditional retail constitutes over 92 per cent of the total sales in the country as of 2015 ibef report, smaller kiranas (Indian version of a combination of convenience and mom-and-pop stores with <500sqft area) are facing difficulty in their business and are unable to compete with new age retailers in terms of variety and scale have begun losing volume and share of customer's wallet in several parts of the country (Vijayraghavan and Ramsurya, 2007;)

Political and social concerns over the loss of livelihood by lakhs who run mom-and-pop stores need to be addressed (Bureau, 2007a; Jha and Guha, 2007). The Prime Minister's Office of India had initiated a study on the effect of big corporate retail stores on small retailers by Indian Council for Research on International Economic Relations and Confederation of All India Traders invited this step. The findings of this study resulted that unorganized retailers in the vicinity of organized retailers faced a decrease in their business volume and profitability in the starting years after the entry of large organized retailers, the negative effect on sales and profit will decline over time in the long run (Joseph et al., 2008).

The same study also shows that all income groups saved when they made the purchase from organized retail stores and low income consumers saved more as compared to higher income groups. Findings clearly indicates a clash in the report as of why in spite of having more savings to consumers when shopping at organized outlets the negative impact on sales and profit of unorganized retailers reverses over time. That is why more research is needed in this area to have clear understanding of what impact it will have on traditional retail with the growth of modern retail in the form of organised retail with new and emerging formats. So this paper will create a deeper insight into the concerned issue and strategies can be prepared to deal with it.

2. LITERATURE REVIEW

In the context of the study some literature suggest that large scale retailers like Wal-Mart are responsible for widespread closings of mom-and-pop stores (Wal-Mart Watch, 2005; Basker, 2005) and question whether cost to communities in terms of labour displacements and higher poverty is offset against benefits of lower prices and greater convenience (Goetz and Swaminathan, 2006), other studies suggest that the process of creative destruction unleashed by Wal-Mart has had no statistically significant long-run impact on the overall size and profitability of the small business sector in the USA (Sobel and Dean, 2006).

In Asia, with the exception of Hong Kong, Singapore and Malaysia, traditional channels still command more than half of the grocery retail market in the rest of the countries in Asia (KPMG, 2006). However, the experience in China and Indonesia has shown that while both organized and unorganized sectors exist and grow for the first 5-10 years, albeit at different rates, the structural changes start hitting the unorganized sector after the share of organized retail reaches 25-30 per cent (Gulati and Reardon, 2007).

At present certain Asian countries which have witnessed high growth rates between 2003-2007 in modern grocery sales are China (105 per cent), Turkey (56 per cent), Vietnam (59 per cent), Indonesia (70 per cent) and India (49 per cent) (Gregory, 2008).

Overall situation in Asia for grocery retailing indicates shrinkage in the traditional grocery sales with South Korea witnessing a 13 per cent decline in small retailers between 1996-2004, Hong Kong facing a decline in market share of traditional grocery channels by 21 per cent between 1994 and 2004, Singapore witnessing a fall of 8 per cent between 2002 and 2003 in the proportion of households spending bulk of their grocery money at traditional shops, Japan facing a decline in contribution of small and independent businesses to the grocery retail market to the tune of 7 per cent between 1998 and 2004, China having traditional style markets contributing to only 68 per cent of grocery sales in 2004, and Indonesia facing a shrinkage in traditional retailers, including wet markets, roadside stalls and independent grocers (KPMG, 2006).

In India modern trade or organized retailing already account for 30 to 40 per cent of grocery sales in the top 6-7 cities of the country (Kakkar, 2008). To address the growing concern over the loss of livelihood, organized large-scale retailers like Reliance Fresh is inviting small retailers as well as individuals to become franchisees on a revenue sharing model (Thakkar and Bhatt, 2007). Large domestic retailers are trying to distance themselves from their foreign counterparts like Wal-Mart and Tesco with claims that once foreign retailers are able to bring their own equity, they would manipulate the markets on their own terms and conditions and would even manipulate consumption patterns (Jha, 2007). To avoid political pressure and adversity, the large-scale retail players are out to prove that there is no threat to the smaller players and there is enough space for co-existence and are proposing plans of B2B model to service kiranas (Reliance Retail), as well as suggesting formation of cooperatives by kiranas (Hyper City Retail) and lauding the three-fold strategy of kiranas, namely quality, service with a smile and ambience (Mukherjee and Himatsingka, 2007).

