

Exploring The Trends of Retail Formats In India: A Study of Hypermarkets In Bangalore City

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INTRODUCTION

Indian organized retailing is under transition today, bringing a lot of changes in the formats of retailing. The shoppers enjoy the privilege of shopping the good and services required by them in a variety of formats. Recently, Bangalore is witnessing this change and the shoppers at Bangalore are exposed to various formats of shopping ranging from local Kirana's shop, convenience stores, supermarkets and hypermarkets. The major retailers of India are opening up their hypermarkets in the city. In this context, studies on customer preferences and experiences will be of use to the retailers in shaping their retail outlets and offering services.

RETAIL FORMATS IN INDIA

India is a vast country with a very large geographic area of 2,973,190 sq km measuring 3,214 km from north to south and 2,933 km from east to west. It shares land boundaries worth 15,200 km and the coastline is 7516.5 km long. In the 21st century, India is witnessing demographic changes. There is emergence of a large young working population with a median age of 24 and there is increase in the number of nuclear families. This change is coupled with increase in urbanization and share of working women population.

The growth in population and changes in consumption styles have given way to growth in retailing. The Indian retail sector would touch US \$365 billion in 2008 compared to US \$300 billion in the earlier year. The country's retail industry is expected to touch US \$440 billion landmark by 2010 with a year-on-year growth of 30-35 per cent says the study by the Associated Chambers of Commerce and Industry of India (ASSOCHAM).

The growth in retailing has impact on formats too. While the traditional models of retailing-street-end pan shop, kirana shop, fancy stores, and department stores continue, the new formats like supermarkets, malls, hypermarkets and specialty stores are running parallel.

CONVENIENCE STORE

As the name suggests, these are the shops which provide the highest level of convenience to the customers especially in terms of food and other essential items. They offer a limited assortment and variety of merchandise, usually charge higher price than the supermarkets. Normally it remains open for long hours and shoppers use it for buying fill-in merchandise and emergency purchases. In India, Convenience stores occupied 23 thousand sq. meter of retail space with sales of about Rs. 1347 million in 2005 and are expected to occupy 85 thousand square meter of selling space by 2010. (Exhibit 1)

Exhibit 1 : Convenience Stores: Value Sales, Outlets and Selling Space, 2001-2005						
	2001	2002		2003	2004	2005
Value sales Rs. million	15	68	225	431	998	1,347.30
Outlets	5	28	99	249	370	510
Selling Space 000 sq. m	1	2	5	9	16	23

Source: Euromonitor Report on Indian Retail, 2006

SPECIALTY STORES

They are limited line stores and offer a much different range of services than Convenience stores. They specialize in a particular line of merchandise in which they have a large variety both in terms of width and depth of their

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respective product. They offer the customer a better selection and sales expertise in that category than would be provided by department or discount stores.

DEPARTMENTAL STORES

A department store offers an extensive assortment of goods and services that are organized into separate departments for the purpose of efficient buying, assortment, promotion and above all, ease of shopping for the

Exhibit 2: Departmental stores in Indian cities								
Location	Westside	Pantaloon	Lifestyle	Ebony	Shoppers Stop	Globus	Pyramid	Total
Ahmedabad	1	2				1	1	5
Amritsar				1				1
Bangalore	3	1	1		2	2		9
Baroda	1	1						2
Chandigarh				1				1
Chennai	1	1	2		1	2		7
Delhi	3	3	1	1	1	1		10
Faridabad				1				1
Ghaziabad	1				1	2		4
Gurgaon	1	1	1		1			4
Hyderabad	1	1	1		1			4
Indore	1	1				1		3
Jaipur	1							1
Jalandhar				1	1			2
Kanpur		1				1		2
Kolkata	2	2			2			6
Lucknow		1						1
Ludhiana				1				1
Mangalore		1						1
Mumbai	4	4	3		7	2	1	21
Nagpur	1						1	2
Noida	1			1				2
Rajkot		1						1
Pune	1	1			2		1	5
Thane						1		1
Secunderabad		1						1
Total	23	22	9	7	19	13	4	98

Source: Adapted from Kar,S.K. &Sarkar,A.(2006), An Analysis of Changing Dynamics of Indian Retailing, ICFAI Journal of Services Marketing, The ICFAI University Press, Vol. IV, No.3, pp.69-79.

consumer. Such a format provides the greatest selection of any general merchandize and very often serves as the anchor store in a shopping mall or shopping centre. In India, the number of department stores is less as compared to other retail formats such as supermarkets and discount stores. Shoppers Stop is the first one to open a department store in the early 1990s and currently operates 19 stores in 10 different cities in India (Exhibit -2). The main focus is on lifestyle retailing and is divided into five departments such as apparel, accessories, home décor, gift ideas and other services.

