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**AN EMPIRICAL ANALYSIS & IMPACT OF ORGANISED RETAIL IN WESTERN U.P**

The retail sector in Asia is undergoing a significant transformation as organized retail develops in tandem with e-commerce.

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**ABSTRACT**

The country's vast geographic, cultural, and economic diversity has inadvertently facilitated traditional retail over centuries because of a strong need and preference for customized and personalized shopping requirements. Unlike some of the more developed nations, the socio-economic profile of consumers in India changes every 50-100 km leading to highly differentiated buying patterns, demand for products, price sensitivity, and responsiveness to promotion tools. As a result, changing the merchandise mix to meet local demand, standardizing and organizing retail operations across the country has its own set of challenges. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space. Indian Retail Industry has immense potential as India has the second largest population with affluent middle class, rapid urbanisation and solid growth of internet. India's retail market is expected to grow at a Compound Annual Growth Rate (CAGR) of 10 per cent to US\$ 1.6 trillion by 2026 from US\$ 641 billion in 2016. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent#. Indian retail market is divided into "Organised Retail Market" which is valued at \$60 billion which is only 9 per cent of the total sector and "Unorganised Retail Market constitutes the rest 91 per cent of the sector. India has replaced China as the most promising markets for retail expansion, supported by expanding economy, coupled with booming consumption rates, urbanizing population and growing middle class.

**Introduction:**

Retailing means selling of merchandise directly to the consumer. Retailing began several thousand years ago with peddlers hawking their wares at the earliest marketplaces. It is extremely competitive, and the failure rate of retail establishments is relatively high. Price is the most important arena of competition, but other factors include convenience of location, selection and display of merchandise, attractiveness of the establishment, and reputation. The diversity of retailing is evident in the many forms it now takes, including Vending Machines, door-to-door and telephone sales, Direct-Mail marketing, the Internet, discount houses, specialty stores, Department Stores, supermarkets, and consumer cooperatives.

Retail comes from the Old French word *tailer* (compare modern French *retailer*), which means "to cut off, clip, pare, divide" in terms of tailoring (1365). It was first recorded as a noun with the meaning of a "sale in small quantities" in 1433 (from the Middle French *retail*, "piece cut off, shred, scrap, paring"). Like in French, the word *retail* in both Dutch and German (*detailhandel* and *Einzelhandel*, respectively) also refers to the sale of small quantities of items.

Retailing is the largest private industry in India and second largest employer after agriculture. The sector contributes to around 10 per cent of GDP and 6-7 per cent of employment. With over 15 million retail outlets, India has the highest retail outlet density in the world. This sector witnessed significant development in the past 10 years – from small unorganized family-owned retail formats to organized retailing. Liberalization of the economy, rise in per capita income and growing consumerism have encourage larger business houses and manufactures to set up retail formats; real estate companies and venture capitalist are investing in retail infrastructure. Many foreign retailers have also entered the market through different routes such as wholesale cash-and-carry, local manufacturing, franchising, test marketing, etc. With the growth in organized retailing, unorganized retailers are fast changing their business models and implementing new technologies and modern accounting practices to face competition

The retailing sector in India has undergone significant transformation in the past 10 years. Traditionally, Indian retail sector has been characterized by the presence of a large number of small-unorganized retailers. However, in the past decade there has been development of organized retailing, which has encouraged large private sector player to invest in this sector. Many foreign players have also entered India through different routes such as test marketing, franchising, wholesale cash-and-carry operation. With high GDP growth, increased consumerism and liberalization of the manufacturing sector, India is being portrayed as an attractive destination for foreign direct investment (FDI) in retailing. However, at present this is one of the few sectors, which is closed to FDI. Within the country, there has been significant protest from trading associations and other stakeholders against allowing FDI in retailing In India, the retail sector is the 2nd largest employer after agriculture. In fact due to wide network of retailing in India it is known as nation of shopkeepers. There are about 12 millions retail outlet spread across India and the country has the highest density of shops in the world i.e. one shop for every 20 to 25 families or 11 retail shop for every 1000 persons. While it is only four shops per 1000 in USA. Retailing in India provides employment to about 7% of total work force in the country and contributes about 14% to GDP of India. However the retailing sector in India is highly fragmented and consists predominantly of small, independent and owner managed shop. The Global Retail Development Index developed by A.T Kearney has ranked India first among the top 30 emerging markets in the world.

This paper is focusing on the impact of organized retail in western U.P.

**Research Methodology:**

**Sampling Used:**

The present research aims at describing the responses of the customers of ten cities of western UP on the basis of a close ended questionnaire.

**Sample Area**

This survey was conducted in Western Uttar Pradesh. As per my convenience I have selected 10 cities of Uttar Pradesh which would further be divided into suburban and urban category. From each cities sample size is taken 100.

**Field of Study**

The part of Western Uttar Pradesh was taken as the field of study. Ten districts of Western Uttar Pradesh are covered in the urban and sub urban areas for collecting primary data.

**Sample Size**

1000 consumers from 10 different cities of Western Uttar Pradesh are taken as sample of respondents for collecting the primary data for the research.