The Indian consumers are known to be price-sensitive and retailers have to manage with razor-thin margins in order to compete for the share of wallet of the grocery consumer. Consumer spends on food constitute around just under 50 per cent and margins on food retail is around 12-15 per cent with a post-tax margin of 2 per cent (Vijayraghavan, 2007). The entry of massive grocery format of Reliance and the venture of Bharti-Wal-Mart is expected to further kick up competition in the business and put pressure on margins (Daftari, 2007). Reliance Fresh, the fruit and vegetable store of Reliance Retail made a mid-course correction of its product-mix by deciding to sell groceries in an effort to increase the average bill value which is stagnated at Rs 120-130; Subhiksha, the organized small format home-grown no-frills hard-discounter, has evolved towards a 60:40 ratio in favour of grocery with an average bill size of the typical customer of around Rs 300-320 (Daftari, 2007). Indications of cut-throat competition and an impending price-war is evident in selling of different products to the end-consumer by Reliance Retail to the tune of 15-20 per cent cheaper in grocery items like potatoes, onions, atta and as much as 50 per cent in case of fruits compared to ongoing market rate at the kiranas (Jha and Guha, 2007).

Indian retailers understand the taste, preferences and culture of Indian consumers better (Biyani of Pantaloons as quoted by Tarun and Chopra, 2007). Some experts also feel that if Indian big retailers can compete with kiranas, which do not have any overheads and are extremely presentable, they may compete with anybody and should not be worried about competition from international players (Sanjiv Goenka of RPG Enterprises as quoted by

Tarun and Chopra, 2007). In fact, there might be emergence of several India-specific retail business models and formats in view of the unique peculiarities of the behavior of Indian consumers (Arvind Singhal, Chairman, Technopak Advisors as quoted by Tarun and Chopra, 2007) like the proposed Argos retail format of Shopper's Stop-Hyper CITY Retail-Home Retail venture (which involves catalogue stores along with home shopping (Hms) and on-line retail) (Bureau, 2007b).

Sinha et al. (2005) carried out a study on format choice of F & G consumer for one product and one customer segment with a sample of 26 respondents on five existing store formats namely kirana, upgraded kirana, supermarkets, hypermarkets and wholesalers. They suggested that the type of product influence the purchasing patterns of customers and commented that it would be interesting to capture the utilities of each store format, given that shopping has been found to be influenced by local culture, and suggested that it would be interesting to study the format choice behavior of many customers. Thus, on the one hand, there are the organized retailers who are making a foray into the grocery market at a rapid rate and posing a threat to the livelihood of kirana shopowners; and on the other, there is the highly price-sensitive consumer forcing market players to operate on thin margins. As rightly pointed out by Sanghvi (2007), so far retailers who focused on developing only supply-side efficiencies need to think about demand-side effectiveness as well to optimize business performance. Whether a business adequately meets customers' needs and desires may be measured by its outputs like customer patronage and it is important to identify efficient levels of the various dimensions of satisfaction of customers' needs that directly link to measures of specific firm outputs that firms intend to maximize (Blöse et al., 2005).

In this paper, we shall examine what the small kirana shops perceive about the growing corporate organised retailers in relation to their business and employment.

Objectives

1. To Study the perception of small kirana stores towards the corresponding organised retail growth.
2. To find the impact on their employment due to growing organised retail.