SUPERMARKETS

The supermarkets largely concentrate on selling food related products and are considerably smaller in size as compared to hypermarkets. The supermarkets offer relatively less assortments but focus on specific product

Exhibit 3: Supermarkets in Indian Cities							
City/Metro	Food Bazaar	Foodworld	Adani	Haiko	SPAR	Foodland	Total
Agra	1						1
Ahmedabad	4		27				31
Ambala							1
Anand			1				1
Bangalore	9	28					37
Baroda			10				10
Bhubaneswar	2						2
Chennai		27					27
Coimbatore		3					3
Delhi	3						3
Durgapur	1						1
Erode		1					1
Gandhinagar			1				1
Ghaziabad	3						3
Gurgaon	1						1
Hyderabad	2	15					17
Indore	1						1
Kodai		1					1
Kolkata	6						6
Lucknow	1						1
Mangalore	1						1
Mumbai	6			1	2	6	15
Mundra			1				1
Nadiad			1				1
Nagpur	1						1
Nasik	1						1
Navsari			1				1
Pondicherry		1					1
Pune	2	7					9
Rajkot	1		2				3
Salem		1					1
Sangli	1						1
Secunderabad		4					4
Surat	1		3				4
Thane	2						2
Trivandrum		1					1
Vellore		1					1
Vizag	1						1
Total	52	90	47	1	2	6	198
Source: Adopted from Piyush Kumar Sinha, Sanjay Kumar Kar W.P. No.2007-03-04 March 2007 "An Insight into the Growth of New Retail Formats in India"							

categories. In India, Food World, Food Bazaar, Nilgiris (30 plus stores), and Adani are the leading super market operators (Exhibit 3).

Exhibit 4: Discounters Forecasts: Value Sales, Outlets and Selling Space 2006-2010						
	2006	2007	2008		2009	2010
Value sales Rs. million	6,479.90	7,063.10	7,627.80	8,314.30	9,145.70	10,151.80
Outlets	380	410	440	470	510	555
Selling Space '000 Sq. m	58	63	68	73	78	84.8
Source: Euromonitor Report on Indian Retail, 2006						

DISCOUNT STORES

A discount store offers a wide variety of merchandise. However, the quality and price range of the product is a little different with limited service but with discounted prices. They mainly focus on the lower and middle income consumers unlike the departmental stores which cater mostly to the higher income group. Wal-Mart, the largest

Exhibit 5: Malls in Indian Cities		
City	Number of malls	Gross leasable area (m.sf)
Delhi	96	23.5
Mumbai	55	16.2
Bangalore	14	8.0
Chennai	6	2.5
Kolkata	10	3.2
Hyderabad	12	4.2
Pune	19	5.6
Ahmedabad	7	2.7
Source: Deutsche Bank, Research May 8, 2008. Trent Ltd		

retailer in the world is a discounter. According to Euromonitor (2006) report, in India there are 410 discount stores with 63 thousand sq. meter selling space and by 2010, that figure is going to be 555 discount retail outlets with 85 thousand sq. meter of selling space (Exhibit 4). Subhiksha, the Chennai based discount retail chain is going national and it is leading discount stores in the country.

MALLS

Shopping malls are not retail stores in the true sense of the term. In a mall, a large number of stores are located. The varieties of retailers that are located within them are usually quite different from each other. For example, a shopping mall may have a McDonald's outlet as well as popular departmental store as its anchor store. With almost no malls in India in 1998; today we have around 220 malls in our country and there are going to be 600 malls by 2010 (Exhibit 5).