**Sampling Plan**

Two stage sampling is used for collecting data from the respondents. In the first stage ten cities of Western Uttar Pradesh are selected on the basis of convenience sampling. In the second stage hundred samples from each city are selected on the basis of stratified random sampling. The details are mentioned herein below:

Table 3.1: Details of Field of Research S. No	Name of Cities	Sample size
1	Gautam Budh Nagar	100
2	Ghaziabad	100
3	Hapur	100
4	Moradabad	100
5	Rampur	100
6	Meerut	100
7	Muzaffarnagar	100
8	Bijnor	100
9	Saharanpur	100
10	Bulandshahar	100
<b>TOTAL SAMPLE SIZE</b>		<b>1000</b>

**Testing Tools:**

Simple mean is used to find out customers perceptions.

**Objectives:**

- Study of organized retail in western UP
- The impact of organized retail in western UP

**Hypothesis: There is no impact of organized retail in western U.P.**

**Table 1: Mean scores regarding Preference of customers regarding prospects of organized retail**

S. No.	Prospects of organized retail in India	Mean Score
1	Employment generation	4.52
2	Increase in Foreign Direct Investment	4.13
3	Growth of real-estate	3.90
4	Increase in disposable income	4.28
5	Development of retail ancillary market	4.08
6	Growing awareness of consumer	4.64
7	Infrastructure development	4.07
8	Transformation in lifestyle	4.57
9	Beneficial for farmers	3.15

**Analysis & Interpretation:**

The respondents gave their preferences towards the prospects of organised retail. The above table shows the mean scores of preferences of customers. It is clear from the above table that the prospects of organised retail in India particularly in western UP are very encouraging. The respondents are highly positive towards employment generation, increase in FDI increase in disposable income, growing awareness of consumers, etc. the mean scores are above 3 which shows the positive impact of organised retail in India especially in western UP. There are various organised retail stores running in western UP such as Globus, V Mart, Vishal Megamart, Lasa Mart, Sahara Q Shop, Reliance Fresh etc. Majority of the respondents visit these stores frequently. It may be inferred that the prime reason for a paradigm shift in the shopping attitude of the Indian consumer is the change in their preferences and tastes. Due to the increasing use of IT and telecom, Indian consumers have become aware of brands and shops for lifestyle and value brands according to the need and occasion. Consumers will continue to drive the growth in the organized retail by expanding the market and compelling retailers to widen their offerings in terms of brands and in terms of variety. Thus, null hypothesis is rejected; we can conclude that there is a great impact of organised retail in western UP.

**Findings:**

The organised retail stores have good overall range and quality of products, there is a availability of new arrival in these stores, the display in these stores is attractive. But the customers do not find these things in unorganised retail stores such as kirana shops. Organised retail stores allow customers to browse at own pace which is not available in unorganised retail stores.

Organised retail stores have lot of space for the customers to move and see the products. Unorganised retail stores do not have enough space for customers' movement.

The organised retail stores have comfort of air conditioners in stores, offers every day low price, declares promotional offers, festive schemes are available to customers, good parking facility is available, and different modes of payment are available to customers such as cash, debit/credit cards etc. But the customers do not find these things in unorganised retail stores such as kirana shops.

The unorganised retail stores are located near the houses so it can be reached within no time, also they give facility of home delivery of items and billing is done in no time. But the customers do not find these things in organised retail stores because they are located at few places in the cities, home delivery facility is not available and due to heavy rush speed of billing is very slow.

Both organised as well as unorganised retail stores are good enough to give accurate bill to their customers.

Customers going to organised retail stores are not satisfied regarding the settlement of their complaints as compared to unorganised retail stores. Unorganised retail stores have personal touch with their customers so they handle their complaints immediately on the other hand it takes lot of time to register the complaint in organised retail stores.

Both organised as well as unorganised retail stores are offer value added services to their customers from time to time.

### **Conclusion:**

Irrespective of age, gender, income, occupation and education, customers are experiencing shopping in organised retail stores for purchasing essential as well as luxurious products.

In majority of the products customers prefer to go for organised retail stores as they get variety of choices which are absent in unorganised stores. Customers prefer purchasing of cosmetics, garments & apparels, gift items, furnishings and furniture, kitchen appliances, footwear, and jewellery and watches, etc. from organised retail stores. However, few items are preferred to be purchased from unorganised retail stores such as pharmacy, food items, grocery items, fruits, vegetables, health and fitness. Few products are preferred to be purchased from organised stores and few from unorganised stores.

Respondents have visited and shopped from various organised retail stores as mentioned in the above table. Few stores are not available in few cities of western UP such as Big Bazaar, Spenser, Shopper's Stop, etc. But many stores are available for the customers to have a great shopping experience. Trend is changing by the passage of time and customers prefer to go to organised retail stores which are evident from the above data. Many customers visit more than one store to have a good shopping experience.

The prospects of organised retail in India particularly in western UP are very encouraging. The respondents are highly optimistic towards employment generation, increase in FDI increase in disposable income, growing awareness of consumers, etc. along with other impacts and prospects.

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