Hypothesis

- H₀₁: Perceived threat of organized retailer is positively related to Perceived reduction in profit.
- H₀₂: Perceived threat of organized retailer is positively related to Perceived competitive prices between organized and unorganized retail.
- H₀₃: Perceived threat of organized retailer is positively related to perceived increased in service quality expectation of consumer.
- H₀₄: Perceived threat of organized retailer is positively related to perceived reduction in employment of unorganized retailers.

3. RESEARCH METHODOLOGY

For this study, data has been collected from selected unorganised retail kirana shops located in the city of Indore. It is the commercial capital of Madhya Pradesh and the centre of business trading activities in Central India. Most of the companies have their stores like

Reliance Fresh, Vishal mega mart best price, D Mart, Metro, Big Bazaar, More mega store and several others. They have covered all the segments of retail in the area like grocery, apparel, jewelry, footwear's etc.

The focus of our study is grocery retail segment and in that the purpose was to know the competition between organised retail store in grocery segment and its relative impact on corresponding traditional retail establishments popularly known as kirana stores specially in the neighbourhood area. The cross-sectional descriptive research design is used for conducting this research work because this design enables the researcher to study the problem at given point of time of the population of interest., primary & secondary data has been used.

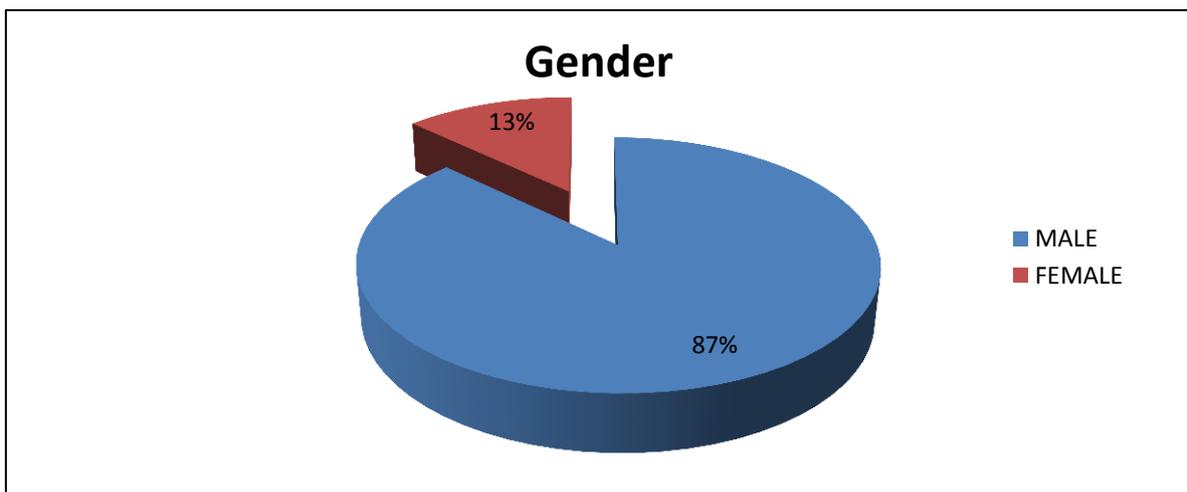
The study is a combination of exploratory and descriptive research. Structured questionnaire was designed to collect data from neighbourhood kirana stores. Sample technique used was mix of simple random and convenient sample. Sampling element was retailers of neighbourhood kirana stores. The responses were collected with the help of seven point likert scale. Data preparation begins with preliminary check of all the questionnaire for its completeness. The collected data was edited, coded, tabulated, grouped and organized according to the requirement of the study and then entered into SPSS (Statistical package for social sciences) for analysis. For testing hypothesis parametric test and regression analysis have been used in this research .Data was analyzed with the help of SPSS v 20 (Statistical Package for Social Sciences). Statistical tools like reliability, multi-co linearity, normality and linear regression analysis have been applied to the data to test the hypotheses.

3. RESULTS AND ANALYSIS

The number of responses collected were 92 kirana shopkeepers from unorganised retail market out of which 22 were rejected and 70 responses were finally selected for analysis sample were from Indore market where kirana shops from different areas of the region were inquired. The major age group were between 31 to 45 years.