HYPERMARKETS

Hypermarkets not only offer consumers the largest merchandise mix, product and brand choices under one roof, but also create value for money. Their product offering ranges from fresh produce and FMCG products to electronics, value apparels, house ware etc.; the numbers of players operating the hypermarket format are increasing day by day. One of the leading players in this format is Pantaloon Retail India Limited which operates 32 Big Bazaars in twenty cities. In early 2006, the K. Raheja Corp (C.L. Raheja Group) introduced its value retail concept – Hypercity, which is the country's largest hypermarket at 118000 sq ft. Reliance too is operating its own hypermarket in Ahmedabad under the caption 'Reliance Mart' from December 2006 in 1.5 lakh sq ft of space. Currently, there are around 40 hypermarkets in India.

BRANDED STORES

These are the stores which deal with a single brand merchandise. These formats are very commonly seen in Apparels' retailing. They satisfy customers who are more brand conscious and loyal to their own brands. For example, Raymond, a nation wide retail chain has 260 Raymond shops dealing in fabrics, apparels and accessories. Liberty in footwear is one of the leading branded stores of the county. Reebok in sport shoes is also one of the leading branded stores in India.

CATEGORY KILLER

The category killer concept originated in the U.S. is a kind of discount specialty store that offers less variety but deep assortment of merchandise. By offering a deep assortment in a category at comparative low prices, category specialists can “kill” that specific category of merchandise for other retailers. This format utilizes the self-service approach. They use their buying power to negotiate low prices, excellent terms and assured supply when items are scarce. In India, these kinds of retail stores are not prevalent at this point of time. But there is scope for such kind of format. In India, Mega-Mart is one sort of category killer which sells apparel products.

E- TAILING

It is selling of retail goods on the Internet. It is the short form for “electronic retailing”. E-Tailing is considered as the fastest growing sector of the retail industry. In 2000, the share of E-Tailing was just 0.3% of the total retail business in India. This has given an immense opportunity for most of the retailers to enter into this field. The study of McKinsey and Confederation of Indian Industry (CII) points out that the growing consumer base and the development of e-Commerce infrastructure is indicating a trend in favor of e-tailing. The internet users in India estimated to be four million are young and well- educated. (With the highest monthly income of Rs. 15,000 for the top cities). In India, the internet retailing is growing by 29% CAGR. The Euro monitor report also predicts that the contribution of internet retailing to non-store retailing is likely to be 46 per cent by 2010. Pantaloon India Pvt. Ltd is operating through Future bazaar in e-tailing segment along with Fab mall and others.

GROWTH OF HYPERMARKETS

The concept was pioneered by the Fred Meyer chain, which opened the first hypermarket in 1931 in Portland, Oregon. Fred Meyer is now part of the largest grocery store chain in the US, Kroger. The world’s largest chain of hypermarkets today is Wal-Mart under the brand name Texas, which is a 220,000 square foot hypermarket followed by Carrefour of France. The first hypermarket in the UK was opened by Tesco in 1976. They originated in France and Germany during 1960s and were soon adopted in the US and other countries.

It could be called a superstore that combines a supermarket and a department and displays an enormous range of products under one roof. Hypermarkets are extremely large self-service retail outlets. They usually have a very large operational area and their size could vary from 150,000 square feet up to 300,000 square feet and they stock over 50,000 different items. They are unique in size and are highly volume driven with very low margins and prices. They offer general merchandise assortment stacked in 10 to 15 feet high racks and hundreds of wire containers. The idea behind the concept of a hypermarket is to provide a customer with all of his or her routine weekly or monthly shopping needs in one trip. In India, the first hypermarket was opened by Pantaloon Retail India Limited which operates 32 Big Bazaars in twenty cities.

RETAIL BOOM AT BANGALORE

Bangalore city is situated at a height of over 3000 feet above sea level with a total geographic area of 2190 sq kms, with numerous lakes and lush green cover. Bangalore is the third largest city in India. It has the second-highest literacy rate among the country’s metropolitan cities, next to Mumbai with a literacy rate of 83.91%. It has also become India’s technology capital and is home to many software and telecommunication companies and became the ‘**Silicon Valley of India**’. The population of Bangalore is 6.8 million persons with a sex ratio of 964:1000 (Females: Males), and the per capita income is Rs. 28,305. It is unique in every respect. The city of future; Bangalore symbolizes India’s transition from a developing nation to the hub of **Information Technology**.

Today, the city is growing as a **hub for Organized Retailers** and becoming the retail city by accommodating the leading retailers of India in its destiny. Apart from the traditional kirana stores, the other existing chain stores and big retailers include: Nilgiris, Subhiksha, MTR, Food World, M. K. Ahmed stores, Shoppers Stop, Lifestyle, Archies Gallery, Globus, Music World, Sony World, VLCC, Apollo Pharmacy and many more. Apart from this, the city is experiencing a new format of retailing in terms of Hypermarkets and Malls. Many hypermarkets are coming up at Bangalore. The leading hyper markets in the city are: Pantaloon’s Big Bazaar, Jubilant Group TOTAL, Tata’s STAR, and Spar etc. Along with this, the corporates like Reliance have opened its retail outlets like Reliance jewels, Reliance fresh, Reliance electronics etc. Aditya Birla group of companies have also opened their retail outlet- MORE in the city.

According to Bikash Kumar, Head, Integrated Retail Management Consulting, the city can accommodate another 50-60 retail units of 30,000 – 40,000 sq.ft. He said “Shanghai, with a 15 million population, has 120 super and hyper markets, Bangalore with 8 million can easily have more than half of that”. Two years ago, Bangalore had Big Bazaar, Globus, Lifestyle, Westside and some other outlets accounting for 6 lakh sq ft of retail space. Since then, the 3.5-lakh sq. ft Forum Mall, including an 11-screen PVR multiplex, and the 2.3-lakh sq. ft Garuda Mall have also come up. In Bangalore, unlike in other cities, the retailers also have the advantage of acquiring space here at low rentals — between Rs 60 and Rs 90 per sq ft. Bangalore looks set to have the largest number of Big Bazaars in the country.

“Bangalore means big money for us as the middle-class population is not only huge but prepared to spend money” says Vishnu Prasad, Pantaloon’s retail head for south. Both the Big Bazaars in the city have total sales of around Rs 150 crore, while the Bangalore Central Mall, another Pantaloon retail store catering to the higher income group, mops up an annual sale of Rs 100 crore.

Pantaloon’s strategy at Bangalore is to identify itself with city; to achieve this, ‘Bangalore Hebbar’, the city’s showcase for culture, is now fully sponsored by them in place of the government.

The reason for the retail boom is the city’s growing affluence. In the last 10 years, Bangalore’s population has increased around 30 per cent; it is ranked as the seventh most affluent city in India. It is estimated that over one-third of the households in Bangalore have an annual expenditure between Rs 50,000 and Rs 1 lakh, while 40 per cent of the city’s population has annual income ranging between Rs 70,000 and Rs 1.4 lakh.

The retail boom in Bangalore is not only seen in big retailers in every nook and corner as smaller shops which were struggling for survival have started expanding and one can see at least three-four supermarkets in almost every locality. “Very few *kirana* shops have closed down. They have, in fact, morphed into bigger stores or mini supermarkets” Bikash Kumar Said.

LEADING HYPERMARKETS OF BANGALORE

In Bangalore, at least five hyper markets have made a mark. A brief outline of the markets is given below:

1. Big Bazaar is a chain of hypermarkets in India which currently has 75 outlets. It is owned by Pantaloon India Retail Ltd, Future Group. It works on the same economy model as Wal-Mart and has considerable success in many Indian cities and small towns. The idea was pioneered by entrepreneur Kishor Biyani, the CEO of Future Group. Currently, Big Bazaar stores are located only in India. It is the biggest and the fastest growing chain of Hypermarkets and aims at opening 350 stores by the end of the year 2010. It is having ten outlets in Bangalore.

2. Vishal Mega Mart: It was started as a one store enterprise in 1986 in Kolkata. Today, it is having 82 showrooms in 58 cities. India’s first hyper-market has also been opened for the Indian consumer by Vishal, situated in the national capital Delhi. This store boasts of the single largest collection of goods and commodities sold under one roof in India. It has opened its Bangalore outlet two years back located at Hosur road.

3. Star India Bazaar: TRENT Ltd, a Tata Group which owns and operates the Westside chain of department stores have entered Hypermarket format of retailing under the brand name ‘Star India Bazaar’. It was launched in Ahmedabad. It was recently launched in Bangalore near Forum mall at Kormangala, where Big Bazaar started its journey in Bangalore. The Star India Bazaar hypermarket is being targeted at the budget-conscious consumers. The product offerings include staple foods, beverages, health and beauty products, vegetables, fruits, dairy products, household items, garments and consumer electronics. The company has set up 14 stores across nine cities and plans to expand in both existing and new cities.