Gender

Chart 1. Gender of Unorganised Retailers.

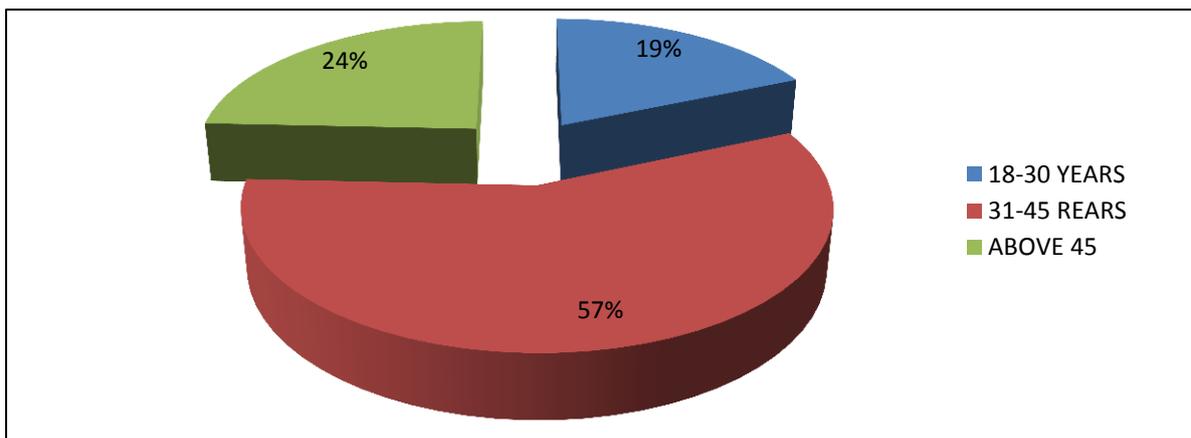


Generally the market is dominated by males that is 61 were males and 9 were females. Unorganised retail shop is mainly run by male as shown in the pie chart, 87% were male and 13% were females.

Age group

The unorganised retail stores were mainly managed by the age group of 31-45 years of age which were 40 in numbers, 18-30 years were 13 and 17 were above 45 years. The responses in the pie chart shows that 19% were in the age group of 18-30 years, 57% were in the age group of 31-45 years and 24% were above 45 years of age.

Chart 2. Age group of Unorganised Retailers.



Education

The shopkeepers were 9% postgraduate, 49% graduate and 42% undergraduate. Among them 6 were undergraduates, 34 were graduates and 19 were post graduate. The survey thus shows that a large part of respondents are undergraduates in the unorganised retail sector and retail is a major source of employment for less educated people.

Chart 3. Education of Unorganized Retailers.

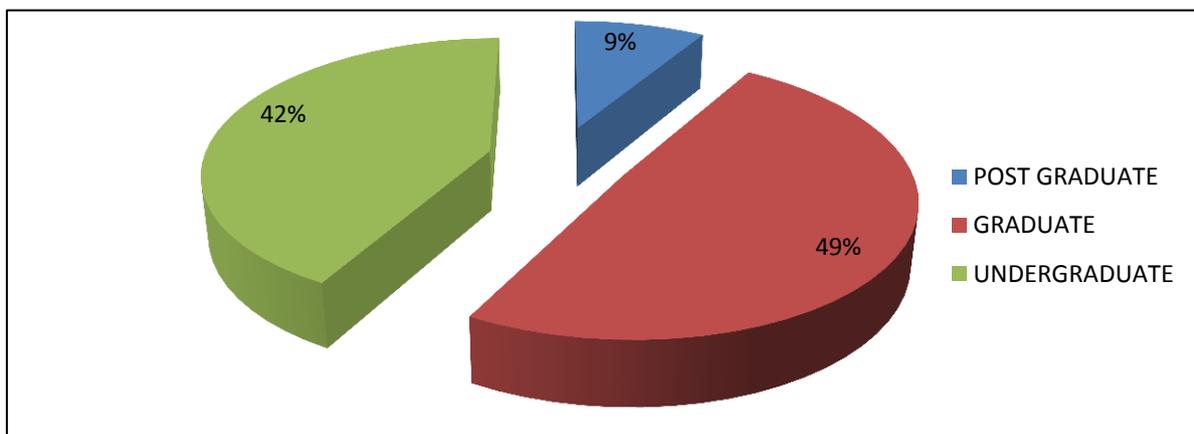


Table I. Response of the statements of unorganized retail on likert scale.

S. No	Statements of response from unorganized retailer	(Please rank 1-7, 1 for strongly Agree and 7 strongly disagree)						
1.	The growing organized retail is threat to your business?	14	22	6	0	1	16	11
2.	Profit is negatively effecting as organized retailers are increasing in number.	4	30	5	0	4	14	13
3.	Organised retailers monopolize the retail market through unfair competition .	10	19	3	2	4	18	14
4.	Sales turnover is reduced as customers are gradually shifting towards organized retail store.	11	21	15	0	2	6	15
5.	Prices of the goods is more competitive due to large volumes by organized retailers.	11	16	11	5	6	10	11
6.	Organized retailers give more discounts and offers as they are operating on larger volume of consumer purchase.	12	20	8	4	6	10	10
7.	Service and quality expectations of customer are increased due to growing organized retail.	14	23	14	4	6	6	3
8.	Customer demand more variety now with the growth of organised retail.	9	24	14	7	4	7	5
9.	Customer now wants their products to be delivered at home.	4	9	11	12	9	16	9
10.	Customer demand of branded	13	21	16	4	2	9	5

	merchandise is increasing due to growth in Organized retail.							
11.	Some of the small retail business around me are shut down due to growing organised retail stores.	1	3	7	20	4	24	11
12.	Some other small retailers are struggling and running on losses due because of growing organised retail stores ..	13	22	7	7	3	8	10
13.	Retail business becomes difficult as it requires more capital due to increasing number organised retailers in the market.	27	18	13	4	3	1	3

H₀₁: Perceived threat of organized retailer is positively related to Perceived reduction in profit.

In the first hypothesis the variable suffer is framed as threat of unorganised retailer that is in the form that they perceive that their profit will be reduced or in other word that will incur losses by growth in organized retail. The other perception with related this hypothesis is that due to their large business size there is chance of creating monopoly and thus will encourage unfair competition in the market. They fear that customers will move to these attractive stores and will result in decrease of their sales and finally their profit will be negatively affected. The threat of unorganised retail is treated as dependent variable and reduction in profit, increased in service quality, reduction in employment were independent variable for the purpose of testing hypothesis. The (Cronbach's alpha value) shown in the table were valid so the variable validity was accepted.

Table II. Sub variables of perceived reduction in profit of unorganised retailers.

S. No	Major Variable	Sub Variables
1	Perceived reduction in profit.	Negative profit
		Unfair competition
		Reduced sales turnover

Reduced sales turnover

Growing number of organised retailers may result in the reduction in sales of small unorganised retailer as more and more number of customers are attracted towards organised retail.

Negative profit

Since this is study based on perception so perceived threat of unorganised retailer is taken as dependent variable and reduction in profit is taken as independent variable, it is based on the opinion that unorganised retailer treat growing organised retail as threat which will reduce their sales as customer will prefer them for shopping this will result in reduction of their profit.

Unfair competition

Since organised retailers are large retail stores they carry large assortment of goods, they have greater bargaining power with their suppliers ,economies of scale and bulk orders may lead to lower price and enable them to transfer this benefit to customers directly this is perceived as means of unfair competition by small unorganised retailer.

H₀₂: Perceived threat of organized retailer is positively related to Perceived competitive prices between organized and unorganized retail.