4. Total Hypermarket: Total Hypermarkets is the retail venture of the Jubilant Group. It was launched in November 2006 and has two outlets in Bangalore, one at Madiwala and another at Mysore Road. The hypermarket offers the best variety and value on products such as Apparel & footwear, Consumer electronics & IT products, Fresh Fruits & Vegetables, Fresh Fish, Meat & Poultry, Staples & Groceries, Baker’s Factory - Fresh Bakery, - Fresh Home Made Food, FMCG - Processed Foods & Non Foods, Furniture, Home furnishings etc. Each TOTAL outlet has a brand mall which offers shoppers a wide variety of brands to choose from. It is planning to increase the number of hypermarkets in Bangalore. To achieve this target, they are converting the well-known retail outlet **Kemp Fort** of Bangalore into their hypermarket.

Table -1: Profile of the Respondents (N= 265)

S.No.	Variable	Categories	Frequency	Percentage
1	Age(years)	Less than 20	13	4.9
		20-30	165	62.27
		31—40	53	20
		41-50	18	6.80
		51 and above	16	6.03
2	Gender	Male	167	63.02
		Female	98	36.98
3	Income (monthly)	Under Rs.10000	34	12.84
		Rs.10,000-20000-	99	37.35
		Rs.20001-30000	70	26.41
		Rs.30001-40000	12	4.52
		Rs.40001-50000	5	1.9
		Rs.50001andabove	12	4.52
4	Educational qualification	Undergraduate	17	6.42
		Graduate	175	66.04
		Post graduate	62	23.4
		Others	11	4.15
5	Occupation	Student	42	15.84
		Salaried employee	102	38.5
		Self Employed	13	4.9
		Homemaker	32	12.07
		Retired	9	3.4
		Others		

5. Spar hypermarket- Spar International, a Netherlands based company has opened their hypermarket with their partner Max Hypermarkets, India, which is a 100% Indian owned company. The first hypermarket was opened at Bangalore on 29th September 2007, with a space of nearly 100,000 square feet. With Max Hypermarkets, the company plans to open seven Spar hypermarkets in India.

Table - 2: Shopping habits of the respondents

Behavior	Response	f	%
Whether regular customer?	Yes	203	76.6
	No	62	23.4
Since how long have you been visiting this retail outlet?	Less than one year	54	20.4
	One year	125	47.1
	Two years	54	20.4
	More than 2 years	32	12.1
How often do you visit?	Once in a week	64	24.2
	Once in a fortnight	120	45.3
	Once in a month	69	26.0
	Can't say	12	4.5

PLAN OF THE STUDY

The present study aims at developing a useful database of customer opinions on hypermarkets. The issues covered in the opinion survey are: awareness of hypermarkets, preferences for a particular outlet, products purchased, mode of payment, satisfaction with these outlets and retail marketing strategies. The opinions were collected from 265 customers of hypermarkets in Bangalore through a questionnaire.

Table - 3: Reasons for preference*(N=265)

Behaviour	Response	F	%
Outlet preferred earlier	Local kirana shop	111	41.9
	Fancy and provision	36	13.6
	Super market	132	50.2
	Departmental stores	36	5.3
Reasons for visiting this outlet	Good Quality of merchandise	133	50.2
	price discount	124	46.8
	Wide variety of goods	87	32.8
	Convenience	79	29.8
	Ambience	42	15.8
	Others	5	1.8

*Multiple responses. Totals do not add up to 100

Table - 4: Awareness about Hypermarkets and No. of Hypermarkets Visited (N=265)

S.No	Hyper market	Aware		Visited	
		f	%	F	%
1	Total	181	68.4	163	61.5
2	Big Bazaar	251	94.7	245	92.5
3	Reliance	59	23.0	41	15.5
4	Spar	88	33.2	65	24.5
5	Vishal mega mart	92	34.7	81	30.6
6	Star	80	30.2	57	21.5

*Multiple responses. Totals do not add up to 100

A good majority of the respondents (as shown in Table -1) are males (63%) in the age group of 20 to 30 years (62%) and are graduates (89%). Most of them are salaried employees (61.8%) and belong to the income groups of Rs. 10,000 – 20,000 per month (37%) and Rs. 20,000 – 30,000 per month (39.2%). The sample mostly represents the middle income salaried group of customers in Bangalore city.