The above hypothesis is based on the unorganised retailer's perception that organised retailers will increase the competition in the market and this competition will lead to reduction in the prices and that will lead to the reduction in their profit margin. The other concern related to price is the discounts and offers of organised retailers which attract the customers.

Table III. Sub variable of perceived competitive prices between organized and unorganized retail.

S. No	Major Variable	Sub Variables
2	Perceived competitive prices	Competitive price
		Discounts and offers

Competitive price and discounts and offers

The large organised retailers due to economies of scale will be able to provide products at cheaper rate this will lead to competitive price in the market ,they will also be able to give more discounts and offers thus force unorganised retailers to do so and will lead to lower margins.

H₀₃ : Perceived threat of organized retailer is positively related to perceived increased in service quality expectation of consumer.

The above hypothesis is based on the assumption that unorganised retailers perceive that organised retailers is providing better service to the consumers like home delivery , more variety ,quality, branded merchandise ,replacement and warranty, payment service etc. that will lead to increase in service quality expectation of consumers. This will force them to provide them the above services and result in increase in the operational cost of the business and can effect their profitability.

Table IV. Sub variables of perceived increased in service quality expectation of consumer of unorganised retailers.

S.No	Major Variable	Sub Variables
3.	Perceived increase in service quality expectation of consumer.	Service quality
		Variety
		Home delivery
		Branded merchandise

Service quality

The variables for service quality for the retail store when searched into previous literature, variety, home delivery and branded merchandise were found relevant for our purpose of the study. the reason was consumer perceived these variables in relation to service quality of the store because now when shopping they seek variety and branded merchandise as indicator of service quality and home delivery as additional benefit which is again related to service quality

H₀₄: Perceived threat of organized retailer is positively related to perceived reduction in employment of unorganized retailers.

Table V. Sub variables of perceived reduction in employment of unorganized retailers.

S. No	Major Variable	Sub Variables
4.	Perceived reduction in employment of unorganized retailers.	Shutting down of stores
		Running on losses
		Requirement of large capital

The above hypothesis is based on the assumption that unorganised retailers perceive that customers are attracted and switching to the organised retailers as a result their own business is declining, it will create the problem of unemployment for them, they perceive that growth organised retail can lead to the closure of their store and leave them unemployed. The other important aspect is that due to entry of organised retail, the business is becoming difficult for small retailers as it requires large capital to open and manage a retail outlet.

Shutting down of stores

The market share of large retailers has increased over the past 20 years. This increased scale has resulted in increased buyer power for large retailers, which in turn has resulted in large retailers being able to sell goods at lower prices than small retailers in many instances. While the costs of operating are higher for all retailers, there are some costs that impact particularly on small retailers. The issues discussed in this hypothesis.

Running on losses

The large retail giants are continuously growing in numbers so here it was important to find whether small retail store’s profitability is negatively affected.

Requirement of large capital.

Organised retail stores are corporate chain stores and have large establishments, if unorganised retailer has to survive and compete then they also have to give similar facilities. They need large capital to establish and sustain their business.

Table VI. Reliability statistics for variables related to threat of Unorganised Retailers.

S. No	Construct	No of Items	Reliability (Cronbach’s alpha)
1	Perceived reduction in profit.	03	.736
2	Perceived increased in service quality	04	.900
3	Perceived reduction in employment	03	.416

Thus Cronbach’s alpha value for perceived reduction in profit and Perceived increased in service quality is .736 and .900 respectively so the internal consistency for the data for these variables good and for perceived reduction in employment Cronbach’s alpha value is .416 so here consistency of the data is weak.

Table VII. Descriptive Statistics of variables of unorganised retailers.