SHOPPING HABITS AND PREFERENCES

Table -2 shows that about 76.6% of the respondents are regular visitors to the hypermarkets. About 80% of them are old customers visiting the stores for more than a year. Are they frequent shoppers? The answer is yes. About 24 % of them visit the stores every week and 45% of them visit every fortnight. Understandably, the preferences of respondents were in favor of super markets (50.2%) and kirana shops (41.9%) when there were limited formats available for them to choose. However, with the changing scenario, the preferences have undergone a change. Now hypermarkets are visited and the predominant reasons for such preferences are: good quality of merchandise (50.2%) and price discounts (46.8%). The other reasons cited by the respondents are: wide variety of goods (32.8%) and convenience (29.8%). Only 15.8% of the respondents have mentioned about ambience. The findings indicate that the respondent customers are price and quality conscious and prefer a format that offers them convenience.

KNOWN HYPERMARKETS

Which of the hypermarkets are known to the respondents? Big Bazaar and Total topped the list. Table -4 shows that there is a gap between awareness and visiting the stores. There is a need to encourage respondents to convert awareness into footfalls by employing suitable promotion measures.

PREFERRED PRODUCTS

For which products hypermarkets are sought? What types of products are being purchased in them? Table -5 shows the responses. Food and groceries constitute the major attraction for the respondents to visit the hypermarkets. For about 50.6% of the respondents, the preferred line of products for purchase is food and groceries. Then there

Table - 5: Products purchased (N=265)

Questions	Response	F	%
Most popular product of this retail outlet	Food & Grocery	134	50.6
	Apparels	63	23.8
	Any other	68	25.6
Most People spend on*	Food & Grocery Items	221	83.4
	Apparels / Clothing	163	61.5
	Kitchenware	77	29.1
	Furniture / home furnishing	45	17.0
	Kids' items- like toys etc.	48	18.1
	Electronic Items	51	19.2
	Foot ware	32	12.1
	Others	57	21.5

*Multiple responses. Totals do not add up to 100

Table - 6: Mode of payment* (N=265)

S.No	Mode	f	%
1	Cash	194	74.1
2	Credit card	76	29.2
3	Debit card	22	7.6
4	Gift voucher	5	1.7
5	Others	1	0.4

*Multiple responses. Totals do not add up to 100

Table - 7: Influencers in buying decisions* (N=265)

S.No	Influencer	f	%
1	Self	212	61.6
2	Spouse	39	11.4
3	Kids	19	5.5
4	Friends	51	14.8
5	Others	23	6.7

*Multiple responses. Totals do not add up to 100

Table - 8: Sources of Awareness of the Retail outlet* (N=265)

S.No	Source	f	%
1	Friends	177	66.8
2	Television	115	43.4
3	Newspapers	65	24.5
4	Others	24	9.1

are other products for the remaining respondents. About 81.1% of the respondents spend large amount for purchase of food and groceries in the hypermarkets. Next preferred products are apparels and kitchenware.

MODE OF PAYMENT

Is there a substantial change in the mode of payment from cash to cards because of hyper markets? The answer is no. Most of the respondents are making cash purchases. About 74.1% buy goods by paying cash and about 36.8% pay through credit or debit cards.

BUYING INFLUENCES

The hypermarkets offer wide range of products. They allow rich browsing experience and induce temptation to buy for emotional decision makers. Who are the major influencers in decision making? Table -7 shows that

Table - 9: Rating of Retail outlet (N=265)

Aspect	Response	f	%
Whether outlet provided what it promised	Yes	149	56.2
	No	27	10.2
	Can't say	89	33.6
Satisfied with the service	Yes	182	66.7
	No	62	23.4
	Can't say	21	7.9
Rating against other outlets	Good	156	58.9
	Average	108	40.8
	Bad	1	0.4
Best format	Hypermarkets	216	81.5
	Supermarkets	24	9.1
	Discounting houses	21	7.9
	Kirana shops	4	1.5

Table - 10: Views on Marketing Strategies (N= 265)

View	Response	f	%
Compared to other outlets, prices are	Same	117	44.0
	Low	124	46.6
	High	25	9.4
Promotion strategies to be used*	Offers	71	26.8
	Price discounts	205	77.4
	Gifts	57	21.5
	Free home delivery	36	13.6
	Others	24	9.6
Is promotion adequate?	Yes	152	57.4
	No	113	42.6

*Multiple responses. Total does not add up to 100

decisions are self- made and not influenced by others in case of 61.6 % of the customers. The remaining maintained that they are influenced by spouse (11.4%) and friends (14.8%). The finding implies that the hypermarkets should direct their advertising directly to the decision makers. Table -8 shows the sources of awareness about the retail outlets. The information reveals that friends constitute the major source of information about new outlets. About 66.8% of the respondents reported this source. Next source is television as reported by 43.4% of the respondents. From this analysis it is obvious that friends should be the target for spreading word of mouth communication about retail outlets as well as for decisions on product purchases.