	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
TH	70	3.63	2.329	5.425	.338	.287	-1.655	.566
PR1	70	3.91	2.212	4.891	.277	.287	-1.718	.566
PR2	70	4.16	2.313	5.352	-.088	.287	-1.736	.566
PR3	70	3.56	2.237	5.004	.586	.287	-1.288	.566
PC1	70	3.76	2.136	4.563	.272	.287	-1.407	.566
PC2	70	3.60	2.156	4.649	.377	.287	-1.400	.566
SQ1	70	2.93	1.739	3.024	.896	.287	-.222	.566
SQ2	70	3.20	1.799	3.235	.814	.287	-.448	.566
SQ3	70	4.39	1.825	3.330	-.202	.289	-1.123	.570
SQ4	70	3.11	1.885	3.552	.833	.287	-.524	.566
EP1	70	4.97	1.524	2.323	-.412	.289	-.701	.570
EP2	70	3.41	2.130	4.536	.567	.287	-1.168	.566
EP3	70	2.32	1.578	2.491	1.462	.291	1.831	.574
Valid N (listwise)	70							

Table VIII. Mean, Std. Deviation and Variance of major variables related to impact of organised retail on unorganised retailer.

	Mean	Std. Deviation	Variance
	Statistic	Statistic	Statistic
PR	3.8762	1.82413	3.327

PC	3.6786	2.08521	4.348
SQ	3.4071	1.58696	2.518
EP	3.5619	1.19384	1.425
TH	3.63	2.329	5.425
Valid N (listwise)			

Regression analysis was performed, threat was taken as dependent variable and Perceived reduction in profit, perceived competitive prices, Perceived increased in service quality and Perceived reduction in employment were taken as independent variable to study the impact .The result shows that all the hypothesis were found to significant which means that threat of unorganised retailers related to Perceived reduction in profit, perceived competitive prices, Perceived increased in service quality and Perceived reduction in employment were proved correct and have negatively affected by the growth of organised retailers.

Table IX. Coefficients of variables on the impact of organised retail on unorganised retailer.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.909	.683		2.796	.007
	PR	.502	.188	.393	2.673	.009
	PC	.903	.192	.809	4.717	.000
	SQ	-.547	.240	-.373	-2.275	.026
	EP	-.473	.234	-.242	-2.021	.047
a. Dependent Variable: TH						

Table X. Result of hypothesis testing related to the impact of organised retail on unorganised retailer.

Hypothesis	Sig.	Result
H ₀₁ : Perceived threat of organized retailer is positively related to Perceived reduction in profit.	.009	Accepted
H ₀₂ : Perceived threat of organized retailer is positively related to Perceived competitive prices between organized and unorganized retail.	.020	Accepted
H ₀₃ : Perceived threat of organized retailer is positively related to perceived increased in service quality expectation of consumer.	.026	Accepted
H ₀₄ : Perceived threat of organized retailer is positively related to perceived reduction in employment of unorganized retailers.	.047	Accepted

4. FINDINGS

Unorganized Retailers

Unorganised retailers mainly small neighborhood stores are found to have negative impact of growing organised retail stores. Customers have started moving to more modern organised retail stores. As a result unorganized retailers are preparing for a competitive response through improved marketing and technological practices in the market. The broader understanding from the research showed that there is sufficient space in the market for both the form of retail sustainability and growth.

- This study clearly shows that unorganized retailers located near organized retailers have been adversely affected in terms of their volume of business and profit.
- The unorganized retailers believe that the unfair competition from organized retailers lead to competitive prices in retail business and thus reduces their margins.
- It is also found in the research that organized retailers also provide more discounts and offers due to economies of scale which is a reason of worry for unorganized retailers.
- Organized retailers has increased the service quality expectations of the customers, to meet the enhanced expectations of the customers small retailers have to make more investment into the business and also increase their operational cost.
- Organized retailers provide more variety and branded merchandise to consumers which is again a reason of concern for small retailers in unorganized retail sectors.
- Organized retailers also provide home delivery of their goods to customers which is difficult for unorganized retailers with small investment.
- The study results that retail business is becoming more difficult for small entrepreneurs because it requires more capital to start the shop, current operational

expenses is increased as customer preferences is changing with the advent of organized retail stores.