SATISFACTION WITH OUTLETS

How do the respondents feel about the hypermarket that they are patronizing? Table-9 provides the details. About 56% of the respondents opined that the outlet provided what it promised. About 33.5% are undecided and a meager 10.2% are negatively disposed. In a similar vein, only 66.7% of the respondents are satisfied. This is indicative of the need to improve the offering by the hyper markets. About 58.9% of the respondents rated their retail outlet 'good' and most of the remaining considered it 'average'. This observation also points out to the need to improve their hypermarkets further in satisfying and improving their image among middle income group buyers. An encouraging view of respondents is that the hyper markets are the best format- this view was held by about 81.5% of the respondents.

MARKETING STRATEGIES

For formulating an effective marketing strategy, the suggested guidelines that can be followed are provided in Table -10.

Table - 11: Impact of Hyper markets on other Retail Outlets

View	Response	f	%
Reduced business (N=265)	Yes	195	73.6
	No	43	16.2
	Can' say	27	10.2
If reduced, reasons (N=195)	Concept of hypermarkets	78	40.0
	Good merchandise mix	20	10.3
	Low prices	18	9.2
	All shopping under one roof	72	36.9
	Good quality	7	3.6

(i) So far, the analysis has indicated that customers prefer hypermarkets for a wide variety of products with good quality at reasonable prices. According to 46.6% of the respondents, the prices are low as compared to other retail outlets. About 44% of the respondents opined that they are same as in the other markets. Thus, the price advantage is not seen by many. If price advantage cannot be offered to many, what else can be done? Is it promotion? The promotion tactics include a variety of tools like price discounts (77.4%), offers (26.8%) and gifts (21.5%). About 42.6% of the respondents are of the view that promotion is inadequate. Based on this, hyper markets should realize the need to step up their promotion efforts.

IMPACT ON TRADITIONAL RETAILING

What in the view of respondents is the impact of hypermarkets on traditional retailing? Table -11 indicates that 73.6 % of the respondents are of the view that it reduced the business of traditional *kirana* and provision stores. The reasons are obviously, the attractive concept of hypermarkets (40.0%) and facility of shopping under one roof (36.9%). This view reinforces the need for aggregating goods on a large scale with depth and width to satisfy the need for one stop solution.

OBSERVATIONS AND SUGGESTIONS

The concept of hypermarkets in Bangalore is new and it is raising the hopes of customers for a better shopping experience. Therefore, in the long run, they have to prove themselves by offering the best customer service to the customers. The competitive advantage can be gained only through good customer service.

It is observed that the quality of food & grocery products is well-maintained in most of the hyper markets, but when it comes to apparels or footwear, the quality is not up to the mark. The owners of hyper markets should ensure that the quality of all the products is good.

Price is an important factor. Most of the hypermarkets are giving discounts only on their own brands; they should also give discounts for branded products.

It is observed that most of the hypermarkets in Bangalore are understaffed and available staff is not trained well to deal with the customers. They lack good communication skills and salesman etiquette; hence the owners have to take this matter seriously and should start appointing qualified people with the required skills. Most of the hyper markets are not providing the help desk at the hypermarkets. They can think of putting one in the proper place.

In Bangalore, parking is a major problem. Most of the hyper markets have similar problem and this problem should be solved with collaborated efforts on part of civic body officials and the police department.

Most of the hypermarkets are overcrowded on weekends and the shoppers get tired of standing in the long queues for payments. This problem also needs to be addressed.

The place for children to play and elders to relax should be provided as the hypermarkets are for shopping excitement and family entertainment.

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(Contd. from page 10)

model can work out as a solution. Implementation of these models will result in lesser resistance to modern retail, a retained customer for Kirana, and the customer will get quality products at lower prices.

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