- There is no shutdown of small shops by the direct negative impact of organized retail stores concluded in the study.
- Small kirana shops in the neighborhood were mainly effected by decline in sales and profit and reported a continuous loss due to growing organized retail stores.
- Unorganized retail has maintained employment levels because of competitive response by be modernizing their store, started using technology and improved services for the customer but the threat is strongly perceived about their employment.
- Unorganized retailers have significant competitive strengths that include consumer goodwill, credit sales, amenability to bargaining, ability to sell loose items, convenient timings also indicated in the study.

5. CONCLUSION

The study suggest that small unorganised retailers in the nearby area of organised retail Store are suffering from switching of their customers to organised retail formats but it is also observed that large traditional kirana stores are not that much effected by growth in organised retail. They have their own customer base and more importantly they are giving tight competition to organised retailer in the retail market. They are prepared with advanced marketing strategies and business practices and innovated their store formats. The gaining edge for unorganised retailers seems to be better location, their personal relation with individual customer, credit facilities that they provide and along with there are additional services which for organized retailers, it is difficult to match with. They are modernizing their stores gradually, started using technology in their retail operations like credit and debit card machines, better inventory management practices, better variety and brands for customers. Assessing the need of the customers they also started on maintaining quality of goods in the store. They also focus on service quality for customers esp. after sales services.

So the new picture of the retail market is gradually evolving where instead of having competition both organised and unorganised retail can work together with mutual coordination and cooperation. Market is large and diversified where both have their own different segment with which they can flourish their business. Highly educated and premium customers who are ready to spend good amount of money on quality and brand can go to new modern organised retailers. There is also vast segment which comprises more than half percentage of the total retail market who is price sensitive and perceive traditional market is more beneficial for them will always prefer to shop from these traditional market. They believe that this format will serve with low price keeping and optimizing their operational cost. So now is the time to see both as supplementary and complimentary to each other rather consider as rivals of the business.

6. SUGGESTIONS

This research will help to see organised and unorganised retail policy makers and society as a whole should develop broader understanding on retail with new perspective

where both can survive successfully by better coordination and cooperation. Policy makers need to help both sectors of retail to plan strategies of mutual cooperation in the business. The debate of competition should end here and look forward in new dimensions of opportunities where both can work together for mutual benefit. Employment of small displaced retailers and in general is needed to be taken more seriously in the whole process. It is highly needed to work on more and more opportunity for their employment.

- This research helps in understanding the interest of various stake holders related to organized retailers and form opinion while taking decision related to policy formations by government and others related bodies and society at large.
- This research will help various unorganized retailers for preparing and strengthening their business and be more competitive.
- Modernization of conventional retail shops through building partnership with modern retailers.
- Facilitate more and more cash-and-carry outlets, like Metro, for sale to unorganized retail and procurement from farmers, as in China..
- Ensure better credit availability to unorganized retailers from banks and microcredit institutions through innovative marketing solutions.
- Along with modernizing the store, the behavior of the shopkeepers helps a lot in retaining the consumers. Now the customer should be given at most attention and their satisfaction must be the top priority.
- Proper feedback mechanism should be developed for continuous up gradation of the business.
- Organized retailer should address the concerns of the unorganized retailers. Environment of cooperation should be built instead of competition because there is sufficient space in the market for both the type of retail.

7. SCOPE OF THE FURTHER RESEARCH

While this research will provide greater understanding of the impact of organized retailer on unorganized retailer based specially focused on grocery retail, further research is encouraged to various other segments of the industry like apparel ,electronics etc. This research is based on the market of Indore region of Madhya Pradesh, further the study can be done on other cities and geographic locations of the country. Impact of organized retail on supply chain can be deeply analyzed in further research. The other major evolution in retail industry in present scenario is online retailing, so further research has to be done as to how the change is going to affect overall retail market. Then there is different segments in online retailing which can be studied and how these changes in marketplace is effecting different stakeholders of the industry particularly the customer.

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